



CITY OF KIRKLAND
Department of Parks & Community Services
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Michael Cogle, Interim Deputy Director
Sharon Anderson, Human Services Coordinator
Jennifer Schroder, Director
Dawn Nelson, Planning Supervisor, Planning and Community Development

Date: May 4, 2011

Subject: RESOLUTION OF INTENT TO PARTICIPATE AS A JOINT AGREEMENT CITY
WITHIN THE KING COUNTY CDBG CONSORTIUM FOR 2012-2014

RECOMMENDATION:

1. That the City Council approve the attached resolution notifying King County of Kirkland's intent to participate within the King County Community Development Block Grant (CDBG) Consortium as a Joint Agreement City from 2012 through 2014.
2. That the City Council allocate \$3,000 from the Council's Special Projects Reserve to provide one-time, temporary staff support to assist in development of program policies and procedures and implementation of an application process this year for allocation of anticipated 2012 CDBG funds.

BACKGROUND DISCUSSION:

At their meeting of May 3, 2011 the City Council received a report detailing options for how Kirkland may receive and utilize Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). The City currently receives its CDBG funds through the King County CDBG Consortium based on an Interlocal Agreement with King County, which is set to expire at the end of 2011. With the annexation that will become effective June 1st, the City will surpass the population threshold of 50,000, presenting options for how we may choose to receive CDBG funding in the future.

The Council directed staff to move forward with the Joint Agreement option for the three-year period from 2012 through 2014. With this option the City and the County each will receive some of the CDBG funds attributable to the City, with each having different responsibilities for program administration. The County will retain half of the planning and administration allocation to provide contract oversight and satisfy federal administrative requirements. The City will retain the other half of the planning and administration allocation, which will be used to

pay for staff to provide the necessary program support. The City will also receive a portion of the public service and capital CDBG funds to allocate to eligible projects that are selected by the City.

Key aspects of the Joint Agreement include:

- County-administered activities (through the Consortium):
 - **King County is the official grantee and will have primary responsibility to HUD**, with Kirkland in effect serving as a subcontractor.
 - **The King County Consortium Consolidated Housing and Community Development Plan (“Consolidated Plan”)** will guide the investment of CDBG funds and is a requirement of HUD. King County prepares the Consolidated Plan on behalf of and with the assistance of Consortium members, and will update it periodically to ensure continued eligibility.
 - **Home Repair Program.** Kirkland homeowners with low and moderate-income can apply for grants or loans to repair their homes.
 - **Housing Stability Program.** Kirkland residents with low and moderate-income who are at risk for homelessness, eviction or foreclosure may be eligible for emergency grants and/or loans to help them remain in their homes or move into permanent housing.
- City and County shared administered activities:
 - **Capital Funding.** The City Council will determine how capital funds will be allocated (subject to CDBG requirements and consistent with the Consortium’s Consolidated Plan). King County will administer capital contracts (up to two capital projects per year, not including those projects funded with CDBG funds from other sources).

Capital funds can be directed to one or more of the following activities:

 - ✓ **Allocate capital funding to ARCH** to be used for affordable housing projects;
 - ✓ **Fund non-profit organizations** to acquire, construct and/or rehabilitate human service facilities or housing which serves our low and moderate-income residents;
 - ✓ **Fund City of Kirkland projects** for public infrastructure and park projects which serve low and moderate-income neighborhoods.
- City-administered activities:
 - **Public Services Funding.** The City Council will determine how public services funds will be allocated (subject to CDBG requirements and consistent with the Consortium’s Consolidated Plan). Non-profit organizations serving Kirkland residents can apply for funds for human service programs which serve low and moderate-income residents. Kirkland will administer all public services contracts. An application process will be incorporated into the City’s bi-annual Human Services Grant Program, with review by the Council-appointed Human Services Advisory Committee.

