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

Upon the call of the roll, all Commissioners were present with the exception of Commissioner Kline who participated via telephone.

3. APPROVAL OF MINUTES
   
   A. June 4, 2019
   
   A motion to approve the minutes as submitted was made by Commissioner Ma. The motion was seconded by Commissioner Piper and the motion carried without dissent; Commissioners Amirfaiz and Mansfield 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

Human Services Manager Alex O’Reilly welcomed Commissioners Amirfaiz and Mansfield to their first meeting of the Commission.

Commissioner Mansfield said he is a realtor in Bellevue and prior to that worked with the community college system in basic education. He said he went through the Bellevue Essentials program in 2018 and wanted to get involved with the city.

Commissioner Amirfaiz said she originally was from Iran and has been working with non-profit organizations for more than 20 years. She said she has been a resident of Bellevue for the past 24 years.

Commissioner Amirfaiz reported that she attended the cross cultural program presentation at Crossroads Community Center and came back with a better perspective on Bellevue and the data that has been collected regarding diversity.

Commissioner Piper said he had been interested to see that the Seattle City Council recently passed legislation making it easier for homeowners to build accessory dwelling units on their properties. He said the decision could have unintended consequences but it is an interesting approach to addressing affordable housing.

Commissioner Kline mentioned that she attended the Council meeting at which the mayor and deputy mayor made a presentation recognizing the contributions of former Commissioner Jim McEachran.

7. INFORMATION FOR THE COMMISSION

A. Diversity Advantage Initiative Program Update

Diversity Outreach and Engagement Administrator Yuriana Garcia Tellez said the Diversity Advantage Initiative began with the Council putting forward a vision statement and establishing a commitment to serving diverse communities in Bellevue. The Diversity Advantage Initiative was adopted in 2014 with seven main areas: cultural competence in the government; cultural competence in the community; human services; public safety; education; civic engagement; and economic development. She said the diversity advantage team is made up of Elaine Acacio, diversity and inclusion administrator; Blayne Amson, ADA/Title VI civil rights administrator; and herself as diversity outreach and engagement administrator.

Over the last ten years the demographics of Bellevue have shifted drastically. Data from the 2017 American Community Survey showed that Bellevue had become a minority majority city. In fact, the survey showed that 39 percent of Bellevue residents were born outside of the United States. There are also a fair number of persons living with disabilities in the city. The Diversity Advantage Initiative considers them to be an asset for the city. About 38 percent of them are older adults. Household income in
Bellevue also enjoys a broad distribution. Most have incomes of between $75,000 and $99,000, though some 20 percent are living below the poverty line. Bellevue’s workforce is quite young; 18 percent are between the ages of 18 and 44. About 14 percent of the population is made up of older adults, while about 20 percent are under the age of 18. Currently there are 99 languages spoken in the Bellevue School District, and 60 percent of the students in Bellevue schools are students of color.

Ms. Tellez said the cross-cultural outreach study was called out by the Diversity Advantage Initiative. The challenge was to continue learning about and celebrating cultural diversity in the city as the demographics continue to shift. The strategies employed included leveraging resources within the city to do outreach to diverse communities; piloting a community cultural liaison program; one-on-one public outreach; convening community gatherings; and using a mixed-mode of strategies to reach traditionally underserved populations.

The consultant hired to focus on the outreach study tapped the already existing Bellevue Diversity Advisory Network (BDAN) to provide counsel and guidance for how to reach diverse communities. There were at the time 19 members on the BDAN; currently there are 26 members. The group identified over 120 different existing community organizations, including social service agencies, cultural awareness organizations, multicultural arts organizations, faith-based communities, city of Bellevue community centers; libraries and museums; and community based language schools. The location of each organization was noted on a map as part of the process, and the map can be found on the city’s arts and culture website.

