

The Human Services Commission approved these minutes on May 3, 2016

CITY OF BELLEVUE
HUMAN SERVICES COMMISSION
MINUTES

April 5, 2016
6:30 p.m.

Bellevue City Hall
City Council Conference Room 1E-113

COMMISSIONERS PRESENT: Chairperson McEachran, Commissioners Bruels, Kline, Mercer, Oxrieder, Villar

COMMISSIONERS ABSENT: Commissioner Perelman

STAFF PRESENT: Emily Leslie, Alex O'Reilly, Dee Dee Catalano, Doug Sanner, Sam Ezadean, Department of Parks and Community Services; David Curtice, King County Housing Authority

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

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

2. ROLL CALL

Upon the call of the roll, all Commissioners were present with the exception of Commissioner Perelman, who was excused.

3. APPROVAL OF MINUTES

A. February 18, 2016

Commissioner Oxrieder called attention to the first paragraph under Staff and Commission Reports on page 2 and noted that the meeting she attended was in fact at Bellevue City Hall rather than in Redmond.

A motion to approve the minutes as amended was made by Commissioner Villar. The motion was seconded by Commissioner Mercer and the motion carried unanimously.

B. March 1, 2016

Commissioner Kline drew attention to the third paragraph on page 6 and the

indicated that United Way is on the board of ADS and the statement United Way has not indicated any desire to change its role in helping to oversee the work. She suggested adding a statement that ADS was looking at the governing documents surrounding the eligibility of United Way to continue serving on the board.

A motion to approve the minutes as amended was made by Commissioner Villar. The motion was seconded by Commissioner Mercer and the motion carried unanimously.

4. PETITIONS AND COMMUNICATIONS – None

5. STAFF AND COMMISSION REPORTS

Commissioner Oxrieder reported that she attended the Get To Know Your Muslim Neighbor panel in Council Chambers at City Hall. The event was very well attended with standing room only. The speakers were excellent as was the format for the program. The audience was very respectful.

Commissioner Oxrieder noted that she also attended the recent YES breakfast event at which \$600,000 was raised.

Commissioner Villar reported that she attended the King County Library Foundation and the Imagine Housing galas in March. Both were very successful events.

Chair McEachran said he attended the farewell celebration for Steve Roberts, executive director of Congregations for the Homeless. The presentation was good, the event was well attended, and much praise was given to Mr. Roberts in honor of his past work. He said he also attended the March 21 City Council study session for an extensive presentation on the Bellevue affordable housing strategy. The outcome will certainly impact the work of the Commission.

Human Services Manager Emily Leslie said she serves on the internal staff work team that is addressing the Council's affordable housing strategy. She said she would keep the Commission updated as the process moves forward.

6. DISCUSSION

A. Home Repair Program Update

Home Repair Program director Sam Ezadean said the program was launched in 1986. Since then numerous Bellevue citizens have been assisted in effecting repairs to their homes. The major activities are roof repairs, plumbing, electrical work, furnaces, driveway repairs, and anything else in the safety and health categories. Between 35 and 40 low- and moderate-income clients are served annually. Clients must meet the income guidelines published each year by the Department of Housing and Urban Development.

Mr. Ezadean noted that in 2015 the program received about \$383,000 in loan paybacks. As part of the program, the home repair loans must be paid back when the home is sold or the owner passes away. The maximum loan amount is \$35,000 for the life of the house. So long as the client is within the program and have not reached the overall limit, they can come in seeking assistance with additional repairs. The program is very popular among seniors, who represent about 80 percent of the total clients.

Low-income clients are eligible for deferred loans up to the full \$35,000. Moderate-income clients are required to match the loan amounts dollar for dollar. Those in the very low-income category are eligible for grants up to \$5000, as well as deferred loans.

Mr. Ezadean shared with the Commission photos of repairs done through the program. He stressed that all of the work done is related to needed repairs, not remodeling or additions. Bids are solicited from contractors on behalf of the homeowner, and construction coordinator David Curtice helps the homeowner sort through the bids received before a contract is signed and the repair work is scheduled.