Staff Support for 2011

As Kirkland moves to become a Joint Agreement City in 2012, we will need to make funding allocations this fall – before any CDBG funding will be made available to support planning and administrative tasks. This creates a one-time, short term need to provide staffing support in order to ramp up, develop program policies and procedures, and implement an application process to be completed by the end of this September. We have estimated the need for up to 150 hours of administrative staff support during this interim period, with an estimated cost of \$3,000. Staff has prepared the attached Fiscal Note detailing this request.

Estimated 2012 CDBG funding under the Joint Agreement

<i>Activity</i>	<i>Estimated 2012 Allocation</i>
Housing Repair <i>(Kirkland portion of Consortium total)</i>	\$107,000
Housing Stability <i>(Kirkland portion of Consortium total)</i>	\$21,000
Planning and Administration – County Share	\$43,000
Subtotal – Funds Remaining w/ Consortium:	\$171,000
Planning and Administration – Kirkland Share	\$43,000
Public Services – Kirkland to Distribute	\$43,000
Capital Projects – Kirkland to Distribute	\$158,000
Subtotal – Funds Allocated to Kirkland:	\$244,000

Next Steps:

June – King County Council approves new 2012 –2014 Interlocal Agreement, to be signed by City Manager

July - HUD will officially notify Kirkland of its eligibility to participate as a Joint Agreement City

September – Council approve 2012 CDBG allocations

Attachments:

1 – Fiscal Note for 2011 Temporary Staffing

2 – Resolution of Intent

FISCAL NOTE

CITY OF KIRKLAND

Source of Request

Jennifer Schroder, Director Parks and Community Services

Description of Request

Request for \$3,000 from the Council Special Projects Reserve to provide one-time staff support to assist in the development of the Community Development Block Grant (CDBG) King County Consortium program as approved by Resolution of the Council at the Council Meeting of May 17, 2011.

Legality/City Policy Basis

Fiscal Impact

One-time use of \$3,000 of the Council Special Projects Reserve. The reserve is able to fully fund this request.

Recommended Funding Source(s)

	Description	2012 Est End Balance	Prior Auth. 2011-12 Uses	Prior Auth. 2011-12 Additions	Amount This Request	Revised 2012 End Balance	2012 Target
Reserve	Council Special Projects Reserve	251,534	5,000	0	3,000	243,534	N/A
2011-12 Prior Authorized Use of this reserve: \$5,000 for the Eastside Severe Weather Shelter. Council is also considering approval for funding of \$10,000 for staff support for the Green Kirkland program on this agenda. The revised ending balance would be \$233,534 if both of these requests are approved.							

Revenue/Exp Savings	
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Other Source	
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Other Information

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Prepared By	Neil Kruse, Senior Financial Analyst	Date	May 4, 2011
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RESOLUTION R-4880

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND INTENDING TO PARTICIPATE AS A JOINT AGREEMENT CITY UNDER THE KING COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) CONSORTIUM.

WHEREAS, the City of Kirkland is currently a member of the regular King County CDBG Consortium, governed by an Interlocal Agreement set to expire at the end of 2011; and

WHEREAS, based on population and other eligibility criteria, the City of Kirkland may have the option to participate in the King County CDBG Consortium as a Joint Agreement City; and

WHEREAS, participating as a Joint Agreement City will allow the City of Kirkland to receive funds in support of programs and projects that directly benefit our community, including but not limited to home repair, affordable housing, community facilities, public infrastructure, and human services; and

WHEREAS, the City Council has concluded that its preference is for the City of Kirkland to participate in the CDBG program under a joint agreement with King County if eligible to do so; and

WHEREAS, King County requires that the City of Kirkland submit notification of its intent to participate in the Consortium and intent to sign the new Interlocal Agreement governing use of CDBG funds for 2012-2014;

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The City Council supports participation by the City of Kirkland in the King County Consortium under joint agreement if possible or as a member of the urban county if not.

Section 2. The City Manager is hereby authorized and directed to sign the appropriate Interlocal Agreement regarding the Community Development Block Grant Program.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2011.

Signed in authentication thereof this ____ day of _____, 2011.

MAYOR

Attest:

City Clerk