The project included piloting a cultural liaisons program. It was built on the methodology of hiring community members do support outreach. The cultural liaisons spoke various languages, including Mandarin, Cantonese, Russian, Spanish and Hindi. The communities they represented included LGBTQIA, disabilities, immigrant and Muslim communities. The program sponsored one-on-one focus groups, conducted direct outreach to community members, and community listening sessions.

A statistically valid community survey was conducted for Bellevue demographics information. Translated into the top five languages, namely English, Chinese, Spanish, Russian and Hindi, the surveys were completed by 443 Bellevue residents. The majority of respondents had an Asian background. The survey highlighted a variety of different ethnicities.

A community public forum was conducted and it saw 125 persons attend. The event brought people from different ethnicity groups together at tables to gather qualitative data about what the community was saying about what is needed to increase cross cultural programming and outreach. The findings focused on the values, concerns and aspirations of the community, which is of importance to how the various city departments implement programs. When asked what they wanted others to understand and learn about their identity and their culture, the respondents
highlighted personal values and customs, arts and culture, history and heritage, community concerns and recreation.

The survey highlighted while Bellevue has a lot of resources, they are not being fully utilized for various reasons. The list of barriers to participation included fear due to the current immigration issues; time of day; location and/or transportation; language and culture issues; cost; the need for child care; not feeling welcomed; safety; and difficulty in accessing spaces by the disabled. Many of the respondents mentioned a desire to see cross cultural programming aligned with social services. They indicated social services are not always offered in their language and are not always culturally competent. They also asked for affordable, centrally located and culturally symbolic multigenerational spaces in the community in which social services could be available along with a common kitchen, recreational opportunities and access to technology.

Ms. Tellez said from the study flowed five different recommendations: conduct an assessment of existing programs offered by the city relative to access and inclusion; strengthen the marketing and communications regarding the city’s cross cultural programming; explore and form community centered program models that work in conjunction with existing organizations to provide services; strengthen the use of the city’s community liaison program; and implement a second phase feasibility study to analyze the effectiveness of spaces providing services.

Commissioner Amirfaiz noted that there has been an influx of Iraqi and other Arabic-speaking populations moving into Bellevue. She asked how that language and ethnicity group is being captured. Ms. Tellez said under the Title VI regulations, anyone requesting the interpretation of written materials or during a meeting, the city must provide it. Currently data is being gathered regarding the languages spoken in each neighborhood in order to provide linguistically appropriate materials. By city policy, all materials are translated into the top five languages. The 2020 census is expected to return more demographics data within the city.

Commissioner Jain asked how the schools are coping with the large number of languages spoken and the need to communicate with those who do not speak English very well. Ms. Tellez said the school district is a separate entity from the city. They have their own interpreters and resources to address the increasing language needs. There are wraparound services embedded in some of the schools in the district, and they are offered in different languages.

Answering a question asked by Chair Mercer, Ms. Tellez said some of the recommendations are already being implemented, including conducting an assessment how different programs are offering events or services that are accessible. The work includes a focus on collecting data that shows which communities are being served and which communities are being underserved. That data is needed to help to remove barriers to participation. With regard to the cultural liaisons program, one thing that will be looked at is the allocation of budget dollars to the program. Models being used by the city and others will be researched to see what
will work best. Marketing and communication is being improved by constantly being in touch with department PIOs. Additional outreach strategies are being investigated to determine which work best in making connections with communities that do not necessarily have a touch point to services.

Chair Mercer said the next piece she would like to have a better sense of what the goals are in regard to having the additional information, and how success will be judged. Additionally, she said she would like to know what guidance would be given to the Commission. Ms. Tellez said some of the recommendations and next steps will be implemented citywide by different departments. For example, the identified barriers to access will be taken into account for each program offered. During the month of July presentations will be given to community and city staff members to outline some of the findings.

