

The Human Services Commission approved these minutes on October 4, 2016

CITY OF BELLEVUE
HUMAN SERVICES COMMISSION
MINUTES

September 8, 2016
6:00 p.m.

Bellevue City Hall
City Council Conference Room 1E-120

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

COMMISSIONERS ABSENT: Commissioner Villar

STAFF PRESENT: Emily Leslie, Alex O'Reilly, Dee Dee Catalano, Kayla Valy, Department of Parks and Community Services; Mike Kattermann, Janet Lewine, Planning and Community Development

ALSO PRESENT: Councilmember Robinson; Hannah Kimball, Bellevue Network on Aging

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 6:02 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 arrived at 6:36 p.m., and Commissioner Villar, who was excused.

3. APPROVAL OF MINUTES

A. July 7, 2016

Commissioner Oxrieder called attention to the third page and pointed out that "Debra Doitch" should be corrected spelled "Debra Duitch."

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

B. July 19, 2016

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

4. PETITIONS AND COMMUNICATIONS - None

5. STAFF AND COMMISSION REPORTS

Commissioner Bruels reported that he attended the recent substance abuse grief intervention and screening, and referral/treatment training at the police academy in Burien. The three-day event is funded by the MIDD and is focused on an intervention and interview style called motivational interviewing, as well as screening for substance abuse by professionals.

Commissioner Oxrieder said the *Seattle Times* recently ran an article about a volunteer at Mary's Place in Seattle who was teaching writing to the women there. It was noted that a book of the women's poetry was compiled and is now available for sale. The book is titled *Original Voices* is very compelling.

Councilmember Robinson thanked the Commissioners for the hard work done in thinking about and prioritizing the big picture. She shared that in December 2015 she and Mayor Stokes sat down together to talk about what should be done about affordable housing in Bellevue. The brainstorming session resulted in several strategies to be explored. The subsequent work done by the Affordable Housing Technical Advisory Group (TAG) has been very thoughtful and thorough. She said her personal mantra is "whatever helps a child." The biggest cause of mental health issues is childhood stress. The biggest cause of childhood stress is unstable housing. The biggest deterrent to early childhood learning is childhood stress. Anything that can be done to help the children will help the entire community.

Chair McEachran said his church was recently contacted by Sound Transit who was seeking parking places to replace those lost by the closure of the South Bellevue park and ride. They offered \$100,000 over four years. He also noted that in 1985 a member of his parish came forward with the notion of doing something about housing by forming a housing group. Amid arguments both pro and con, St. Andrew's Housing Group, which is now Imagine Housing, was formed. He shared that on September 9 the organization would break ground for a new affordable senior housing complex in Kirkland. About 20 of the units will be earmarked for homeless seniors.

6. DISCUSSION

A. Presentation on Affordable Housing Strategy

Human Services Manager Emily Leslie said she has the honor and privilege of serving on the Affordable Housing Strategy core team. The team meets weekly to work on the City's current affordable housing initiative. She also noted that the Commission had expressed an interest in being kept up to date regarding the development of an affordable housing strategy for the city, and to that end she introduced Senior Planner Mike Kattermann and Associate Planner Janet Lewine with the Department of Planning and Community Development.

Mr. Kattermann related that developing an affordable housing plan is one of the Council's top priorities to be accomplished over the next couple of years. There is substantiating policy embedded in the Comprehensive Plan. Affordable housing has also been tagged as being very important in accomplishing the city's economic development plan strategies.

The process of developing an overall affordable housing strategy began with the Council handing down a set of principles on which to base the work. The strategies outline the need to recognize that the need for affordable housing is a sizeable problem and they set the city on a path committed to addressing the local challenges while serving as a regional leader. The strategies also direct the effort toward identifying the needs; focusing on actions that will have immediate effect; establishing ambitious goals; building on the city's existing tools and strengthening exiting partnerships; drawing on knowledgeable resources; considering a full suite of tools; tailoring approaches to different areas of the city; leveraging resources; monitoring results and adjusting as needed; and ensuring a robust public outreach and engagement process.

Mr. Kattermann said the process to date has made it clear that there is no one single answer. Additionally, while the city already does a lot, there is more that can be done. However, no one city, no one agency and no one entity will be able to solve the problems on their own. Furthermore, there will need to be a comprehensive collaborative and sustainable effort going forward.

