

The Human Services Commission approved these minutes on January 5, 2021

CITY OF BELLEVUE
HUMAN SERVICES COMMISSION
MINUTES

November 17, 2020
6:00 p.m.

Bellevue City Hall
Virtual Meeting

COMMISSIONERS PRESENT: Chairperson Ma, Commissioners Amirfaiz, Jain, Kline, Mansfield, Mercer, Piper

COMMISSIONERS ABSENT: None

STAFF PRESENT: Alex O'Reilly, Dee Dee Catalano, Toni Esparza, Department of Parks and Community Services; Thara Johnson, Janet Lewine, Department of Community Development

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 6:00 p.m. by Chair Ma who presided.

2. ROLL CALL

Upon the call of the roll, all Commissioners were present.

Chair Ma stated that because in-person meetings are prohibited by the Governor's emergency order, the Commission will be holding its meetings remotely for an unknown period of time. As a result, certain provisions in the Commission's bylaws needed to be suspended temporarily, including the provision concerning the ability of Commissioners to participate remotely, and the provision concerning the Commission's process for accepting communication from the public. In order to allow the Commission maximum flexibility to structure its agendas during the time period meetings are held remotely, the provisions in the bylaws related to the order of business also needed to be temporarily suspended.

According to the Commission's bylaws, if a procedure such as rule suspension is not addressed by the bylaws, the Commission may rely on the City Council Rules of Procedure, Resolution 8928. Section 13 of Resolution 8928 allows a City Council procedural rule to be temporarily suspended.

A motion to suspend, until such time as the Human Services Commission is no longer holding its meetings remotely, the provisions of Article V, Section G of the Commission's bylaws concerning remote participation by commissioners, in order to allow all Commissioners to participate fully in this meeting, was made by Commissioner Kline. Absent any objections, Chair Ma declared the motion adopted and the provisions in the bylaws to be suspended.

A motion to suspend for the November 17, 2020, meeting only the provisions in Article VI and Article VII of the Commission's Bylaws concerning oral communications from the public

and to allow for public comment to be provided in writing and read during the Human Services Commission meeting, was made by Commissioner Kline. Absent any objections, Chair Ma declared the motion adopted and the provisions in the bylaws to be suspended.

A motion to suspend until such time as the Human Services Commission is no longer holding its meetings remotely the “Order of Business” provisions in Article VI, Section D of the Commission’s bylaws was made by Commissioner Kline. Absent any objections, Chair Ma declared the motion adopted and the provisions in the bylaws to be suspended.

3. APPROVAL OF MINUTES

A. October 6, 2020

A motion to approve the minutes as submitted was made by Commissioner Mansfield. The motion was seconded by Commissioner Piper and the motion carried unanimously.

B. October 20, 2020

A motion to approve the minutes as submitted was made by Commissioner Piper. The motion was seconded by Chair Ma and the motion carried without dissent; Commissioner Mercer abstained from voting.

4. ORAL AND WRITTEN COMMUNICATIONS – None

5. COMMUNICATIONS FROM CITY COUNCIL, COMMUNITY COUNCIL, BOARDS AND COMMISSIONS – None

6. STAFF AND COMMISSIONER REPORTS

Chair Ma reported that following the presentation to the City Council, interest was expressed in having another funding round. He suggested the Commission should pull together numbers outlining the need so the Council can move forward with allocating additional funding for organizations doing human services work.

Assistant Director of the Department of Parks and Community Services Toni Esparza said an interest was expressed in a couple of different areas. What was clear from all of the Councilmembers was that if additional funds were to become available, they would want to Commission to seek applications from providers. That could include additional dollars from the city in the form of additional stimulus money, or CDBG dollars. Beyond that, the comments from various Councilmembers expressed interest in things beyond just seeking proposals. Councilmember Zahn suggested the Commission should not necessarily seek additional proposals from organizations already funded by the city when seeking proposals. Much would depend on the type of dollars available. The Councilmembers also acknowledged the need to verify non-profit status and some financial documentation. The least flexibility would be associated with CDBG funds. Stimulus dollars come with their own set of timelines and intended uses. General fund dollars offer the most flexibility.

Commissioner Mercer said she heard at the meeting an interest in funding smaller organizations that usually are run by people of color. There were comments made about finding ways to allow those organizations into the funding circle without having to meet all of the reporting requirements. She said the comments harkened back to the Commission’s discussions about setting aside a certain amount of money to deal with smaller organizations that may not yet have non-profit status or which cannot bear the burden of the reporting requirements. Awarding less than \$5000 to such organizations would limit the city’s risk.

