

CITY OF BELLEVUE
HUMAN SERVICES COMMISSION
MINUTES

June 18, 2019
6:00 p.m.

Bellevue City Hall
City Council Conference Room 1E-113

COMMISSIONERS PRESENT: Commissioners Jain, Ma, Piper

COMMISSIONERS ABSENT: Chair Mercer, Commissioner Kline

STAFF PRESENT: Alex O'Reilly, Dee Dee Catalano, Christy Stangland, Toni Esparza, Department of Parks and Community Services

GUEST SPEAKERS: Lindsay Masters, ARCH

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

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

2. ROLL CALL

Upon the call of the roll, all Commissioners were present with the exception of Chair Mercer and Commissioner Kline, both of whom were excused.

3. APPROVAL OF MINUTES

A. May 21, 2019

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

4. ORAL AND WRITTEN COMMUNICATIONS

Ms. Timea Soos with Imagine Housing said she was present observing the Commission. She noted that a new property was recently opened on Bellevue Way.

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

6. STAFF AND COMMISSIONER REPORTS

Commissioner Jain reported that she attended the Alliance of Eastside Agencies award lunch. She said she found it very enlightening to learn about the work being done by volunteers in the community. She said on June 19 she would be attending the Eastside refugee and immigration meeting conducted by the India Association of Western Washington at Crossroads Community Center. She also noted from a recent article in the *Bellevue Reporter* that homelessness in the city has dropped by seven percent. Even so, there was a family of color outside Fred Meyer recently holding a cardboard sign asking for money. She said while she has in the past seen individuals engaged in that activity, she has not seen families.

Human Services Manager Alex O'Reilly reported that former commissioner Jim McEachran was given a commendation by the City Council on June 17 acknowledging this long service on the Commission and in the community.

Grant Coordinator Dee Dee Catalano said the city's CDBG Annual Action Plan is close to being ready for submission by King County. The plan must be approved by the HUD representative, following which the city will receive its 2019 funds.

Ms. O'Reilly provided the Commissioners with copies of a handout outlining recent activities by human services staff related to intergovernmental affairs.

7. INFORMATION FOR THE COMMISSION

A. A Regional Coalition for Housing (ARCH) Presentation

ARCH Executive Director Lindsay Masters explained that the interlocal agency is a joint and collaborative undertaking of 15 Eastside communities and King County, and the focus is to work together to plan for and provide affordable housing. Key to the success of the organization is the way it is organized and governed. Except for the three smallest cities, every city has a seat on the executive board. That body is responsible for setting the direction for the organization by creating the work program, developing a budget for the various city councils to approve, and providing day-to-day oversight of the operations. Bellevue has a special role in that it serves as the administering agency; ARCH staff serve under the umbrella of the city. Within the budget there are funds that support operations and funds for the Housing Trust Fund from which monies are allocated to housing projects.

Dollars contributed by the member cities are pooled for investment in regional affordable housing projects. The agency is a partner in statewide funding coordination which means public and private dollars are leveraged. There is also coordination between upfront capital funding and downstream services and operating funds. Since the inception of ARCH in 1993 there has been a fairly consistent stream of general funds from the member cities budgets. There have been spikes in some years when cities were able to do things like contribute properties or raise in-lieu fees

from private developers. The parity goals adopted by the organization serve as benchmarks for what the organization seeks to raise each year. The goals were for many years not updated or changed, and in fact they were updated just a couple of years ago.

In addition to funding, ARCH provides support to cities in developing housing policies and plans. The process has evolved over the years, though there has always been support for assistance in drafting Comprehensive Plan housing elements. Over the last five years ARCH has assisted cities wanting to take the next step to develop housing strategies, including Bellevue's affordable housing strategy plan. ARCH also serves as a representative for east King County in regional planning efforts. ARCH provides assistance in preparing contracts and covenants cities use to secure long-term affordability, and in monitoring properties to ensure the contracts are being followed. The organization maintains a wait list of people who are interested in opportunities and makes referrals to various programs. There is also a home ownership program in place that has a lot of requirements associated with ongoing administration.

Ms. Masters said ARCH places a value on supporting cities through education and public outreach. There is a lot of interaction with people who are seeking affordable housing, and educational materials for the broader public have been created. Awards are presented annually for outstanding efforts around affordable housing, and ARCH supports connections between other community stakeholders, including faith communities.

Over the last 25 years, ARCH has pooled some \$63 million in local funds and created over 3600 units or beds across a number of population categories and across the member cities. In addition to units created through the Housing Trust Fund, a number of affordable units have been created in new developments through city incentive programs, such as density bonuses, property tax exemptions and fee waivers. The recent boom in development has triggered an upward spike in the number of such units.