Ms. Lewine said an Affordable Housing Needs Assessment was conducted at the beginning of the project. The Human Services Needs Update, which is updated every two years, consistently has rated the need for affordable housing very high. In the 2015 update, 68 percent of the survey respondents rated the lack of affordable housing as the number one community problem, up from 51 percent in 2013. Additionally, a 2015 survey of businesses rated Bellevue low on affordable housing options, and highlighted workforce housing as a primary challenge. Forty-one percent of the business respondents reported difficulties in finding trained and qualified staff as a direct result of affordable housing options. A third survey, conducted entirely online, recently closed and generated more than 900 responses and comments.

About two-thirds of the respondents indicated they had personally had difficulty finding affordable housing, or know someone who faced the issue.

Mr. Kattermann said in June an educational forum was conducted as part of the process. Six panelists spoke about their experiences working with issues related to affordable housing. One of the panelists was the HR Director for the Bellevue School District and the report given was that affordable housing is a very big issue for the district. The district loses about a quarter of all new entry level recruits at the end of their first year, and the main reason given is that they cannot find affordable housing in or anywhere near the Bellevue School District, making it necessary to commute; by the end of the year they are tired of the commute and seek employment elsewhere.

Ms. Lewine said Bellevue is known as a well-off community. Of all Bellevue households, about 65 percent have incomes greater than the area median income. For senior households specifically, about 51 percent have incomes that exceed the area median income. The median income in King County for a family of four is close to \$88,000 annually, and for a single person about \$60,000 annually. Almost a third of all Bellevue households spend more than 30 percent of their income on housing. Sixteen percent of all renters, and almost a third of all senior renters, spend more than 50 percent of their income on housing. According to the Department of Housing and Urban Development (HUD), housing is considered affordable if less than 30 percent of the income of a household is spent on housing. Households that spend more than 30 percent is labeled as cost burdened, and those that spend more than 50 percent are labeled as extremely cost burdened. Cost burdened households have a difficult time getting by. Extremely cost burdened households are faced with making very difficult choices between housing, food and transportation expenses, and the struggle impacts and stresses the family members, including the children, and ripples through the entire economy.

Another way to track housing needs in Bellevue is to look at the affordability of the city's housing stock and compare it to household incomes. Some 17 percent of Bellevue households, representing about 9100 households and 22,000 people, earn less than 50 percent of the area median income, while there are only about 3100 units, or six percent of the housing stock, that is affordable to those in that income group. Mr. Kattermann said those figures highlight the most pressing need, pointing out that it is not possible to fit 22,000 people into 3100 units. There is another very large group of people who work in Bellevue and would prefer to live in the city but cannot afford to do so.

Ms. Lewine shared a chart showing cost burdened households broken down by income groups. She pointed out that households in the low- and moderate-income brackets are bearing the brunt, with about half in those groups being cost burdened. The chart indicated that for those making less than 30 percent of the area median income, nearly 85 percent are paying more than 50 percent of their incomes for housing.

Mr. Kattermann commented that affordable housing is an issue affecting the entire city, not just certain areas. In some areas, monthly rents average \$2000, while low- and very low-income households can reasonably only afford to pay between \$450 and \$1000 per month. While it is true that some choose to live in a house they cannot afford, many of the cost burdened households are seniors who bought their homes a long time ago, have seen their incomes go down in retirement, and have seen their costs go up over time, making it more difficult to live in the homes they have been in for years. Many of those seniors also cannot afford to move, so they are stuck. The same issues apply to seniors who rent their homes and are experiencing steady increases. Housing costs are increasing at a faster rate than incomes.

Ms. Lewine said the fact that people want to live in Bellevue because of the great neighborhoods, great communities, excellent schools and job opportunities is putting pressure on housing costs. Bellevue has more jobs than housing units currently, a trend that is projected to continue into the future. In King County, those who make 50 percent of the area median income, or about \$31,000 annually, including baristas, who average \$11.09 per hour; hotel maids, who average \$12.33 per hour; cooks, who average \$13.37 per hour; grocery clerks, who average \$ 13.95 per hour; and bank tellers, who average \$14.72 per hour. A salary of \$42,000 per year represents about 60 percent of the area median income. Persons in that category include entry level teachers at \$20.86 per hour; medical assistants at \$18.65 per hour; bookkeepers at \$21.21 per hour; dental assistants at \$20.35 per hour; and customer service representatives at \$18.68 per hour.