Commissioner Kline said she heard the Councilmembers express a strong interest in finding ways to fund the smaller agencies, and that they would be willing to find some level of funding for that purpose, likely during an off-funding cycle. She suggested deferring the discussion to agenda item 7-C. The Commission needs to figure out how to get over the hurdles of dealing with smaller organizations before going to the Council with a number, a process or a plan.

Human Services Manager Alex O'Reilly concurred. She said it would behoove the Commission to wait until more direction is received from the Council related to additional funding. She noted that the Commission had already allocated all funds earmarked for 2020-2021. She added that staff has talked off-line about looking at the issue starting early in 2021. The CDBG-CV funds carry with them a number of hard rules that would be difficult for small agencies to meet. Staff is currently engaged in researching best practices in terms of how to work within the parameters in which small agencies could be successful. That research will be brought back to the Commission in January.

Commissioner Kline said there were two things that came up previously when the Commission looked at the issue that could have long lead times. They had to do with city procedures, including what form a contract could take for an agency that is not a 501(C)(3), and what would have to be done to provide some flexibility for small agencies receiving small dollar amount grants to reduce the required oversight and reporting. Those issues should be raised with the city's Legal Department before the Commission discusses the issue again in January. Ms. Esparza said she has been working behind the scenes on that matter.

Commissioner Amirfaiz pointed out that organizations lacking 501(C)(3) status usually have a fiscal sponsor. Ms. O'Reilly said the city allows that approach.

Commissioner Kline pointed out that most small agencies that might be looked at for small amount funding likely will not have a fiscal sponsor.

Commissioner Mercer said her take away from the Council discussion was that they are interested in the smaller organizations.

7. INFORMATION FOR THE COMMISSION

A. Affordable Housing Strategy and Action C-1

Comprehensive Planning Manager Thara Johnson said she oversees the city's Comprehensive Planning team, which includes affordable housing. She noted that the Council has determined affordable housing to be a priority issue locally and regionally. The Council adopted the Affordable Housing Strategy in 2017 and the work of implementing it has been moving ahead since then.

Senior Planner Janet Lewine said implementation of the 21 actions in the Affordable Housing Strategy is a Council priority. There is a target goal of achieving 2500 additional affordable homes over the next ten years. She noted that the Needs Update and the biannual survey of important community problems continues to be an important measure of the need for affordable housing in the city. Housing has consistently been identified as the top community problem, and the same issue has been highlighted in the annual survey of businesses.

Ms. Lewine shared with the Commissioners a matrix showing the affordable housing units achieved since the Affordable Housing Strategy was adopted in 2017. She noted that the tools being used include preservation efforts where existing housing units are being purchased,

primarily by the King County Housing Authority, in order to keep the units affordable. More affordable units have been achieved through that means than were originally expected, in large part due to new funding sources being made available. The three projects purchased by the King County Housing Authority since 2017 have brought in over 640 new affordable units that will be part of Bellevue's housing stock into the future. A second tool is market incentives which has seen an increased participation via the Downtown and Bel-Red Land Use Code incentives and the multifamily tax exemption. The number of units yielded through market incentives is smaller though the city is working to increase them. The city directs affordable housing subsidies through ARCH. In 2020, two projects in Eastgate were funded by the Council. With the number of units in the pipeline, the city is well on its way to meeting its target of 2500 units in ten years. In October, Sound Transit announced talks with Bridge Housing to develop a mixed-use project in the Bel-Red area south of their operations and maintenance facility. The project will include 500 units of housing, 280 of which will be affordable.

With regard to program implementation, Ms. Lewine shared with the Commissioners a list of things implemented to date. She highlighted the Council funding the two Eastgate projects, the shelter beds and the 300 units of affordable housing; the Council's initiation of a second review of the multifamily tax exemption program; the Council initiation of Action C-1; the Bridge Housing transit-oriented development proposal on Sound Transit land; and the Council's authorization of the 0.1 percent sales tax increase. She noted that since 1992 the Council has included in the annual budget \$412,000 for affordable housing. That level of funding remained constant until 2017 when the Council approved CIP dollars to be put into a contingency fund that currently has \$15 million to be used through 2025. At the end of 2019 a new funded source was adopted that allows a portion of the taxes collected by the state to be returned to the city for affordable housing, and the expectation is that HB-1406 will generate some \$625,000 annually. The Council's authorization of HB-1590 will generate an estimated \$8.9 million per year post Covid-19.

