

The Human Services Commission approved these minutes on July 21, 2015

CITY OF BELLEVUE
HUMAN SERVICES COMMISSION
MINUTES

July 7, 2015
6:30 p.m.

Bellevue City Hall
City Council Conference Room 1E-113

COMMISSIONERS PRESENT: Commissioners Bruels, Mercer, Perelman, Villar

COMMISSIONERS ABSENT: Chairperson McEachran, Kline

STAFF PRESENT: Emily Leslie, Alex O'Reilly, Joseph Adriano,
Department of Parks and Community Services;
Arthur Sullivan, ARCH

GUEST SPEAKERS: Councilmember Chelminiak

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

The meeting began at 6:36 without a quorum. Commissioner Villar presided.

2. ROLL CALL

Upon the call of the roll, all Commissioners were present with the exception of Commissioner Perelman, who arrived at 6:38 p.m., and Chair McEachran and Commissioner Kline, both of whom were excused.

4. PETITIONS AND COMMUNICATIONS - None

5. STAFF AND COMMISSION REPORTS

Councilmember Chelminiak announced that the application process to fill the vacant Commission seat has been reopened.

Councilmember Chelminiak noted that the Council had on its July 6 meeting agenda an item dealing with a contractual change for the operation of Harrington House. He said once the Commission has the opportunity to review it, it will be put back on the Council agenda.

With the arrival of Commissioner Perelman a quorum was reached and the meeting was officially called to order at 6:38 p.m.

Human Services Manager Emily Leslie reported that the Committee to End Homelessness Governing Board approved the Strategic Plan on June 30. That action followed on the heels of the Council's endorsement of the plan. The next step will be to consolidate the Governing Board and Interagency Council into a single Coordinating Board on which Bellevue will have a seat.

Human Services Planner Alex O'Reilly said United Way has for the last two years been working on a new strategic plan. She said she has during that time been serving on the Early Learning and Public Policy Impact Councils. The Early Learning Impact Council met toward the end of June and received an overview from John Fine, the CEO of United Way of King County. United Way has historically had a number of different categories from which they provided funding for various human service programs. The city's Needs Update in fact uses their old five goal areas. The new strategic plan continues to focus on early learning and homelessness, but adds a supporting youth category to address teens and young adults who have dropped out of school, many of whom are homeless. Ms. O'Reilly suggested it would be a good idea at the next joint meeting of the Eastside Human Services Commissions to hear from Mr. Fine because every time United Way revises its strategic plan there are areas that fall out of their funding focus and agencies seek to fill the gap by seeking funding from other funders.

3. APPROVAL OF MINUTES

A. June 16, 2015

Commissioner Villar called attention to page 8 and pointed out that in the paragraph just before Old Business Commissioner Kline had asked to have the sentence "She noted that several of the commissioners present were aghast at that revelation" revised to read "She noted that several of the commissioners present were disappointed by the news."

A motion to approve the minutes as amended was made by Commissioner Bruels. The motion was seconded by Commissioner Mercer.

The agenda was amended by consensus to move up Item 8, New Business.

8. NEW BUSINESS

Ms. Leslie provided the Commissioners with copies of a letter from Catholic Community Services regarding the closure of Harrington House program in Bellevue. She said the action taken by the Council on July 6 had more to do with the building facility which had been funded in part with money from ARCH.

ARCH Program Manager Arthur Sullivan said in the late 1990s ARCH was very specific about what program would be carried out in the building, namely services for single pregnant women and transitional housing with residencies of up to two years.

Over the years programs for the homeless have changed, particularly in how programs are delivered and the shift from transitional to permanent housing. Harrington House recognized the need to serve single adults in East King County.

What is changing relative to Harrington House is the delivery of services rather than the provision of housing, which is why ARCH believes there is an operational question of the type that falls into the arena of input the Commission provides to the Council. ARCH has been before the Council in the past to discuss issues where there have been housing shifts, especially from transitional to permanent forms. The organization has learned over the years that in addressing homeless housing to leave room for flexibility, but on the advice of the City Attorney it is necessary to review what was originally approved by the Council and if the new approach feels different the issue must be brought back before the Council. Because of how the Harrington House contract was written, it was necessary to go back to the Council, even though the new approach will continue to serve homeless populations and people with the same income levels.

ARCH grants are always secured grants, which means a note is filed against the property. So long as facilities are used for their intended purpose there is no reason to take additional action. ARCH is satisfied that the long-term commitment relative to an affordability covenant will continue to be viable under the program changes going forward.

Ms. Leslie said Catholic Community Services came to staff some time ago with their thinking about making a change to the program. At that time there were discussions, including with staff from other cities, about what would be the best use for the building. Sophia Way was involved in those conversations. Catholic Community Services had conversations with Congregations for the Homeless and decided that program offered a good fit. The facility was looked at to determine if it would be appropriate for use as a family shelter, but the conclusion reached was that as configured it would not work for that purpose. Congregations for the Homeless is currently in negotiations with Catholic Community Services about leasing the facility.

Ms. Leslie said the Commission will at its next meeting be asked to discuss what to do with the Harrington House contract for the remainder of the 2015-2016 funding period.