Commissioner Amirfaiz asked how the Bellevue community liaisons are selected. Ms. Tellez said the program will soon undergo a research phase aimed at determining the most effective cultural liaison models. After the research is concluded and after a budget allocation has been made, there will be an application process initiated. She noted that the liaisons are community paid. Commissioner Amirfaiz noted that since money is always tight, the city should engage in community capacity building to form a body composed of volunteers from different ethnic communities. Ms. Tellez said the community liaison models in play include paying the liaisons. There is an existing volunteer model that works with the Latino community, but generally volunteer programs have not been shown to work because of the extensive efforts that are required in doing community outreach.

Human Services Planner Christy Stangland asked Ms. Tellez to briefly explain BDAN. Ms. Tellez said BDAN is made up of community leader volunteers who each give between two and four hours per month advising the city on how to connect with diverse communities. The information shared with the Network gets disseminated among the various community groups.

Commissioner Amirfaiz said she would like to see the city be more intentional about including communities that are not within the top five language groups. Ms. Tellez agreed that focusing just on the top five languages would leave out some groups. The focus on the top five languages is done as a result of federal, state and city policy. Anyone from any background can apply to be part of BDAN without limitation to the top five languages.

Ms. O'Reilly added that the process of updating the Needs Update will include findings from the survey.
8. INFORMATION FOR THE COMMISSION

A. Final Review of 2020 CDBG Applications

Addressing the fact that Kindering Center application was not an eligible CDBG activity, Commissioner Kline commented that during the time the Commission was dealing with the Bellevue Boys & Girls Club and working with the percentage issue to make sure they served a sufficient percentage of low-income clients, the determination of the Commission was that they were able to take the percentage of the people that reported income and disregard the percentage that did not report. She asked how that argument worked then but not now for Kindering Center. Ms. Catalano said the HUD representative made it clear that because the project would have benefited the whole building rather than just a program, at least 51% of all clients receiving services in the building must be low- or moderate-income. While there may be some wiggle room, the fact is that Kindering did not have data for 38 percent of their people. Of the 61 percent of clients on which they did have information, just over half met the requirement. When averaged out, only 33 percent met the low- to moderate-income threshold. She added that she would be conducting a monitoring visit to the Bellevue Boys & Girls Club in August specifically to check on their income verification processes to make sure everything is above board.

Ms. Esparza clarified that an agency could report only on the portion of their clients who voluntarily report their income information. If a significant enough number of the total clients chose to report, and if a significant enough number of those reporting indicated a low- or moderate-income status, it could still demonstrate that overall more than 51 percent of the total number of clients meet the threshold requirement. It is not that there must be documentation for every client, rather there must be a demonstration that over 51 percent of the client base meets the threshold. As it relates to Kindering, the number of clients who reported, and the number of reporting clients who indicated a low- or moderate-income status, did not demonstrate that over 51 percent met the threshold.

Ms. Catalano noted that the Commission reviewed the CDBG applications and asked questions about each at the meeting on June 4. One application is for a program not previously funded by the city, Ventures business development and microlending program for low-income entrepreneurs. She indicated that Ventures receives CDBG dollars from the city of Seattle for the same program, which only serves clients who are verified to be low or moderate income.

Ms. Jacquee Kurdas, Development Director for Ventures, provided the Commissioners with printouts explaining the program model of helping low-income entrepreneurs to start small businesses as a way to climb out of poverty. Clients begin in an eight-week business basics course. The course teaches marketing, sales, operations and finance and the graduates must complete a feasibility plan. After graduation the clients have access to all of the services offered by Ventures, including advanced courses, incubation opportunities at the Ventures Marketplace at
Pike Place Market, ongoing business coaching, and capital through microloans of $35,000 or less. The application submitted for Bellevue CDBG dollars is to fund two business basics courses in partnership with Hopelink. The courses will be offered in English and Spanish. The course includes information about the peer loan program and the opportunity to apply for loans of up to $2500 to start their businesses.

Mr. Beto Yarce, Ventures Executive Director, said he has been part of the organization for about 11 years. He said he moved to Seattle from Mexico and started his own jewelry business with only $250. In only five years, he was able to grow his business to a half million dollar operation. He said he joined up with Ventures as a way of giving back to the community and became executive director five years ago. Ventures will celebrate its 25th anniversary in 2020 and the program has been proven successful in moving people out of poverty. The program offers its clients everything they need for the long term.