Mr. Curtice said he meets with the homeowners to encapsulate all the repairs that need to or should be done. Often the scope of work changes somewhat once a contractor comes on board. He said he manages the construction work as needed. He said he is also a certified risk assessor and in that role works through a matrix for all houses constructed prior to 1978 to identify the presence of lead paint and the like. There are certain rules to be followed where needed repairs relative to lead-based paint cost less than \$5000, another set of rules for repairs costing between \$5000 and \$25,000, and some very complicated rules to follow where repairs cost more than \$25,000. Fortunately, homes in Bellevue rarely fall into those categories. The first step is always to have the paint tested, and at the end of the jobs the houses are usually cleaned before floor and other surfaces are once again tested. HUD is less concerned about the presence of asbestos, so testing for that is not done. Contractors, however, are required to conduct tests and to follow certain rules in doing their work where asbestos is found.

Commissioner Oxrieder asked how people hear about the program. Mr. Ezadean said the main way is by word of mouth. Additionally, direct mailings are sent out two or three times a year to residents, and the program is highlighted in *It's Your City* twice a year. Referrals on occasion are made by code enforcement officers.

Commissioner Mercer asked how the loans get paid back and what percentage of the repairs are made using grants. Mr. Ezadean said when the loans are made, a second-position lien is placed against the property. About 90 percent of the paybacks occur when the house is sold. Payback is also triggered by the death of the property owner. Payback is required where the property owner refinances the mortgage on

their property, unless they still fall within the eligibility guidelines; if they do, the loans can be subordinated, and if they do not, the loans must be paid back.

Commissioner Bruels asked if there is data regarding the diversity of the clients served, and what is done in terms of outreach to non English-speaking residents. Mr. Ezadean said information regarding the program is available in printed form in four different languages. In addition, an interpreter is used where language is a barrier to communication. Ms. O'Reilly pointed out that about a third of the clients are ethnically diverse.

Chair McEachran asked if the program has trouble in finding qualified contractors. Mr. Curtice said there is currently a shortage because they are all very busy given the construction boom. A couple of contractor fairs have been conducted in an attempt to get some additional contractors on board.

Commissioner Kline asked Mr. Curtice how his services are paid for, and he explained that a percentage of the overall contract is paid to the King County Housing Authority to address his time.

Mr. Ezadean invited two clients who had repairs done to their homes to address the Commission.

Ms. Basak Tuncak voiced her gratitude for the program. She said she moved to Bellevue in 1979 from her native Turkey with high hopes and dreams. She said at the time she and her husband divorced in 1986, she had two small children aged three and eight and was living in a house built in 1976. In order to provide for her children, she ran a paper route in addition to holding down two other jobs. In 2000 the furnace in her home broke down and she was unable to afford the repairs. She said she learned about the Home Repair Program when she went to pay her water bill, found she qualified, and was able to have the furnace repaired. In 2001 the roof began to leak and a new roof was put on through the program. In 2002 a leak in an upstairs drain leaked through the living room ceiling required another repair, and then in 2003 the garage filled with water after a water pipe broke and needed to be repaired. She said without the program she would not have been able to afford any of the repairs.

Mr. Bart Goft said he has been a resident of Bellevue since 2002. He said the Home Repair Program is an excellent program, and the staff behind it and those who provide the work are all amazing. He said he served as a housing counseling specialist in his native New York City at various non-profits and for legislators who asked him to deal with their constituents. He said he helped a lot of people by preventing homelessness and discrimination. He said he never owned his own home before moving to Bellevue but soon after learned that his flat roof was going to offer him problems. He said he learned about the Home Repair Program from the *Bellevue Reporter* and in *It's Your City*. Having been deemed to be eligible, steps were taken to have the roof fixed. The Home Repair Program staff walked him through every step along the way. Some small repairs have been done since then as well. The

program is amazing.