Answering a question asked by Commissioner Perelman, Ms. Leslie said Harrington House has not been accepting new residents for some time and they have been moving their current residents into permanent housing. All of their current residents will be out of the facility by August 31.

Mr. Sullivan said Catholic Community Services has other facilities and their current clients will receive services through other family programs. He said it would be good to confirm that clients still in the Harrington House program at the time the facility is shut down, particularly those who still have time left on their two-year window, will

have housing provided for them through other programs. He added that before going to Congregations for the Homeless, Catholic Community Services had talks with a number of other homeless providers; for a variety of reasons, the Congregations for the Homeless program proved to be the best fit for the building.

Answering a question asked by Commissioner Mercer, Mr. Sullivan commented that since Harrington House was built a number of units have been built for homeless families thus increasing the pool of family units. Imagine Housing often partners with agencies to serve a variety of different types of families in their units. The Harrington House building was designed to serve a specialized family subset. Commissioner Mercer commented that in evaluating the impact there should be some assurance given that those served by Harrington House will continue to be served, even if by other programs.

Commissioner Villar asked a Council action not to approve the resolution will create a barrier to Congregations for the Homeless using the property. Mr. Sullivan said that would in fact be the case and the building would sit empty. Any attempt to use the building for any function other than what the ARCH funds were approved for could trigger a call to have those funds returned. The intent is to have the Council act in a way that will open the door to future flexibility in the ways the homeless are served. The Council undoubtedly would like to hear from the Commission as to whether or not it is comfortable with that degree of flexibility.

Commissioner Perelman voiced her support for allowing for a great deal of flexibility. She asked if walls could be changed around in the building in ways that would accommodate serving as a shelter. Mr. Sullivan said that could be done, but in fact the building is smaller by about fifty percent than the shelter space being sought.

Councilmember Chelminiak said it would be helpful for the Commission to reach a consensus opinion and forward it to the Council. He said it would also be helpful if the Commission were to support the notion of flexibility.

Commissioner Perelman said she would like to see the facility fall outside the purview of the current King County system regarding how homeless people are assigned to units. Mr. Sullivan pointed out that Congregations for the Homeless receives funding from King County as well as from the city.

There was consensus that flexibility is needed to better serve the homeless population.

Commissioner Bruels suggested that along with the change in focus from pregnant women to homeless adults, there should be some engagement with the local neighborhood in which Harrington House is located. Mr. Sullivan said that is the standard practice for Congregations for the Homeless.

Ms. Leslie said Catholic Community Services will be asked to attend the next Commission meeting to talk about their request regarding the contract for Harrington House.

6. DISCUSSION

A. 2016 CDBG Applications

Grant Coordinator Joseph Adriano noted that seven technically new applications were received for 2016 allocations. He reminded the Commissioners that the application from Jewish Family Services was funded for two years, 2015 and 2016; that application is also partly funded with CDBG and general fund dollars.

Ms. Leslie reminded the Commissioners that the rules allow a portion of the CDBG funds to be used for services rather than for capital project, and Jewish Family Services is the only agency funded to provide services using CDBG dollars.

Mr. Adriano noted that the \$100,649 in CDBG funds recommended by the Commission for 2016 will be part of the recommendation package unless decided otherwise. He also noted that the figure for projected CDBG funds in 2016 he sent out was incorrect and should be reduced to \$775,000 after additional number crunching by staff. The actual amount will not be known for several months yet.

Mr. Adriano also clarified that the federal government requires cities to not have more than 1.5 times the amount of their annual grant on hand and unspent. Last year the city failed the timeliness test that occurs annually in the fall, and the result was a sort of probation that entails watching very carefully how the funds are spent for the current year. In addition to sending HUD a correction plan outlining how much more money will be spent in catching up, there is a moving target involved with the amount of home repair loans that come back to the city in payments; those dollars received count as CDBG dollars when it comes to determining the amount of money to be spent. Over the years staff have been too conservative in projecting the amount of available CDBG money and that has, in part, contributed to having too much cash on hand.

Answering a question asked by Commissioner Mercer, Ms. Leslie explained that every effort is put into anticipating what the program income will be each year based on historic patterns and other factors. It is, however, very difficult to accurately predict. Whereas historically some \$200,000 is received annually, to date for 2015 \$160,000 has already come in putting the city on track to take in far more than the historic amount.

Ms. O'Reilly said housing programs, such as the Home Repair Program that is managed by the city, are very volatile and in sync with the general housing market. When the housing meltdown occurred several years ago, people were not selling

their homes and program income from paybacks was greatly reduced. The market is now much more active so more homes are being sold and loans are being repaid.

Mr. Sullivan said another consideration is the fact that capital projects that utilize CDBG funds often need a long time to use all the funds they need. It can take a long time to be ready to go from the time a project is approved and a conservative approach has been taken in not even trying to allocate funds until projects had confirmation of the CDBG award, rather than acting on the projected amount. The conservative approach added to the fact that projects can take time coming online are contributing factors.

