

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

November 5, 2018
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Chelminiak, Deputy Mayor Robinson, and Councilmembers Lee, Nieuwenhuis, Robertson, Stokes, and Zahn

ABSENT: None.

1. Executive Session

The meeting was called to order at 6:03 p.m., with Mayor Chelminiak presiding. There was no Executive Session.

2. Study Session

- (a) Human Services Commission's Recommendations for the 2019-2020 Human Services Fund and 2019 federal CDBG funding from the U.S. Department of Housing and Urban Development (HUD)

City Manager Brad Miyake introduced discussion regarding the Human Services Commission's recommendations for the 2019-2020 Human Services Fund and the 2019 Community Development Block Grant (CDBG) funding from the U.S. Department of Housing and Urban Development (HUD). Final approval of the funding allocations will occur with the adoption of the City's overall budget in December.

Patrick Foran, Director of the Parks and Community Services Department, noted members of the Human Services Commission in the audience: Vice Chair Michelle Kline, Tim Ma, Ann Oxreider, and Ben Piper. Mr. Foran said the Commission's funding recommendations are based on two revenue sources: 1) City's Human Services Fund, and 2) federal CDBG funds. The recommendations were included in the preliminary budget under the outcome area of Quality Neighborhoods, Innovative, Vibrant and Caring Community.

Dee Dee Catalano, Human Services Grant Coordinator, highlighted the City's history of CDBG funding, which has increased steadily over the past several years. Loan repayments from the Major Home Repair Program are considered program income and are included in the City's

CDBG budget. Ms. Catalano said the federal program requires that home repair projects must be located in Bellevue and funds must be spent in a timely manner.

Ms. Catalano said the Human Services Commission's 2019 CDBG recommendations are provided in Attachment C in the meeting packet. Attachment D is the CDBG contingency plan, which outlines how funds will be allocated if the City's 2019 grant is bigger or smaller than anticipated.

For the Human Services Fund, The City received 100 applications from 55 nonprofit agencies with the requests totaling \$5.6 million. The available funding for 2019 is \$3.6 million. Ms. Catalano said the human services budget is determined by a formula that includes inflation and population growth factors. She noted that the Human Services Commission's recommendations are provided in Attachment B in the meeting packet. Attachment E lists the criteria used by the Commission in reviewing the applications.

Judith Mercer, Chair of the Human Services Commission, said the Commission reviewed and discussed the funding requests over a series of seven meetings and held one public hearing. The commissioners also spent many hours reviewing applications on their own time. The Commission used the 2017-2018 Human Services Needs Update as a guide in determining the focus areas for 2019 and 2020: 1) housing with services, especially for individuals experiencing homelessness, 2) support for employment and skills that result in a productive, living wage, 3) services allowing older adults and people with disabilities to remain independent, 4) a continuum of services for children, youth and families, and 5) on-demand treatment for mental illness and substance abuse disorder, including both inpatient and outpatient care.

Chair Mercer said the commissioners value programs that leverage public and private funding. They felt it was important to emphasize prevention by supporting programs that provide emergency financial assistance to prevent homelessness. The Commission placed a particular emphasis on programs involving education and life skills that will lead to independent living, and recommended funding for health care to address the heroin and opioid addiction crisis.

Ms. Mercer said the Commission is aware of the increasing diversity in Bellevue and the need to fund culturally and linguistically appropriate services. The Commission recommends funding for two programs not previously funded: 1) Chinese Information and Service Center's Eastside Russian Senior Program, and 2) the India Association of Western Washington's Cultural Navigator Program. Ms. Mercer said that certain funding requirements, including 501(c)(3) status, having a fiscal sponsor, and other financial criteria can be challenging for emerging organizations. She said the Commission is interested in working with staff to explore ways to assist the smaller and more diverse agencies before the next application cycle.

The recommended 2019 CDBG projects are: 1) Jewish Family Service Immigrant and Refugee Service Centers, 2) LifeWire housing for low-income domestic violence survivors, 3) Sound Generations Minor Home Repair Program, 4) City's Major Home Repair Program, 5) CDBG administration, and 6) CDBG planning. The Commission focused on programs intended to help low- and moderate-income residents remain in their homes, provide housing for survivors of

domestic violence, and provide services for immigrants and refugees. Chair Mercer thanked the Council for its ongoing support of human services.