Ms. Erin Williamson, Loan Specialist for Ventures, said she oversees the capital and loan program, including the peer loan program, a unique program across the microlending industry. The programs brings entrepreneurs together in small cohorts, all of whom are facing similar challenges in starting and growing their businesses, to approve the disbursement of the loan funds that Ventures provides. The cohort groups dive deeply into the financials, business and marketing plans in deciding what kinds of funding is needed. The loan requests are presented before a panel of peers which then acts as the approving body. The experience is powerful, both for the client receiving the funds and the peer approvers.

Mr. Yarce pointed out that Ventures is also a Small Business Administration (SBA) lender. Having diversified its lending programs, Ventures can lend to communities that do not qualify for government funds by using private funds. Ventures is a designated Community Development Financial Institution (CDFI), a designation from the US Treasury that gives credence to the way the organization lends funds. Ventures is the only CDFI in Washington state that is focused on low-income clients.

Chair Mercer asked if Ventures runs into any problems funding undocumented immigrants with HUD funds. Mr. Yarce said the program includes lending private funds, which allows for approving loans from undocumented immigrants. Federal SBA dollars are not loaned to undocumented persons.

Ms. Catalano clarified that none of the requested CDBG funds would be going for peer loans, only for the business basics program.

Commissioner Piper asked for examples of the types of businesses that receive loans. Ms. Kurdas said the program served 659 individuals in 2018, 72 percent of which were women, 65 percent of which were people of color, 30 percent of which were immigrants or refugees, and 30 percent of which were Spanish speakers. The businesses range from service-related businesses such as landscaping and massage therapy to food businesses, including food trucks and catering. Product businesses
that sell in retail stores are also in the mix. Mr. Yarce added that there are currently some 80 businesses selling in the Ventures Marketplace with total sales of about $300,000 annually, half of which goes to the clients.

Ms. Kurdas said Ventures collects short- and long-term data which shows that within two years of graduating the business basics course there is a 93 percent business survival rate, which exceeds the national average of 80 percent. Additionally, two-thirds of the clients increase the household incomes and move out of poverty within two years. One in five businesses, also within two years, hires an additional two employees.

Commissioner Jain asked how the funds loaned to clients is monitored. Ms. Williamson said Ventures has a diverse portfolio with funds from the SBA and from private sources. A back end monitoring system is in place to mitigate risk. All servicing is done internally and monthly connections are made with all borrowers. She noted that 62 loans were made during 2018, with about ten percent of the businesses served receiving capital. Mr. Yarce added that 98 percent of all loans since 2017 have been repaid even though they are all high risk and are to persons without collateral and usually with poor credit ratings. Ventures focuses on making people bankable and moving them out of poverty. The loans are made at competitive interest rates, but the Ventures model is not geared toward making money in the way other financial institutions do.

Chair Mercer asked if Ventures has in the past or is currently serving clients in Bellevue. Ms. Kurdas said Ventures has offered the business basics program in Bellevue in the past, and the requested funds will allow for offering two additional courses through a partnership with Hopelink. She added that there is a high demand for the services offered in Seattle from clients who do not live in Seattle.

Ms. Catalano asked what the level of interest and need is in Bellevue for the Ventures services. Ms. Kurdas said there is a demand across the Puget Sound region and particularly across the Eastside. The course starts with a get ready for business orientation that is free to the public and consistently about 100 people attend each orientation regardless of where they are held. When the orientation was offered in Bellevue, 125 people registered for the 25 to 30 slots. People are clearly seeking business basics courses and Ventures is the only program available at a free or affordable rate that yields access to full services after graduation. Mr. Yarce added that the Latino community is a particular sweet spot for the program.