Mr. Kattermann pointed out that those in the 60 percent of the area median income category are making more than twice the state's minimum wage and cannot afford housing in Bellevue. He said at the recent Affordable Housing Forum, one of the speakers was Angela Murray from Sophia Way. One of the stories she told was about a woman who works at Macy's in Bellevue Square. She is very professional and very articulate and at the end of the day goes home to the Sophia Way shelter. Those who cannot afford housing in Bellevue are the very people who are encountered every day in nearly every work place, and that puts a very human face on the numbers.

Mr. Kattermann said one of the things done at the beginning of the project was the drafting of an issue statement. Essentially, the statement highlights the fact that the cost of housing is outpacing the ability of people to pay for it in the region. The issue is even more of a problem in Bellevue, partly because it is such an attractive place to live. The city's cultural, ethnic, racial and income diversity calls for jobs and affordable housing for all. The project goals include providing affordability across a range of incomes that reflects the population and the workforce, including young people who are just entering the job market; first-time home buyers; the aging population, especially those on fixed or limited incomes; and families with children that need rental and ownership options in opportunity areas. The project will also identify what it will take to have a healthy housing market that preserves the integrity of single family areas while considering, through a neighborhood planning process, housing that can

accommodate a wider spectrum of needs and foster ongoing investments by individual homeowners.

Some cities allow accessory dwelling units, sometimes called mother-in-law apartments, in single family neighborhoods. Such units can bolster the income of seniors and others who are having a hard time making ends meet. Bellevue allows accessory dwelling units, but only if they are part of the main structure; detached units are not allowed as they are in some other cities. That is one issue that will be explored through the process.

Commissioner Kline said she checked into creating an accessory dwelling unit and found that the requirements for firewalling off the separate unit proved to be so stringent that it was economically unfeasible to create the unit. Mr. Kattermann said the study will include a close look at why more accessory dwelling units are not being created in Bellevue. It will, of course, be up to the Council to determine how to treat policy issues as they are identified, but the study will inform the Council as to which actions will make the biggest difference. It is known that there are some neighborhoods in the city that would welcome the idea of allowing detached accessory dwelling units, but there are others that would bitterly contest allowing them. The tool will need to be tailored to be workable, but it certainly will not be a one size fits all.

Mr. Kattermann said the Affordable Housing TAG is comprised of 15 people representing a good cross section of the community. The group, while appointed by the Council, serves in an advisory capacity to the staff. The members have expertise in such areas as real estate, finance, non-profit housing development and land development. There are also members from the legal world and faith communities, and there are those from the community at large who themselves have histories of working with affordable housing developers and shelter programs. The TAG is not charged with reaching a consensus or making a recommendation, nor are they charged with conducting any community outreach, which is on a separate path and which will involve meeting with market-rate and non-profit housing providers; real estate and land developers, financial representatives, neighborhood groups, local employers and business groups, affordable housing advocates, service providers, and the general public. The outreach efforts will include disseminating information and education about the need, printed materials, video, websites, social media, expert speakers and panels, group discussions, and soliciting public comment on the list of potential actions identified during the process. The Council has set a strict deadline of December 2016 to have a draft Affordable Housing Strategy before them.

Commissioner Bruels asked if any thought has been given to holding other jurisdictions more accountable for providing affordable housing, which is clearly a regional problem. He said homelessness is an interstate problem and therefore very much a federal issue, and he asked who is holding the federal government accountable, not only for not helping as much as it needs to, but for making the problem worse by effecting cuts in annual CDBG funding and for refusing the address

homelessness as an interstate problem. Mr. Kattermann said what the Council is looking at is specific local actions they can take that will have an immediate impact. That is admittedly only a piece of what is needed. To address the whole picture will require legislative action at the state level in terms of providing the cities with more tools and sources of revenue. There has been no focus on the federal level, but it is something that would be part of the overall legislative package. Commissioner Bruels said he would love to see Senator Murray listen to the fact that families are getting kicked out onto the street as a result of the cuts in the Head Start program. He said he wondered if Senator Murray even knows that is happening. There will really be no solution to the problem until housing vouchers become as ubiquitous as food stamps. Shelter needs to be defined as a basic human right, and until it is there will be people living on the streets.