The C-1 strategy seeks to increase the level of development potential on suitable land owned by public, non-profit housing and faith-based entities. It involves a multi-step process that will begin with a Comprehensive Plan amendment for new policies in 2020. That work will be followed up with a Land Use Code amendment in 2021. Over a ten-year period, the action is anticipated to gain the city over a thousand new affordable housing units. The properties for which non-profits partner with faith communities or for public surplus land yield the most affordable units, those affordable to those households earning less than 50 percent of area median income where the greatest housing need exists according to the census data .

One reason the C-1 action was adopted was that traditionally where non-profits and faith-based organizations wanted to develop affordable housing, they had to go through the Comprehensive Plan amendment process and a rezone, all of which could take up to two years for each property. The parcel-by-parcel approach was inefficient and provided no predictability for non-profit housing groups, neighborhoods or property owners. The new approach will involve a by-right incentive or some other path, such as through a special demonstration project or even special rezones, to help deliver the affordable housing units more efficiently on the qualifying properties. The cost of land is so prohibitive that the acquisition of land for the development of affordable housing is unlikely to be achieved at market rates.

Ms. Lewine said HB 1377 also involves affordable housing on faith-based properties. The legislation was adopted in 2019 and requires cities planning under the Growth Management Act to provide an increased density bonus consistent with local needs for any affordable housing development on property owned by a religious organization. The Council directed development of an incentive-based program in July. On November 22 staff went to the

Council with the required policies. Action on them will be taken by the Council in December. The Land Use Code amendment process will follow. The proposal is to expand the focus of HB 1377 in Bellevue to include properties owned by non-profit housing partners like Imagine Housing and DASH, and on public surplus properties. In multifamily mixed-use districts, all three of the categories apply, while in single family residential districts, only the faith-owned properties would qualify, which is consistent with HB 1377. No parks properties are included in the proposal, nor are any utilities-owned properties. Additionally, because the Downtown, Eastgate and Bel-Red areas already have affordable housing incentives, the approach would not apply in those areas.

There are three policies associated with the C-1 amendments. The first broadly calls for having incentives for affordable housing on public, non-profit housing and faith-based properties. The second policy says the adopted incentives will recognize and be responsive to the differences in single family and multifamily neighborhoods. The third provides direction for the creation of a demonstration program for affordable housing projects in multifamily zones. The Council would like to see a demonstration project located on an arterial that has transit access.

Ms. Lewine said the Council's nod paves the way for staff to work on finalizing the Comprehensive Plan amendment. Work on the Land Use Code amendment will follow in early 2021 along with work on a demonstration pilot project.

Turning to the new sales and use tax that was approved in November, Ms. Lewine said the additional sales tax of one tenth of one percent is for housing and related services. The tax is authorized under HB 1590. It is estimated the tax will bring in almost \$9 million annually. At least 60 percent of the funds must be used for constructing affordable housing or securing new units in existing buildings; constructing mental and behavioral health-related facilities; or funding the operation and maintenance of new affordable units and facilities, or newly constructed evaluation and treatment centers. The balance of the funds must be used for mental and behavioral health treatment programs and services or housing-related services. The lack of specificity has generated questions for the state to answer seeking clarification for how the funds can be used.

Ms. Lewine said the populations served are families and individuals earning up to 60 percent of area median income, but the specific focus is on persons coming out of homelessness or who are most at risk of becoming homeless. Specifically called out are persons with behavioral health disabilities, veterans, senior citizens, persons with disabilities, and domestic violence survivors. With regard to families, specifically called out are homeless families, families with children, youth and young adults. It is not clear where single adults fit into the mix.

There is another part of the legislation that says up to ten percent of the funds received can be used to supplant existing local funds. If the approach brings in the estimated \$9 million annually, close to \$900,000 could be used to supplant funds for things like existing service contracts.

For the work program to be developed in 2021, items under discussion include working with King County on the kinds of projects they are earmarking their funds for, which is the preservation of apartments, hotels and senior facilities to serve low-income residents. Capital funding of the Plymouth Housing project at the Eastgate campus is under consideration, as are services in housing where a percentage of the units are for those coming out of homelessness, and funds allocated through human services to fund homelessness and mental health services.

Chair Ma asked about assuring equity in the distribution of affordable housing across the city,

noting that many affordable units are located in the Crossroads and Lake Hills areas. He allowed that under C-1 there are specific qualifications in place, but he asked if there is a strategy aimed at distributing units equally across the city. Ms. Lewine reiterated that the tool will not be available in the Downtown, Bel-Red or Eastgate because those areas already have affordable housing incentives. Imagine Housing owns a property in Bel-Red that has not yet been developed. When they move to develop it under the Bel-Red incentives, none of the affordable units will count against their floor/area ratio calculations. Nothing that robust is being proposed as a buy right across the city. Rather, the most robust incentives are in growth areas and near transit investments. She added that the focus on faith-based and public surplus properties, the incentive is widely distributed citywide.