Chair Mercer asked how many of those who attend an orientation actually qualify for the business basics course. Ms. Kurdas said the orientation runs for about three hours and includes some reflection exercises around personal income and business ideas. Individuals then are offered the opportunity to apply and interview for the course. During the interview the focus is on looking for clear and concise business ideas, any experience in the field, and how the applicant would benefit from the Ventures community. Client selection also includes adherence to strict income
guidelines. At the six-week mark of the course, the peer loan program is introduced and a post-graduation orientation is offered for anyone wanting to learn more about the program. At graduation, the graduates have the opportunity to make their pitch and to meet with the on-staff Ventures coaches. There are advanced courses offered on a sliding scale for income. Mr. Yarce said for instance the commercial kitchen, clients are charged $15 per hour even though the cost of the kitchen is more than a hundred dollars per hour.

Commissioner Amirfaiz asked how the requested funds would specifically be used in Bellevue. Ms. Kurdas said the orientation runs for one week and the classes run for eight weeks. Each session is three hours long from 6:00 p.m. to 9:00 p.m. for a total of 24 hours of training. Mr. Yarce said Ventures partners with a lot of organizations, including Hopelink, to market the program to qualified persons. The peer loan process follows the class work and graduation. Not every person who participates in the program will become an entrepreneur. About 50 percent of the graduates actually start a business, and more than 90 percent of them ultimately succeed. The Ventures strategy is not aimed at making everyone an entrepreneur. The course is geared to be as beneficial as possible for anyone wanting to increase their knowledge in financial management and personal finance, things that are important when walking into a job interview. Ventures works closely with WorkForce and referral agencies such as El Centro de la Raza.

Mr. Yarce added that entrepreneurship is not for everyone, but for those for whom it is a good option, it is a good way out of poverty and to break the cycle of generational poverty. Those who succeed build their own wealth and wealth for the community.

Ms. Catalano said there are other CDBG-funded programs that are similar, though some are for more established businesses and require that a certain number of jobs be created. The Ventures microlending program does not take that tack in giving clients the opportunity to learn about how to launch and operate a small business. Ms. O'Reilly added that Bellevue's economic development division sponsors some programs, but they are for folks who do not fall into the microenterprise realm. The Ventures program addresses a gap.

Commissioner Ma commented that while Ventures is seeking to provide classes in Bellevue, the bulk of the available resources the organization offers are in Seattle. He asked if there is the potential to grow the program in Bellevue. Ms. Kurdas said the intention of Ventures is to serve clients where they are. The focus is on allocating resources to make sure the organization can work with clients where they require services. Coaching services in particular can be provided remotely. In terms of advance courses, Ventures has experimented with e-learning and going to other places but no specific growth is targeted currently in any other locations. Mr. Yarce confirmed that that is not part of Venture’s sustainability plan. In order to expand to Bellevue and other markets, it would be necessary to double or triple the project budget.
Chair Mercer encouraged the organization in making plans for 2020 and beyond to consider Bellevue College as a potential partner.

Ms. Catalano said the estimated funding for 2020 is expected to be $764,000. In addition, there will be an estimated $250,000 in program income for a total of $1,014,000. The public services requests were allocated during the 2019-2020 general fund process at which time the Commission chose to allocate $143,871 to Jewish Family Service. Additionally, there are the applications for planning and administration, Ventures, the Major Home Repair Program, and the Sound Generations Minor Home Repair Program. She said the request before the Commission was to approve preliminary 2020 CDBG funding recommendations. The public hearing on those recommendations is scheduled for July 16 at which time the Commission will take testimony, engage in additional discussion, and vote on the final recommendations.

Ms. Catalano allowed that the applications total some $97,000 less than the projected CDBG allocation to the city. However, the planning and administration request of $143,877 is less than the estimated 20 percent cap of $202,000. Under the adopted citizen participation plan, any of the allocations can be changed by up to 50 percent without having to go through the amendment process, so adding to the planning and administration allocation up to the cap amount would not be difficult. It is also possible that the amount of projected program income will be less than expected, which would narrow the gap. There are, however, unexpended prior year funds totaling about $600,000 that need to be allocated and an additional RFP for applications may be sent out in the coming months.