Commissioner Mercer asked for examples of proposed actions. Mr. Kattermann said time had been spent earlier in the day working with the consultant going over the list approved by the Council on September 6. He noted that the accessory dwelling units were on the list. Focus is also given to different additional sources of funding that can be used, such as an Affordable Housing Levy. Some cities have a mandatory or inclusionary requirement in their zoning code which requires a certain percentage of units to be set aside as permanently affordable. Bellevue has some incentive programs in place, notably in the Bel-Red corridor where developers are allowed to build to a certain level outright, but to go beyond that, affordable housing must be provided. Other incentives are being investigated. One thing the TAG suggested is a linkage fee for commercial developments that generate jobs and thus a demand for housing; the legal department does not believe the city has the legal authority to create a linkage fee, so the Council did not include it on the list, but it may be something that is allowed later on. There has been focus given to allowing for more flexibility in different types of housing allowed in some areas of the city, including accessory dwelling units, cottage housing, and micro-units. Parking is a major factor, so what the standards should be for those types of developments are being reviewed.

Commissioner Perelman asked if the TAG or some other group is looking at all the infrastructure needs that come with new housing types, including schools. Mr. Kattermann said that is part of the balancing act involved. The consultant is incorporating in the economic model sensitivity to other costs. If infrastructure is something that impacts affordability, there may be something the city could do to offset those costs. Of course, the city will need to avoid giving away too much, otherwise the burden will simply be shifted.

Commissioner Oxrieder asked if there is much capacity left in the city for new housing. Mr. Kattermann said there is, particularly in the downtown and in the Bel-Red corridor.

Commissioner Bruels said he supposed that rent control was not in the mix of options. Mr. Kattermann answered that rent control is not allowed under state law.

The issue does, however, keep popping up as something to look at, but to date there has not been much support for it.

Chair McEachran commented that the community conversation held at Bellevue College during the process of updating the Needs Update revealed the level of human service needs on the campus, including faculty who work there. There will be some affordable housing brought online once the college constructs its housing towers. There are, however, very strong negative feelings evoked in the Eastgate neighborhood when things like a homeless shelter are mentioned. Community outreach and engagement will be definitely needed in that area as well as other neighborhoods, and the community centers are places people might be willing to come for a coffee klatch discussion.

Commissioner Mercer said she has also heard negative comments. She said there is the perception in many neighborhoods that affordable housing equals more density and more pressures on roadways and schools. Those issues will need to be kept in mind as the outreach efforts move forward. Mr. Kattermann agreed that many have reacted to concerns about growth and how it will affect them personally. The fact is, however, that growth is going to occur even if affordable housing is not included in any new development. The city is planning to meet the needs, including the transportation needs, that will be generated by the growth. He concurred that in talking to people it will be prudent to explain all of the efforts under way.

Ms. Lewine said the outreach meetings are actually yielding people coming to the city for help. Not all who attend are coming to complain about various issues. Commissioner Perelman said that highlights the need for the Commission to do all it can to support the organizations that are providing affordable housing and to advocate for more dollars for them.

Mr. Kattermann said conversations along those lines will need to happen if they are not already happening. He said he hoped that the Commissioners will have conversations with friends, neighbors and groups to further the dialog throughout the community, helping to raise awareness and encouraging people to ask questions and seek answers.

Commissioner Mercer commented that the economic growth being experienced by local employers are largely fueling the rise in housing costs. She asked what kinds of partnerships the city is thinking about building with them in order to address the issues. Mr. Kattermann said consideration is being given to how to engage them in the discussion to identify ways they can be part of the solution. The Bellevue School District is interested in looking at the co-location of housing on some of their properties, which is an intriguing approach.

Chair McEachran commented that in addition to affordable housing developments, there is a great need for residential services. That component of Imagine Housing has made a huge difference. As new units are brought online, the Commission is

sure to hear from organizations seeking funding to provide needed services. A ten percent surcharge for every development would be a good way to make that happen. Bold collaboration is needed going forward.