7. DISCUSSION

A. Orientation to 2017-2018 Human Services Funding Process

Parks & Community Services Department Fiscal Manager Doug Sanner said the city budget for the next two years will dominate the work of the staff and the Council for the balance of the calendar year. In addition to the operating budget, the city's Capital Investment Program outlines what parks, roads and fire stations are to be constructed over the next seven years. The process of developing the 2017-2018 budget is under way; it began with the Council holding several retreats to talk about the financial condition of the city and their priorities. Staff has been working behind the scenes to put together budget proposals, all of which will culminate in the city manager presenting a preliminary budget to the Council in October. The Council ultimately will adopt the budget in December.

At the Council workshop on March 28, an overview of the city's financial condition started off good with positive messages, including the fact that the Puget Sound region continues to outperform the nation, Bellevue home prices have rebounded faster than the nation, and that the unemployment rate is very low. Despite those positives, however, a status quo no-growth budget is expected on the operating side because the city's operating expenses are exceeding the city's revenue growth, primarily due to healthcare costs, particularly for firefighters and law enforcement officers. Additionally, the city is poised to lose an important revenue stream that came to the city several years ago when the Eastgate area was annexed from unincorporated King County. The economically sensitive revenues the city brings in, such as sales taxes and the B&O taxes, are doing well.

With regard to property taxes, the Commissioners were told the city levies a property tax amount rather than a property tax rate, so even when homes increase in value, the city does not receive additional money. Also, as people have become better conservers of natural gas and electricity, utility tax revenues have fallen. The transition from land lines to cell phones has also had a negative impact on revenues given that land lines and cell phones are not taxed at the same rate.

Mr. Sanner said for all of those reasons, the Council has highlighted the need for a class neutral budget with no new investments that are not revenue backed. He stressed that the city will not be in crisis mode for the upcoming budget, in fact there will be a surplus, but the Council will be thinking of those funds as one-time dollars rather than ongoing dollars. Any new investments will need to be one-time investments to either help the city weather the storm in the future, prepare the workforce for the future, or to respond to the identified Council priorities, including the affordable housing strategic plan, the diversity initiative, ongoing support for the Eastside Pathways group that is working with the Bellevue School District on the

issue of school readiness, and the establishment of a permanent Eastside winter shelter by 2018-2019.

The Budget One process under way is very similar to the one used the last several budget cycles in that all ongoing services and programs must have a budget proposal submitted. The budget is then organized around the six outcomes of a safe community, improved mobility, responsive government, economic growth, and quality neighborhoods/innovative, vibrant and caring community. Each outcome has a results team comprised of five or six staff members who have agreed to act like buyers. The teams come out with directions for what kinds of proposals they want to see and instructions for putting proposals together, following which they read the proposals, ask the difficult questions, and rank each proposal in terms of responsiveness to their requests. The implication is that eventually the budget office will pour money into each outcomes bucket, and the ranking will indicate which proposals are above the funding water line and which are below. In reality, however, it is not that simple and programs that do not necessarily rank high do receive funding for various reasons.

Proposals must be written for everything done. Parks has roughly 20 operating proposals and 20 or 30 capital proposals. All proposals must be submitted by April 29. The spreadsheet behind the human services proposal shows what the city's contribution to human service funding is based on the Council-adopted policy of funding that takes into account inflation and population growth. The city provides property tax revenues totaling some \$3.165 million to the Human Services Fund, which is what the Commission allocates to the various funding agencies. According to the budget office, inflation for 2017 will be 2.46 percent, and according to the planning department, Bellevue' population will grow by 0.87 percent. Altogether, the Human Services Fund is projected to be \$3.271 million, an increase of some \$105,000, not counting the employee contributions of roughly \$10,000 generated by the Giving Campaign.

Mr. Sanner said every human services budget proposal written to date under the Budget One process has ranked near the top. A proposal with a placeholder number for the winter shelter facility costs, which are not part of the base funding, will be submitted as well. Prior to April 29, human service staff will scrub the requests, identify which of them are related to the winter shelter facility costs or new programming elements, and assemble them into a packet for new investment that is consistent with the interest of the Council to use some of the one-time money for the winter shelter.

Commissioner Bruels asked if the shelter applications will be culled out from the general considerations. Ms. Leslie said agencies have been asked to include facility costs in their applications to make the costs easier to identify. During the last funding cycle, there was no money in the Human Services Fund to fund it, so the costs have been coming out of the fund balance.