Ms. Masters stressed that supportive services is an essential component of many successful housing programs. ARCH trust funds provide capital for the acquisition or the development of housing, but many projects rely on additional ongoing grants for operations or supportive services. ARCH's underwriting process includes vetting proposed services and operating funds, and reviewing organizational capacity to carry out a proposed project. The list of agencies funded by ARCH include Catholic Community Services, Congregations for the Homeless, Friends of Youth, Hopelink, Imagine Housing, Lifewire, Sophia Way and YWCA.

Commissioner Ma asked if ARCH collaborates with cities to discuss scaling up regionally, and if those discussions generate any pushback. Ms. Masters pointed out that there are two general approaches for creating affordable housing. The first is taxation, which is always difficult to address, and the second is leveraging

development. It is generally difficult to make the case to the public and elected officials regarding the allocation of funds for affordable housing. ARCH is the table around which those conversations are supposed to happen. King County has been pushing the conversations as well, which is why it spent 18 months on its regional affordable housing task force process and why it is working to set up another affordable housing committee.

Ms. O'Reilly noted that the most recent legislative session resulted in a fairly sizable increase in the allocation to state housing trust fund. She asked what impact that might have locally. Ms. Masters said ARCH works to attract state resources for local projects. The more local resources available, the easier it is to accomplish that task. The city of Seattle put out close to \$100 million in 2018 for ten housing projects and that made it easier for many of the projects to compete for state and county resources. ARCH had a single funding application in 2018 for a project that was later withdrawn, so the organization had no ability to bring in regional funding. She said part of her job is to build up a pipeline of projects that can compete for local as well as regional dollars.

Commissioner Piper agreed that taxation is not a particular popular source of revenue. He asked what role ARCH sees the private sector playing. Ms. Masters said Microsoft has set a model for others to follow. They are focused on how best to make an impact given the resources they have. Microsoft is also interested in being part of policy conversations with cities relative to not only the contribution of funds but also making sure there is adequate zoning available to support affordable housing projects and in streamlining permitting processes. Hopefully ARCH will be able to play a role with Microsoft going forward. If Microsoft can find a way to get a healthy enough return for its investment while also making a meaningful difference relative to housing affordability, it will be a model for others to follow.

Commissioner Ma asked why there has been a lack of ARCH projects in the pipeline. Ms. Masters said there are several reasons. For one thing, ARCH by policy spreads its resources out over the member cities, which tends to max out allocations to a few million per project and limit the ability to build a healthy community of developers. At most, the funds are sufficient to fund a single significant project or two smaller projects. Additionally, it can take three or four years to realize a project, during which time funds are tied up.

Ms. O'Reilly asked what the average ARCH project grant is. Ms. Masters said it depends on the size of the project and the ability to bring in other funds. There is generally a comfort in being a greater share of the project, especially a special needs project that is not of a scale that is able to leverage low-income housing tax credits and other sources of financing. ARCH seeks to leverage local dollars to the degree possible.

Commissioner Ma asked if ARCH engages in achieving commercial space. Ms. Master said that has not been a primary focus for the organization, but allowed that it

can be a benefit for a housing project to leverage creating some space on the ground floor for things that have other community benefits. In Seattle there has been a push toward creating affordable commercial space and there have been resources set aside for that.

Ms. Masters asked how the Commission considers applications seeking capital funding and how it coordinates with other funders who are supporting the same programs. Commissioner Ma said the Commission meets jointly with the boards and commissions from other cities to discuss process. In general, however, each commission decides for itself what to fund, and the Commission does not typically collaborate with other funders. The Commission has ongoing discussions about serving specific populations and meeting Bellevue's needs.

Ms. O'Reilly added that the Commission has historically been very open to providing funding for services as projects come online. Ms. Catalano said the Commission has elected to put CDBG capital dollars into projects like 30 Bellevue. CDBG funds can be used to fund pre-acquisition, acquisition and architectural engineering costs, but not actual construction.

Human Services Planner Christy Stangland asked what ARCH does to make sure there are funds for services on projects they invest in. Ms. Masters allowed that seven or eight years ago the task was easier. That was when the county began creating dedicated pools of funding through the Veterans and Human Services levy and the Mental Health and Drug Dependency sales tax. Those resources have been well utilized and it has become a struggle to identify additional capacity within those resources. Every effort is put into leveraging resources to bring service support into housing projects.

Ms. Stangland asked what requirements ARCH imposes on housing providers where capital funding is put into projects. Ms. Masters said the terms of grants and loans are covered by contract. There is also a covenant or regulatory agreement imposed on the property to ensure restrictions on its use and things like income requirements and how much rent can be charged. There are also requirements relative to annual reports to ARCH.