Answering a question asked by Commissioner Perelman, Ms. Leslie explained that in the past the focus has been on updates from currently funded projects. In an attempt to increase the opportunity to spend down the funds, word was put out for new projects. The new applications received were those from the Bellevue Boys & Girls Club and International Community Health Services.

Ms. Leslie added that because it takes times to put capital projects together, ARCH took three years of CDBG funds totaling about \$158,000 and stored it up. It still has not been spent but the organization has promised to spend it during the summer of 2015. That is one of the factors that triggered the issue with HUD.

Mr. Sullivan clarified that ARCH was created to be a place for cities to join together and coordinate their efforts in funding housing developments. Once it is known how much money each city has available, applications are received and reviewed. ARCH then reports back to the individual city councils to highlight specific projects from around King County. Since its inception ARCH has allocated more than \$40 million for projects. The amount requested from ARCH for the coming year was predicated in part on the projections of what staff thought Bellevue would have available. ARCH will work with whatever the city has to allocated to the organization.

Ms. Leslie said the question for ARCH and indeed for every applicant on the list is how quickly they can spend any funds allocated to them, particularly the 2015 funds. Mr. Sullivan said because he does not know when specific projects will come forward, it is not possible to say exactly when funds will be spent. In storing up three years' worth of money ARCH was looking for an ironclad project without knowing there was a time pressure issue. The most promising project on the horizon is the housing on St. Luke's property. CDBG funds cannot be used to construct permanent housing but they can be used for land, architecture and non-construction predevelopment costs.

Turning to the Major Home Repair program, Mr. Adriano said staff took a look back at the average value of the repairs made over the last couple of years. The projection is that awarding \$605,000 to the program would give the program staff a task they would not be able to accomplish given the amount of funds they still need to spend from prior years.

Commissioner Perelman asked if the Minor Home Repair program could use more money. Mr. Adriano said when asked to participate in the additional funding process in January the program staff were asked to submit a number they believed they could realistically spend, and their response was \$76,000. Mr. Adriano said the Major Home Repair program should be allocated in the neighborhood of between \$200,000 and \$250,000 rather than \$605,000. The program still has money from 2014 that has not been spent, and all of its funding from 2015 that has not yet been spent. Those funds will be spent; the issue is that they are not able to spend it fast enough.

Ms. O'Reilly explained that part of the problem lies in the fact that the construction boom that is currently under way is making it difficult for the program manager to find contractors. Additionally, some applications have had to be denied because of the trend of older adults using reverse mortgages. Loans cannot be provided to anyone having a reverse mortgage because of the high likelihood of not getting the funds back. Also, because of the lead-based paint rules, it is necessary to work only with contractors who are appropriately trained and who have the appropriate liability insurance and bonding. That results in paring down the pool of contractors. The program does recruit contractors.

Commissioner Perelman proposed allocating \$250,000 to the Major Home Repair program and holding the ARCH allocation flat.

Answering a question asked by Commissioner Villar, Mr. Adriano said the Bellevue Boys & Girls Club has begun spending the funds previously allocated to them, and they have guaranteed under their contract that they will bill on time.

Commissioner Mercer proposed going forward with the allocations indicated for the city, the Bellevue Boys & Girls Club and the International Community Health Services, plugging in \$250,000 for the Minor Home Repair program, and allocating the balance to ARCH.

Ms. Leslie noted that the balance would be only \$28,000. She allowed that ARCH receives between \$300,000 and \$400,000 annually from the city's Housing Trust Fund. CDBG is a small portion of the city funds the organization receives.

Commissioner Mercer commented that the need for affordable housing has been made very clear by the needs assessment, so it does not seem to logically flow that allocation to ARCH should be reduced.

There was agreement in favor of seeing the Bellevue medical and dental clinic renovation project move forward.

Commissioner Mercer said if the Major Home Repair program were to be allocated \$215,000 it would be possible to keep funding for ARCH flat.

Ms. Leslie said the contingency plan adopted by the Commission is intended to clarify what happens in the event the CDBG allocation to the city is more or less than anticipated.

Commissioner Perelman suggested more could be done to advertise the Home Repair programs. Ms. O'Reilly said they are advertised on the city's website and in *It's Your City*. Commissioner Perelman said she would like to see the programs touted on social media as a way of getting the word out.

Ms. O'Reilly reported that Jubilee Reach conducts an annual Day of Caring event toward the end of August. They have a large force of volunteers who go out to the schools and to people's homes, and the Neighborhood Outreach Program works with Jubilee Reach to help advertise the program. The Jubilee Reach organizers have been approached about offering large grants to people who are involved in the Day of Caring program. To date six applications have been received; three have been approved, one of which is a roof project costing \$20,000. The program will help to reduce the CDBG funds being held by the city.

7. OLD BUSINESS

Ms. O'Reilly said an update regarding the legislative session will be provided to the Commission at its next meeting.

9. PETITIONS AND COMMUNICATIONS - None

10. ADJOURNMENT

Commissioner Villar adjourned the meeting at 8:07 p.m.

Secretary to the Human Services Commission

Date

Chairperson of the Human Services Commission

Date