Mr. Kattermann said his fear when launching the community education forum was that the room would be full of nimbys sharing their views of why affordable housing is a bad idea, but in fact there have been a lot of people who are very supportive of the effort. They have come out and have made it very clear why the topic is important and why everyone needs to care about it.

7. OLD BUSINESS

Grant Coordinator Dee Dee Catalano brought to the Commission an amendment to the 2015 Annual Action Plan. She explained that the amendment is needed because HUD has instituted a new approach called grant-based accounting. Essentially, cities must specify where they will spend their unspent entitlement dollars. Bellevue has previously had unspent entitlement dollars in the form of program income from the Housing Repair Program. Under HUD's rules, program income must be used before entitlement dollars are used, and that can mean left over entitlement dollars. It was previously permitted to simply indicate that prior year funds would be rolled over, but now they must be accounted for annually.

Ms. Catalano said the proposed amendment does not change anything the Commission said it wanted to do in 2015. All of the projects were completed using program income and entitlement dollars, but because there was some money left over, the amendment is needed to indicate what will be done with \$68,900. She proposed pushing the funds forward into 2016, putting \$50,000 of it into the 2016 ARCH project, and \$18,900 of it into the Sound Generations Minor Home Repair program. The 2016 dollars allocated to those projects will get pushed into 2017.

The amount of program income received annually varies and cannot be accurately projected. In 2015 program income totaled \$383,599.

Ms. Catalano explained that in accord with the HUD rules, the proposed amendment was posted to the website, and the Commission has been advised.

Commissioner Perelman asked if the Commission could spend down some of the money mid-year. Ms. Leslie said that has been done in the past. Ms. Catalano said staff reaches out to organizations to let them know about the application period. Part of the problem is that CDBG money comes with a lot of strings attached in the form of reporting and other requirements. Because program money is actually just repaid CDBG money, the same restrictions apply to it.

Ms. Catalano reported that on August 29 the city finally received its 2016 entitlement agreement from HUD. The \$635,872 received was exactly what was anticipated. The

federal year ends on September 30 and HUD checks the City's fund balance on November 1, 2017, to determine if timeliness requirements are met.

With regard to the loss of Head Start slots, O'Reilly said she had recently received an update from Debra Duitch with the Bellevue School District. Ahead of the Commission's August break, there was some activity in terms of the Bellevue Schools Foundation fundraising, and the Bellevue School District Board identified \$370,000. With the additional funds, which includes some state childcare subsidies, 119 of the 151 spaces have been restored for one year. The funds will provide access to the classroom but will not include the other components that are typically provided, namely nutrition, medical and dental, and family support. That will mean there will be more of a need for the services in the community. Ms. Duitch said the Bellevue School District is working to develop a plan for sustainable funding for the program.

Ms. O'Reilly said she also had heard from Ms. Duitch that 40 of the slots were to be restored by using some city funds and some DSHS funds. Ms. Duitch said she is looking at using a portion of the anticipated increase that was recommended by the Commission for the Bellevue School District scholarships.

Ms. Leslie reported that a presentation had been given earlier in the day by the new coordinated entry system staff to the Eastside Homelessness Advisory Committee. They are gearing up to evaluate their first 120 days. The regional access point on the Eastside just opened on August 1 under contract with Catholic Community Services.

8. NEW BUSINESS

Ms. Leslie informed the Commission that All Home recently commissioned a report with the city of Seattle, United Way and King County to analyze the homeless system and make recommendations for changes to the system. The 126-page report was released earlier in the day. The report will have implications for how services are delivered in light of all the changes that are taking place. The report implications would be a good topic for the joint commissions to discuss.

Ms. Leslie also reported that renewal of the Veterans and Human Services levy is being talked about. The King County Executive and county staff are talking about expanding the levy to include such services as affordable housing and services to older adults.

Additionally, Ms. Leslie noted that two churches have been tentatively identified to host the women's winter shelter.

9. PETITIONS AND COMMUNICATIONS – None

10. ADJOURNMENT

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

Chair McEachran adjourned the meeting at 7:51 p.m.

Secretary to the Human Services Commission

Date

Chairperson of the Human Services Commission

Date