

CITY OF BELLEVUE
HUMAN SERVICES COMMISSION
MINUTES

June 18, 2013
6:30 p.m.

Bellevue City Hall
City Council Conference Room 1E-113

COMMISSIONERS PRESENT: Chairperson Yantis, Commissioners Bruels, Beighle, Plaskon, Stout

COMMISSIONERS ABSENT: Commissioners McEachran, Perelman

STAFF PRESENT: Emily Leslie, Alex O'Reilly, Joseph Adriano, Jessamyn Findlay, Department of Parks and Community Services

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 6:35 p.m. by Chair Yantis who presided.

2. ROLL CALL

Upon the call of the roll, all Commissioners were present with the exception of Commissioners McEachran and Perelman, both of whom were excused.

3. APPROVAL OF MINUTES

A. May 21, 2013

Commissioner Beighle called attention to the last paragraph on the second page and noted that the meeting attended by Councilmember Wallace was the Issaquah Schools Foundation, not the Bellevue Schools Foundation.

A motion to approve the minutes as amended was made by Commissioner Beighle. The motion was seconded by Commissioner Plaskon and it carried unanimously.

4. PETITIONS AND COMMUNICATIONS - None

5. STAFF AND COMMISSION REPORTS

Human Services Planner Alex O'Reilly introduced intern Jessamyn Findlay, a second-year graduate student at the University of Washington School of Social Work. Ms. Finley said she previously worked for the Gates Foundation in agricultural development in Africa and Southeast Asia. She said her last practicum was at the Elizabeth Gregory home, a daycenter and transitional house for homeless women in Seattle.

Commissioner Stout reported that she along with Human Services Manager Emily Leslie, Grant Coordinator Joseph Adriano and Ms. O'Reilly attended the Eastside Alliance of Agencies lunch. They gave two scholarships in Phil Noble's name to young people who had volunteered working at agencies in the community.

Ms. O'Reilly said she along with Ms. Leslie and Ms. Findlay attended a meeting at United Way of King County earlier in the day. United Way has over time redesigned their outcomes and proposals, and they are doing it once again. They have some 70 outcomes agencies that can apply for under the different impact councils, and they are in the process of going back to having five basic impact areas under which there will be some 19 results or outcomes.

6. DISCUSSION

A. 2014 CDBG Application Reviews

Ms. Leslie explained that the city's CDBG allocation for 2014 remains an unknown. The initial indication is that there will be a significant decrease, but the final amount will not be known for some time.

Mr. Adriano added that the allocations to agencies and projects could exceed the entitlement from HUD because there will still be funds to spend from program income and the like. It will still be necessary to develop a broad contingency plan that covers more than just the entitlement funds. Because it took so long to get 2013 allocation, it was not possible to run contracts and pay for programs that were already operating. Accordingly, the contingency plan for 2014 will include a section that will allow for the establishing of contracts before July.

Answering a question asked by Chair Yantis, Mr. Adriano said staff's best estimate of the funds that will be available for allocation is \$873,803. The requests total just over one million dollars.

Mr. Adriano noted that A Regional Coalition for Housing (ARCH) had requested an increase of more than \$24,000 over its 2013 allocation.

Commissioner Beighle pointed out that the amount requested by the Minor Home Repair program was minimal. She proposed allocating the requested amount and the other Commissioners concurred.

Mr. Adriano explained that the public services allocations are subject to a percentage cap. He noted that of the requested amount from Jewish Family Service, the Council authorized \$97,531 from the General Fund.

Commissioner Plaskon asked why it would not be better to fund the Jewish Family Service application entirely with CDBG funds. Ms. Leslie explained that the General Fund is far more stable; the CDBG allocation from HUD varies from year to year, and that is why General Fund dollars have been increased for that contract to make up the difference.

Commissioner Beighle proposed splitting the available funds between ARCH and the Major Home Repair program, giving ARCH its full request.

Mr. Adriano reminded the Commissioners that last year staff voiced concerns about some of the projects that have been funded through ARCH. In the past the city has tried to set up a mechanism by which the specific use of CDBG funds for ARCH projects could be approved or disapproved, but for technical reasons that has not been accomplished. Staff are still interested in at least setting up a review process for ARCH projects before signing off on the CDBG allocation to the organization. Currently, the way the human service staff find out about when ARCH intends to spend CDBG dollars through email from the city's planning department in which they ask for the account codes. For other projects funded with CDBG funds the human service staff get a scope of work, bid specifications and a great deal of other information, all of which must be signed off on. Recently ARCH has at least shared copies of their scope of work, but there is still no approval process.

Mr. Adriano reminded the Commissioners that they had previously recommended against allowing any of the ARCH's CDBG funds from being applied to a construction project that could trigger the Davis-Bacon Act because of the associated administrative burden and the risk to the city. In fact that happened last year and the city is in the process of rectifying a finding. Even if the allocation to ARCH were in the \$100,000 range, the amount would be small in comparison to the projects ARCH invests in, and the administrative risk is just too high. He said the recommendation of staff was to include certain restrictions in the recommendation for ARCH funding, such as not allowing the funds to be used for construction projects. He allowed that such a recommendation would need to be vetted by the city attorney.

Commissioner Stout asked why ARCH has a difficult time applying the funds to non-construction projects. Mr. Adriano said to some extent the problem is administrative at the city level in not being able to make a determination how the funds will be used, which is done with all other allocations. Funds allocated to ARCH go into a pool and it cannot be known exactly where they will be used.