Ms. O'Reilly commented that the ARCH website and the staff who answer the phones are great resources for those researching affordable housing options. She added that the Bellevue Network on Aging maintains a list of senior housing units that is regularly updated, and that is another excellent resource.

Answering a question asked by Ms. O'Reilly, Ms. Masters said there is a down payment assistance program in place and it has funds that can be tapped. There are county dollars mixed in which carry certain restrictions relative to the price of the homes that can qualify. The program is no longer well utilized for various reasons. The bigger ownership program involves units created through inclusionary housing requirements. The units are subject to resale covenants that limit who is eligible to

purchase them, and keeps the sale price from skyrocketing. The covenants include a right of first purchase for the city, allowing it to step in and buy units to save them as affordable.

Ms. Catalano noted that during the first year of the Veterans and Human Services levy, 50 percent was earmarked for affordable housing issues. Ms. Masters said an allocation plan was approved that included both capital funds and operating and services funds. The funds were used to target some very specific populations, including on the Eastside.

Commissioner Ma asked how ARCH goes about helping cities develop affordable housing strategies. Ms. Masters said the work is tailored to the needs of the specific city. Sometimes the process is geared towards bringing a council along and getting them to the place of having a work plan and a clear vision for what they want to do. For other cities ARCH has worked with the local planning commission and city staff in helping them craft a vision. Some eight cities so far have developed strategy plans and more are wanting to do so. Bellevue took a much more in-depth approach that involved appointing a technical advisory group.

8. INFORMATION FOR THE COMMISSION

A. Provider Survey/Community Conversation Update/Results from the Phone/Online Survey

Ms. Stangland said there are five key data sources that go into the Needs Update: phone/online survey; provider survey; consumer survey; key informant interviews; and community conversations. The phone/online survey is conducted by an independent survey company with a sample size of 450 respondents. The survey is weighted to produce a representative sampling and asks people about their perspectives on the community and their personal households. The provider survey is sent out to providers, both funded and not funded by the city, and 26 providers filled it out. The consumer surveys have not yet been collected. They are widely handed out to service recipients, but the survey is not representative. To date, five key informant interviews have been done and more are planned through the end of the month. The individuals who are interviewed are targeted for their insider knowledge of special issues and topics. The community conversations are information focus groups with Bellevue residents and service providers.

We identified three specific populations from which additional data will be gathered: youth, older adults and communities of color. Youth Link has helped to create a survey for youth and is in the process of distributing it. Only 20 have responded so far but the effort is continuing. The older adult population continues to grow, which is triggering a needed shift in services and supports. The North Bellevue Community Center is gathering information through a survey and is also conducting community feedback sessions. Communities of color are also growing in Bellevue. The East King

County human services staff have been working to gather feedback from several cultural agencies and will be meeting with BDAN.

With regard to overall wellbeing, Ms. Stangland noted that 47 percent of residents report that their wellbeing has improved since last year, while 48 percent indicate it has remained the same.

Assistant Director of the Department of Parks and Community Services Toni Esparza said she interpreted the data to mean that while for most respondents their wellbeing did not change from the previous year, it did not mean they necessarily had a high sense of wellbeing. Ms. Stangland agreed. She said another question around satisfaction was also high, but did decrease a little from the previous round.

Ms. Stangland said three initial themes have been identified: cost of living, health-related, and racial equity. She noted that the cost of living included housing, child care, wage adequacy, service cost and transportation. The health-related theme included lack of affordable medical or dental care, lack of affordable insurance, substance abuse, mental illness and stress/anxiety. The third theme, racial equity, included racial and/or ethnic discrimination at both the household and community level.

The Commissioners were shown a chart comparing specific cost of living categories from 2015, 2017 and 2019. It was pointed out that the perception that affordable housing is a community problem fell by two percent over 2017. Even so, the lack of affordable housing was rated as the top community problem. There were increases in the responses regarding wage adequacy, lack of affordable child care and homelessness.

The lack of affordable housing has consistently been the top-rated problem area in the community and it has gradually increased over the past several years. Affordable housing has been highlighted at every community conversation, and the two percent decrease in the current survey is not considered statistically significant.

With regard to wages as a cost of living community concern, Ms. Stangland said 50 percent of the respondents identified the issue as a concern. She noted that those with jobs that do not pay enough cannot afford to pay for child care, housing and medical costs. As a community concern, wages rose to the number three position, while as a household issue, it came in as number ten. Comments regarding wages ranged from the difficulties of retaining staff who work in Bellevue but cannot afford to live in Bellevue, to people working but still not making enough to avoid financial hardships, to teachers not being able to afford to live in Bellevue.