B. Substantial Amendment to the 2020 CDBG Annual Action Plan

Grant Coordinator Dee Dee Catalano reminded the Commissioners that in May the city received an allocation of CDBG-CV money from HUD. The special funds were earmarked for addressing the Coronavirus and were part of the overall CARES Act. One part of the allocation included a waiver of the 15 percent public service cap for program years 2019 and 2020. While all of the 2020 funds had already been allocated, there still were some unallocated prior year funds from 2018 and 2019. HUD was asked if the 2018 funds could be applied to the 2019 Annual Action Plan to address Coronavirus projects and the answer given was yes. Three months later their answer changed, disallowing the 2018 funds to come under the waiver. The solution given, however, was to amend the 2020 plan by replacing the Major Home Repair Program funds with the 2018 dollars, and apply the freed up funds to public service projects.

Ms. Catalano sought from the Commission approval of what amounts to a substantial amendment to the 2020 Annual Action Plan as outlined. Specifically, the amendment would take \$258,442 in 2018 funds and transfer them to the 2020 Major Home Repair Program, and to take the freed up funds and allocate them as follows: Hopelink Financial Assistance, \$106,934; Child Care Resources Subsidized Child care, \$51,508.53; ELAP Legal Services, \$50,000; and Consejo Legal Services, \$50,000.

A motion to approve the substantial amendment to the 2020 CDBG Annual Action Plan as outlined in Attachment A was made by Commissioner Mansfield. The motion was seconded by Commissioner Piper and the motion carried unanimously.

C. Review of 2021-2022 Human Services Funding Process

Ms. Catalano noted that for many reasons the funding process recently undertaken was different from prior years. It was not possible to get the notebooks because the pandemic kept staff from working in the office. Electronic copies of all applications and staff reviews were sent out instead. She asked if that worked for the Commissioners, and whether OneDrive or share1app worked better.

Chair Ma said his preference was for OneDrive because it was possible to make edits and save them, something share1app does not allow.

Commissioner Kline said she downloaded everything to her personal computer, making them readily available and easy to notate. She said while reviewing the applications she always had share1app open to access documents as needed. She said she found it helpful to have both.

Commissioner Piper said he also downloaded the documents to his computer to make it easier to refer to them. He said he also found both to be useful.

Commissioner Mercer said she primarily used only OneDrive.

Ms. Catalano said even before Covid-19 there was talk about changing the staff review format, making it shorter and including information not found in the applications. She said one advantage to that approach was that the reviews were available at the beginning of the first round rather than starting with the second round of reviews.

Chair Ma said he appreciated the new format and found it to be far more useful than the old format. It was also helpful to have the reviews earlier in the process.

Commissioner Kline commented that the reviews undertaken by her and Commissioner Jain all happened to have had the staff reviews produced by Human Services Planner Christy Stangland. In the first round discussions, Ms. Stangland participated and that was very helpful in that she was able to expand on the staff report information and jot down questions, leading to a quicker response to those questions. By the second round, it was pointed out to Ms. Stangland that staff had not previously participated in the preliminary reviews, so she did not participate. Value was lost from an efficiency and institutional knowledge standpoint.

Ms. Catalano said the rule of thumb has been to pair more experienced Commissioners with newer Commissioners to allow for passing on institutional knowledge. Ms. O'Reilly suggested that in the future a hybrid approach could be undertaken. For the recent funding cycle, the choice was between getting the staff reviews done early or spending hours with the Commissioners during the first meeting. Additionally, staff have traditionally stepped back to allow the Commissioners to have the first conversation and then come back in the second round with answers to questions raised.

Ms. Catalano said something else that was different for the recent funding cycle was the grouping of applications by service area within the specific goal areas.

Commissioner Mercer said she found the practice to be very helpful. Chair Ma concurred and said the approach was far better than just listing applications alphabetically.

Ms. Catalano touched on the usual approach of going through the applications at a high level during the first round, without discussing money, then in the second round giving initial funding amounts, without trying to balance the budget, and then in the third round zeroing in on balancing the budget.