Commissioner Bruels commented that there is no other contract with an agency where the consequences have a direct impact on the city's resources. It makes sense that the Commission and the staff should have some say. Ms. Leslie clarified that there actually is no contract given that ARCH staff are technically employees of the city of Bellevue.

Commissioner Beighle suggested that in that case ARCH staff should have to shoulder the administrative burden when funds trigger the Davis-Bacon Act requirements.

Commissioner Bruels said because the situation is unique, it should be possible to establish more rules concerning it.

Chair Yantis asked if including the proposed stipulation would take away all of the concerns. Ms. Leslie said it has become increasingly difficult to use CDBG funds for ARCH projects, and Bellevue is not the only jurisdiction to reach that conclusion. It is not, however, impossible.

Chair Yantis said one obvious approach would be to simply stop allocating CDBG dollars to ARCH. Mr. Adriano cautioned against taking that approach. It is still important to invest in the Affordable Housing Trust Fund, but the use of the CDBG dollars in the Affordable Housing Trust Fund could be managed more practically.

Noting that the city managers of the jurisdictions that contribute to ARCH make up the ARCH Board, they should be made aware of the administrative risks involved in using CDBG funds. Including a restriction on the funds is the band-aid approach, but to get to the root will require a change in policy. Ms. Leslie clarified that only Bellevue and King County contribute CDBG dollars to the Affordable Housing Trust Fund.

Commissioner Bruels said it certainly would not be unreasonable to include the proposed restriction and asking to be informed ahead of time how the CDBG funds will be used by ARCH.

Answering a question asked by Chair Yantis, Ms. Leslie said ARCH has in the past banked its CDBG allocations and then dumped them all into one big project. That has been problematic because the city has certain time limits in which to spend its HUD dollars. Right now ARCH is sitting on its 2012 and 2013 allocations. Mr. Adriano said ARCH has indicated it intends to spend the bulk of the 2012 dollars on non-construction uses at the Friends of Youth development in Kirkland. The sense is that they will put the balance of the 2012 and all of the 2013 funds into some bigger project that is coming down the pike, possibly an Imagine Housing project.

There was consensus to include the stipulation in the allocation to ARCH.

Mr. Adriano called attention to the draft contingency plan and said it contained the sorts of information staff believes will be helpful. He said most of the language was taken from the contingency plan that was adopted in 2007. As drafted, any excess would go to the Major Home Repair program. The wording relative to the expenditure of CDBG reserve funds was proposed to allow for the establishing of contracts with the four programs highlighted ahead of receiving the entitlement funds from HUD.

The contingency plan for 2103 envisioned the plan being triggered only in the event of a change in the entitlement amount. The proposed document, however, references all funds available for CDBG, including excess funds resulting from program income.

Chair Yantis pointed out that as drafted, an increase of \$100,000 from program income would all have to go to the Major Home Repair program. Ms. O'Reilly said there is little risk of overfunding the Major Home Repair program. Chair Yantis said changing the language would allow the Commission to put money into some of the other programs, but he said he could not see a downside to leaving the language as drafted.

Commissioner Plaskon said his preference in the event of a decrease in the settlement amount would be to reduce the allocation to the Major Home Repair program ahead of reducing the allocation to ARCH. The majority of Commissioners, however, did not concur, saying they would like to see ARCH defunded first if necessary and pointing out that the city also funds ARCH with General Fund dollars.

Ms. Leslie pointed out that CDBG funding for the Major Home Repair program provides support for one FTE. Absent the dollars, the position held by Sam Ezadean would be lost.

A motion to accept the contingency plan as drafted relative to a decrease in the entitlement amount, with funds to be taken first from ARCH and then the Major Home Repair program. The motion was seconded by Commissioner Stout and it carried unanimously.

The Commissioners clarified that Step 2 would reduce the ARCH Affordable Housing Trust Fund award by up to 100 percent, depending on the size of the decrease in the entitlement amount. There was also agreement not to vote on the final version of the contingency plan until after the revisions to it can be reviewed.

7. OLD BUSINESS

Ms. Leslie said her polling of the Commissioners confirmed that there will be a forum for the July 2 Commission meeting. She said Ms. O'Reilly would present the findings from the telephone/online survey at that meeting.

Ms. Leslie reported that the North/East Funders Group would be meeting on June 20 to finalize the agenda for the joint meeting tentatively slated for July 17.

Ms. Leslie also reported that the Eastside Human Services Forum has taken on the winter shelter siting issue as part of its work program. ARCH is involved as well. Staff from the participating cities recently met and decided the cities should also help. The hope is that a dedicated long-term space will be identified. For the short term, the possibility of identifying sites in each city that can be rotated is being discussed. She said she will be convening an interdepartmental team to brainstorm ideas; hopefully that meeting will occur prior to the joint meeting on July 17.

8. NEW BUSINESS

Ms. Leslie informed the Commissioners that Redmond, Kirkland and Bellevue are working together on homeless outreach efforts. Redmond has some \$30,000, including some funding from their police department, to use and a reserve fund request from Bellevue for up to \$10,000 may be submitted, and Bellevue's Chief Pillo has found \$8000 in her budget for the project. Kirkland is still trying to identify some funding to add to the pool. If the pilot project is successful, the program may seek funding during the regular funding cycle.

9. PUBLIC COMMENT - None

10. ADJOURNMENT

Chair Yantis adjourned the meeting at 8:00 p.m.

Secretary to the Human Services Commission

Date

Chairperson of the Human Services Commission

Date