Deputy Mayor Robinson, liaison to the Human Services Commission, thanked staff and the Commission for their hard work. She commended the use of solid and consistent criteria as well as the emphasis on the prevention of problems, including homelessness, and on children and families. She said the funding recommendations are complementary to the efforts by King County and the State, and they are consistent with the Eastside Human Services Forum's goals.

Councilmember Robertson concurred and noted that the criteria used by the Commission reflect the goals and priorities of the City. She said she is impressed with the level of rigor in the overall application and review process. She thanked the commissioners for their dedication.

Councilmember Lee said he appreciated the work of the Commission and staff, and he is comfortable relying on their process and expertise. He thanked them for focusing on current and emerging needs within the community.

Councilmember Zahn thanked the commissioners for their extensive time commitment. She likes the funding criteria regarding an organization's ability to use and leverage the City's grant funds. She asked whether there are efforts to help smaller organizations achieve a 501(c)(3) status. HSC Chair Mercer said the Commission is interested in exploring that issue more before the next application cycle.

Councilmember Stokes noted that the extensive work of the Human Services Commission is a reminder of the value of the City's Boards and Commissions. In looking at the funding information, he observed that there are a number of organizations in the community doing similar things. He questioned whether the Commission considers the level of collaboration between the organizations. Chair Mercer said they do evaluate organizations based on how they relate to and work with other organizations. She noted that a number of organizations with the same overall mission often target different populations. Councilmember Stokes thanked everyone for their hard work and noted that the demand for services continues to increase.

Responding to Councilmember Nieuwenhuis, Ms. Catalano said there were approximately 100 human services applications the previous funding cycle as well. However, the total dollars requested this year increased by approximately \$1 million over the previous year. Mr. Nieuwenhuis complimented the rigor of the criteria and the process.

In further response to Mr. Nieuwenhuis, Chair Mercer said the funding process does not use the term "return on investment." However, the review of applications includes a strong focus on financial stability and the community impacts of the programs and services that receive funding. Ms. Catalano noted that staff's review of the applications for currently funded programs indicates whether the organization met or exceeded its previous contract goals.

Mayor Chelminiak asked how the City and the Commission ensure that services are delivered in a culturally relevant manner. Alex O'Reilly, Human Services Manager, said City staff provided training in cultural competence over the past two years. The City also works with the Eastside

Refugee and Immigrant Coalition (ERIC), which is interested in providing related training as well. Ms. O'Reilly noted a question on the funding application that asks the agency to describe its internal structures that address institutional racism, including the staffing diversity of the organization. Mayor Chelminiak said it is important to consider who is providing the service and the relevancy to the community's needs.

Responding to Mayor Chelminiak, HSC Chair Mercer said the recommendations provide funding to a number of agencies working to address the heroin and opioid epidemic as well as overall mental health needs. Ms. O'Reilly said a new mandate under state law calls for wholly integrated behavioral health and physical care.

Responding to Mr. Chelminiak regarding services to prevent and address homelessness, Ms. Catalano said the Commission recommends funding the Congregations for the Homeless (CFH) day center with \$80,000 in 2019. The agency received \$46,481 in 2018. While not yet approved by their City Councils, the City of Kirkland is recommended to fund \$25,000 and the City of Redmond's recommendation is \$35,000. Ms. Catalano said the total funding for CFH will allow the day center to be open seven days a week. However, there is not sufficient funding to keep the center open 24 hours per day.

Mayor Chelminiak thanked the Human Services Commission and staff for their work. He likes that Bellevue incorporates inflation and population growth into its funding allocations.

(b) Lincoln Center Feasibility Study

Mayor Chelminiak opened discussion regarding the possibility of operating the Lincoln Center men's homeless shelter on a full-time, year-round basis until a permanent shelter is developed.

City Manager Miyake said staff is seeking direction about whether to move forward with a feasibility analysis of the building improvements that would be needed to keep the shelter open year-round.