Forty percent of the respondents named inadequate public transportation as a community problem, while 21 percent listed it as a household problem. As such, transportation was the number two issue. The lack of affordable child care was listed by 51 percent of the respondents as a community problem, with 25 percent indicating

it was a problem for their household. Affordable child care was the top issue for households. Legal services were noted by 27 percent of the respondents as a community problem, and eight percent listed it as a problem for their household.

With regard to the health-related issues category, Ms. Stangland said nearly half of the topic community issues were health related. The lack of affordable medical care rose by three percent, drug use went up by four percent, and mental health/emotional problems also went up by four percent. There was a minimal decrease of two percent relative to affordable medical insurance, and a decrease of one percent for affordable dental care. From a household perspective, health-related issues were slightly higher than half were top issues, with a four percent increase in anxiety/depression, a three percent increase in children/teens with emotional/behavior problems, and a four percent increase in not being able to get medical insurance. Thirty-five percent of the respondents indicated a need for mental health services in their households, while 13 percent said they either were not able to pay for or access mental health counseling. There was a clear disconnect between the mental health increases and the wellbeing question given that 95 percent had said their wellbeing was the same or better than it was a year ago.

A comment from the providers survey said there is a mental health crisis for children and youth and that more resources are needed to support the staffing needed to respond sooner. Several community conversations highlighted the fact that when older adults feel isolated it leads to depression, and that there continues to be a stigma associated with mental health issues.

Ms. Stangland noted that racial discrimination did not rise to the level of being a top tier issue. It is, however, an issue that continues to increase in importance every year. There was a significant increase between 2015 and 2017 that has continued in the most recent survey. The issue was raised repeatedly in community conversations. Some have indicated a fear of accessing services over their concern that doing so could impact their legal status. Undocumented residents voiced concern about getting services because of their fear that their information would not be kept safe with non-profit agencies and the government. Services are often only offered in English and that makes many uncomfortable in seeking services.

Ms. O'Reilly said there are concerted outreach efforts put into reaching people who may not have English as their first language. Even so, no one chose to access an interpreter to take the survey in a language other than English. There is a question in the demographics section of the survey that asks the respondents to indicate their first language.

Ms. Stangland added that staff have been working with the survey company on some follow-up questions, including a question around homelessness. For those who answer that they have experienced homelessness, there are some follow-up questions. There are also questions around the perception of the respondent about homelessness.

With respect to next steps, Ms. Stangland said for the remainder of the month she would be continuing with community outreach efforts, community conversations, key informant interviews, consumer surveys and the youth survey. Work to update the chapters for the Needs Update is also under way. A copy of the full draft will be available for the Commission to peruse for the November 19 meeting, and it will go to the Council in January 2020.

Commissioner Ma commented that in funding non-profit agencies, more of the funds need to be going to paying the staff in order for the agencies to be able to retain staff.

Commissioner Piper asked if the questions in the questionnaire have been identical over the course of the years. Ms. Stangland said the wording of the questions has been mostly retained over time, though questions have from time to time been added. In 2015 staff worked with the survey company to shorten it which resulted in the removal of six questions. Ms. O'Reilly added that the original survey was created in 1988 so there is trend data all the way back to then. Concerted effort goes into making sure not much is changed in order to produce trendable data.

From the audience, Ms. Soos said as an individual who is a non-profit worker living in Bellevue she appreciated the point made by Commissioner Ma. She said she belongs to a demographic that is not able to afford housing in Bellevue and were it not for her partner she would not be able to live in Bellevue. She said she has seen the same among many non-profit workers with whom she works.

Ms. Esparza said lower-wage job earners who also need child care find that the lack of affordable child care has a tremendous impact on their finances. For such workers with children, it is nearly impossible for them to also afford to live in Bellevue.

Commissioner Ma suggested that issues such as anxiety and stress, and even mental health, can all be tied to affordability.

9. OLD BUSINESS

Ms. O'Reilly reported that she and Chair Mercer had been involved in interviewing candidates to fill the vacant Commission seats. She said the hope was that appointments will be made ahead of the Commission's July 2 meeting.

10. NEW BUSINESS – None

11. CONTINUED ORAL COMMUNICATIONS – None

12. ADJOURNMENT

A motion to adjourn was made by Commissioner Piper. The motion was seconded by Commissioner Jain and the motion carried unanimously.

Commissioner Ma adjourned the meeting at 7:48 p.m.

Secretary to the Human Services Commission

Date

Chairperson of the Human Services Commission

Date