Commissioner Piper asked if there is any idea of what the worst case scenario could be in terms of funding. Ms. Catalano said the contingency plan the Commission will vote on at its next meeting will outline the steps to be taken should there be fewer funds to allocate than expected. The plan typically reduces the allocations proportionally. Program income is always difficult to predict, but the allocations are revised in line with what actually comes in. She said a good rule of thumb is to have no more than 1.5 times the entitlement amount in hand at the time the entitlement funds allocation is made.

Chair Mercer asked if CDBG funds could be used to facilitate the building of accessory dwelling units in Bellevue. Ms. O'Reilly pointed out that Bellevue allows accessory dwelling units as attached units but not as detached units. Ms. Catalano added that construction of an attached accessory dwelling unit would probably be considered a home remodel and therefore not eligible for CDBG funding.

Ms. Esparza asked if even as an addition the architectural costs could be covered with CDBG funds. Ms. Catalano explained that while single family homes are exempt, which allows the home repair programs to be funded with CDBG dollars, there are rules about the kinds of things that can be paid for, which primarily fall into the health and safety category.
Ms. Catalano added that if a demand for the Ventures services becomes evident beyond just two classes per year, the funds could be used to add classes.

Commissioner Piper said he was very impressed by the presentation made by Ventures and about the program itself. He said he likes the approach and the success rate touted.

Commissioner Ma concurred and pointed out the program fills a gap for people who do not otherwise have the opportunity to gain the knowledge. The Ventures team was very well organized and responsive to all of the Commission’s questions.

Commissioner Jain agreed and voiced her favorable view of the program. Even those who go through the class but choose not to start a business are better poised to find employment.

Commissioner Amirfaiz said her concern with the program rested on the issue of whether or not eight weeks is a sufficient amount of time to learn all the needs to be learned.

Commissioner Mansfield said his community college background in adult education had taught him that the gap filled by the Ventures program is something many are looking to fill. He agreed that entrepreneurship is not for everyone and the classes help to make that evident, but the knowledge shared is beneficial in many ways.

Commissioner Amirfaiz said food truck businesses are one thing that have come out of the Ventures program. Food trucks often feature foods from communities of culture, for which there is a market, particularly in Bellevue given its diversity.

Commissioner Ma said the Ventures program offers a perfect way to uplift several potential entrepreneurs to where they can create their own income. The potential benefits to the program can be exponential.

Commissioner Kline said she viewed the Ventures program as very promising. She said it was exciting to have something totally new to look at. Moving the application forward would be the right thing to do.

A motion to approve the preliminary CDBG funding recommendations was made by Commissioner Ma. The motion was seconded by Commissioner Piper and the motion carried unanimously.

9. INFORMATION FOR THE COMMISSION

A. 2019 CDBG Annual Action Plan Amendment

This item was obviated by the withdrawal of the Kindering Center request.
10. OLD BUSINESS – None

11. NEW BUSINESS

Commissioner Amirfaiz shared that Bellevue Essentials would be having a picnic at Crossroads Community Park.

Chair Mercer noted that she may be out of town the week of July 15 and asked for a vote to be allowed to participate remotely in the July 16 Commission meeting.

A motion to approve allowing Chair Mercer to participate remotely in the July 16 meeting was made by Commissioner Piper. The motion was seconded by Commissioner Ma and the motion carried unanimously.

Ms. O’Reilly reported that the Council would be holding a farewell for retiring board and commission members and a welcome for new board and commission members on July 8 from 5:30 p.m. to 6:00 p.m. She noted that former Commissioners Oxrieder and McEachran both would be participating in the event along with Commissioner Jain.

12. CONTINUED ORAL COMMUNICATIONS – None

13. ADJOURNMENT

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

Chair Mercer adjourned the meeting at 7:58 p.m.