Chair Ma said the initial funding recommendation has traditionally included a COLA to all applications. That was not done during the recent funding cycle for various reasons. He said he would prefer not to just automatically give COLA increases to each application, leaving more dollars available to divide among areas of need. Awarding COLA increases up front often means the available funds are gone up front. The default position should be flat funding.

Commissioner Piper said during the review process he created for himself a dashboard that allowed him to easily look at each application and key figures. He said he found it difficult to navigate on the fly and said it would be helpful to have at a glance some of the key metrics to be considered, such as number of residents served and percentage increase in the ask over the previous funding cycle. Ms. O'Reilly said some of that data was included in previous staff reviews. The process of reducing the size and content of the staff reviews meant leaving much of that data out. The issue could be revisited going forward.

Chair Ma suggested the Commissioners should huddle beforehand to highlight which information should be called out.

Commissioner Kline said one approach would be to have a dashboard section on the first page of the staff review and make them available onscreen as the Commission discusses the specific agency. If only two or three metrics are to be called out, they could simply be added as additional columns to the master spreadsheet. The way to figure out which metrics are key would be to look back through the meeting minutes to determine which ones the reviewers called out on a standard basis.

Commissioner Amirfaiz said in terms of viewing the applications through an equity lens she found herself mostly looking at the composition of the staff and the board, the language capacity and who was being served. In the end, though, the Commission ended up funding the usual suspects. It was disheartening that two agencies that provide valuable services were disqualified because of their financials. She also noted that sometimes the allocations were at the \$5000 or \$10,000 levels, which was simply not enough to make a dent in the need or the agency's ability to provide services.

Ms. Catalano stated that a deeper dive will be taken next year, including a training focus on the equity lens.

Ms. Esparza said recent discussions with the Council included the need to maintain funding for long-term agencies while also making sure funding is provided to new, emerging and different agencies. With regard to the notion of funding being automatically flat rather than automatically increased by a COLA percentage, she said one option would be to consider going with neither approach and view all applications as if they are new.

Commissioner Mercer said she would be fine with that idea. She said she felt as though there were some amount of pressure during the funding process to go in on all of the shelters. The Commission had some thoughtful dialog about new places to put money and doing a better job of distributing funds across the spectrum, but for a number of reasons there was pressure put on giving more to the shelter programs.

Chair Ma said he personally had been motivated by the urgency generated by the pandemic to view things in a certain way. He said there is a clear desire on the part of the Commission to see new programs and organizations funded, but there is also a certain inertia focused on maintaining the continuum. That is an unsustainable approach because it is not possible to add something to the continuum and then continue to maintain it with limited funds. There will need to be a discussion about how to overcome that approach.

Commissioner Mercer agreed but said unfortunately the previous funding provided to some organizations actually saved the Commission from stealing from them and moving it into Goal 1. She said she wants to see new programs and organizations funded in light of the challenges the Council has handed to the Commission, including making good use of the equity lens, but an approach that starts with all applications at zero may still not leave much funding for the applications in goal areas two to five. There is a clear need to support the full continuum of services.

Chair Ma commented that starting with flat funding for each application could make additional funds available to new programs.

Commissioner Kline suggested that in line with having a minimum funding level, consideration should be given to having a maximum funding level for any one agency or program.

Commissioner Amirfaiz proposed that since funding new and emerging programs and agencies is a priority for the Council, the Council needs to set aside dollars to fund them.

Commissioner Kline said it was her understanding the Council is looking to the Commission to come up with a plan for how to do that and how much money would be needed.

8. OLD BUSINESS

Ms. O'Reilly reminded the Commissioners about the email she previously set out to determine availability and interest in attending a December 1 joint meeting with the Parks and Community Services Board. She said traditionally the two bodies have met jointly to compare notes and celebrate the holidays. While such a meeting would need to be via Zoom, it could still offer the opportunities for the two bodies. She said if a majority of both groups will not be able to attend, the meeting will not be held.

The majority of Commissioners indicated they were open to attending via Zoom the December 1 joint meeting with the Parks and Community Services Board.

Ms. O'Reilly reported that former Commissioner Anita Jain is with family in San Francisco where she recently welcomed a new granddaughter.

Ms. O'Reilly noted that the vacant Commission position was advertised. The application period closed on November 4.

9. NEW BUSINESS – None

10. CONTINUED ORAL COMMUNICATIONS – None

11. ADJOURNMENT

A motion to adjourn was made by Commissioner Mansfield. The motion was seconded by Commissioner Mercer and the motion carried unanimously.

Chair Ma adjourned the meeting at 7:42 p.m.

Secretary of the Human Services Commission

Date

Chairperson of the Human Services Commission

Date