Commissioner Mercer asked if something similar will be done to support Eastside Pathways. Mr. Sanner said Patrick Foran and Helena Stephens are working on that. They have asked Eastside Pathways to put together a one-page ask outlining what funding they would like to see and what services would be provided for that funding.

Commissioner Kline voiced concern over small pieces of the Commission's work being pulled away. Ms. Leslie clarified that the only way to get new funding is through one-time funds. As the applications come in, they will be reviewed to see if any of them can be packaged in a way to connect to the Council's established priorities. Mr. Sanner added that the intent is to keep the Commission from having to deal with the increased requests by coming to the Council late in the game with requests that are significantly higher than the funding availability and thereby creating a problem for the City Manager to deal with. Ms. Leslie said the issue is if any of the one-time funds are going to be sought to address things like the winter shelter and Eastside Pathways, the request will need to be submitted by the end of the month. The Eastside Pathways approach was directed by the Council and if it happens, it will be an ongoing thing outside the purview of the Commission.

Answering a question asked by Commissioner Villar, Mr. Sanner said Arthur Sullivan with ARCH has the lead in figuring out how to incorporate funding for the affordable housing initiative.

Mr. Sanner commented that during each funding cycle, the Council has directed the Commission to ask for what it needs and to not limit its thinking to the resources available. The Council always wants to know not only what can be done with the existing funds but also what would be done should there be additional funds available. Ms. Leslie added that as the applications are received and reviewed, there may emerge programs the Commission will want to fund but will not be able to with the available dollars, and they might be right for folding into a package for one-time funds. The Commission typically submits its requests in October and by that time the Commission will know if its request for one-time funding related to the winter shelter met with success, and if there will be opportunity to go directly to the Council with an additional ask.

Grant Coordinator Dee Dee Catalano noted that the 2017-2018 General Fund and CDBG public services process would officially begin on April 7 at 4:30 p.m. After the application period closes, the applications will be made available in both electronic and printed format for the Commission's review. Staff intends to have the materials available by April 13. The Commission will be divided into review teams, and the applications will be divided into the five strategy areas. All of the applications will be provided to all of the Commissioners, but the Commissioners will only need to fill out the rating sheets for the applications assigned to their review team.

Ms. Catalano briefly reviewed with the Commission the schedule for reviewing the applications, beginning with the preliminary review of the Goal 1 applications on April 19 and finalizing the funding recommendations for the General Fund on June 7. The

public hearing for general fund and CDBG recommendations is scheduled for July 19, following which the Commission will vote to finalize the recommendations.

8. OLD BUSINESS

Ms. O'Reilly noted that at the Commission's meeting on March 15 Commissioner Bruels asked a question about dental services at ICHS. She said she relayed the question to ICHS staff, and she made available to the Commissioners the response received.

Commissioner Laing said at that same meeting Commissioner Bruels asked where United Way will be spending its money since they will not be spending it on older adult services. Ms. O'Reilly said she put the question to United Way and received a response indicating that in actuality the agency will expand the dollars invested in strategic plan goals to ensure that people have homes, students graduate and families are financially stable. That will mean there will be less to invest in other areas that do not align with the four goals. Not all senior-related funding will be cut, and it has been estimated that 20 percent of the funds will impact older adults. Ms. O'Reilly added that United Way has undertaken fundraising efforts that to date have netted some \$10 million for the disconnected youth project.

Commissioner Kline said she had heard that separate from fundraising, United Way may be doing some original work themselves with some funding partners as opposed to agency partners. That would mean that in some instances the money may not be flowing to some agencies at all.

9. NEW BUSINESS

Ms. Leslie reminded the Commissioners that the Commission meetings during the application review process will begin at 6:00 p.m.

10. PETITIONS AND COMMUNICATIONS - None

11. ADJOURNMENT

A motion to adjourn was made by Commissioner Bruels. The motion was seconded by Commissioner Villar and the motion carried unanimously.

Chair McEachran adjourned the meeting at 8:22 p.m.

Secretary to the Human Services Commission

Date

Chairperson of the Human Services Commission

Date