Nancy LaCombe, Assistant Director of the City Manager's Office, recalled that on July 23, 2018, Councilmember Robertson forwarded a request to study the feasibility of keeping the Lincoln Shelter open year-round. She said staff is seeking direction to prepare an estimate for consideration to be included in the 2019-2020 budget.

Ms. LaCombe described an aerial view of the site. Sound Transit demolished the north building to use the area for light rail construction and staging. CFH uses the remaining building for offices, a day center, and the seasonal overnight men's homeless shelter.

Matt McFarland, Assistant City Attorney, said Lincoln Center began operating as a seasonal winter shelter in November 2015. To keep the shelter open year-round, the City Manager would need to declare an emergency for a temporary public safety facility as outlined in Land Use Code 20.20.850. The declaration would exempt the shelter from other land use processes. However, the facility would not be exempt from building and fire code requirements. The shelter could be

used for a maximum of three years under the emergency declaration. Mr. McFarland noted that there is a separate, parallel state law that provides a limited exemption from building and fire code requirements (WAC 51-16-030) for up to five years. That law applies specifically to housing indigent individuals and it has been incorporated into the Land Use Code as well. Mr. McFarland said the seasonal shelter has been operating under the exemption since it opened in November 2015.

Mike Brennan, Director of the Development Services Department (DSD), said the building assessment was conducted by an architect hired by the City, with the assistance of Building Division staff and the Fire Marshal. Expanding the shelter's operations to year-round use triggers requirements related to fire sprinkler systems, building fire alarms, and fire barriers. Mr. Brennan said the assessment studied two options: 1) full sprinkler installation on both floors of the portion of the building used by CFH, or 2) enclosing the overnight shelter area with fire-protective materials for ceilings and walls. He said the cost estimates for the options are fairly similar. However, the fire sprinkler option is a lesser risk.

Mr. Brennan said additional work would require structural and asbestos testing, municipal contracting processes, and the preparation of design and construction documents. Construction could begin during the summer of 2020 after the seasonal shelter closes.

Ms. LaCombe said the estimated capital investment ranges from \$1.6 million to \$1.9 million, with \$300,000-315,000 estimated for design, testing, permitting and project management and \$1.3 million to \$1.6 million for construction costs. She noted that additional analysis will refine those estimates. She described two construction options: 1) maintain the seasonal shelter and begin construction of the improvements in the summer of 2020, with the goal of beginning year-round operations in 2021; the seasonal shelter would continue to operate from November 2020 through May 2021, or 2) utilize an alternate location to keep the shelter open continuously from May 2019 forward and to allow for construction before returning to the Lincoln Center site for year-round operations by the end of the summer in 2020.

Ms. LaCombe said staff discussed the operating costs for the interim, year-round shelter with CFH. The estimated annual costs are \$385,000 for the year-round emergency, overnight shelter and \$185,000 for extended day center operations, for a total of \$570,000. Those costs are in addition to the Human Services Commission's recommended allocation.

Ms. LaCombe highlighted the elements of the public engagement plan including public notice to properties within 1,000 feet, website and email notifications, news releases, social media, and coordination between the City, Bellevue Police Department, and CFH. She requested Council direction to continue with the feasibility study, including additional testing and design, for an estimated cost of approximately \$135,000.

Mayor Chelminiak said he would like to move forward with the additional feasibility work. He noted that he would like to find ways to shorten the schedule.

- Councilmember Stokes moved to direct staff to proceed with continued testing and analysis of the potential for an interim year-round shelter at the Lincoln Center site, at an estimated cost of up to \$135,000. Councilmember Robertson seconded the motion.
- The motion carried by a vote of 7-0.

Deputy Mayor Robinson expressed support for a year-round shelter and for providing operating funds. However, she is concerned about the estimated cost of renovating the structure as an interim shelter. She questioned whether there are other potential funding sources. Mr. Brennan said the intent is to keep the required renovations to a minimum. He said staff is exploring available options for public and/or private funds as well. In further response, he said staff would be able to move forward with the renovations to the Lincoln Center site while also continuing to discuss the permanent shelter.

Ms. LaCombe said the City has not received a permit application for the permanent shelter. The timeline from permit application through the permitting process is typically 18 months to two years, followed by construction.

Responding to Councilmember Robertson, Mr. McFarland said state law allows the use of the building as a seasonal shelter because the risk of being homeless and sleeping outside in the winter is higher than the risk of sleeping in a building not specifically designed for a shelter. In further response, Mr. McFarland confirmed that the City's funding of the work would trigger prevailing wage requirements. Ms. Robertson noted that Congregations for the Homeless leases the space. Mr. McFarland said prevailing wage requirements would not apply if there are no public funds involved in the renovations.

Ms. Robertson said she would like the day center/overnight shelter facility to be open year-round, 24 hours per day. Responding to Ms. Robertson, Mr. Miyake said the cost of an alternate location during the summer of 2019 is not included in the preliminary 2019-2020 budget. However, the issue can be addressed during the budget discussions. Councilmember Robertson thanked staff for their responsiveness and encouraged them to explore options for reducing costs and expediting the project.

Councilmember Nieuwenhuis thanked staff for the presentation. Responding to Mr. Nieuwenhuis, Mr. McFarland said that an alternate shelter location during construction at Lincoln Center would be allowed to operate for up to three years.

Responding to Mr. Nieuwenhuis, Ms. LaCombe said there is a \$385,000 gap in operational funding for the emergency shelter and a \$185,000 shortfall in funding for the day center if the facility moves to year-round, 24-hour operations. In further response, Mr. Brennan said it is possible that flooring tile or other materials could have asbestos. However, it is not dangerous as long as it is undisturbed and contained. He said staff prefers the sprinkler option, which is less invasive than building fire walls and barriers. Mr. Brennan confirmed that staff will engage in value engineering and explore ways to reduce the costs of the work.

Councilmember Stokes expressed support for moving forward with additional study and the analysis of options.

Councilmember Zahn questioned whether it would be possible for the City to cover operational costs while CFH covered design and construction costs as a tenant improvement. She said that such an approach could be quicker and less expensive. She suggested discussing the concept with CFH.

Mr. Brennan said his interpretation of the Council's direction is to explore all funding and partnership options. He said they will discuss possible strategies with CFH.

Councilmember Lee said he looks forward to proceeding as quickly as possible.

Mayor Chelminiak noted a Council consensus to move forward with further study. He said it is important to house people safely. However, he does not want the requirements to be overly prescriptive. He noted that, while winter weather poses risks for individuals, there are other risks associated with being homeless throughout the year. He summarized the Council's interest in working with CFH to explore ways to expedite the renovations and to minimize costs.

Mr. Chelminiak said he would like to see an analysis of how quickly an interim site could be renovated and opened. He questioned whether there are ways to expedite the normal permitting and design process. Responding to Mr. Chelminiak, Ms. LaCombe said staff anticipates returning to the Council in February-March 2019 to present more information on the analysis of the Lincoln Center site. The ability to implement a shelter at an alternate site depends on the site, how quickly the City could access the site, and the improvements that would be needed.

Mayor Chelminiak said there are a number of regional efforts working on issues related to homelessness. He said the City of Seattle is changing its approach from the past several years and is considering the use of large tent structures to house individuals with the support of social services.

3. City Manager's Report *[Item 6 on Regular Session Agenda]*

- (a) 2019 National Pollutant Discharge Elimination System (NPDES) Phase II Permit Reissuance Briefing

[Written information provided in meeting packet.]

- (b) 2018 Washington State Governor's Public Employer Award - Supported Employment Program

Joy St. Germain, Human Resources Director, announced that the City received the Washington State Governor's Public Employer Award for its Supported Employment Program. The award recognizes the City's leadership in advancing the employment of individuals with disabilities. The first supported employee was hired in October 2016 and there are now eight employees in a

number of departments. She said the program is a partnership with Puget Sound Personnel. She thanked the Council for its support.

Mayor Chelminiak commended staff for their work, noting that he is proud of the City's efforts and the award.

3. Council Discussion of Upcoming Items: None.

At 7:41 p.m., Mayor Chelminiak declared recess to the Regular Session.

Charmaine Arredondo, CMC
Assistant Director, City Clerk's Office

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