



**CITY OF KIRKLAND**  
Department of Parks & Community Services  
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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Jennifer Schroder, Director  
Michael Cogle, Deputy Director

**Date:** May 7, 2014

**Subject:** RESOLUTION OF INTENT TO PARTICIPATE AS A JOINT AGREEMENT CITY  
WITHIN THE KING COUNTY CDBG/HOME CONSORTIUM FOR 2015-2017

### **RECOMMENDATION:**

That the City Council approves the attached resolution notifying King County of Kirkland's intent to participate within the King County Community Development Block Grant (CDBG) and HOME (Home Investment Partnership Program) Consortium as a Joint Agreement City from 2015 through 2017.

### **BACKGROUND DISCUSSION:**

At their meeting of May 6, 2014 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/HOME Consortium based on an Interlocal Agreement with King County, which is set to expire at the end of 2014.

The Council directed staff to move forward with the Joint Agreement option for the three-year period from 2015 through 2017. 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 human 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:
  - **Human Services Funding.** The City Council will determine how human 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 human 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.

Below is a chart with estimated 2015 CDBG funding under the Joint Agreement:

| <i>Activity</i>  | <i>Estimated<br/>2015<br/>Allocation</i> |
|--|--|
| Housing Repair<br><i>(Kirkland portion of Consortium total)</i>    | \$50,000                                 |
| Housing Stability<br><i>(Kirkland portion of Consortium total)</i> | \$10,000                                 |
| Planning and Administration – County Share                         | \$20,000                                 |
| <b>Subtotal – Funds Remaining w/<br/>Consortium:</b>               | <b>\$80,000</b>                          |
| Planning and Administration – Kirkland Share                       | \$20,000                                 |
| Human Services – Kirkland to Distribute                            | \$20,000                                 |
| Capital Projects – Kirkland to Distribute                          | \$80,000                                 |
| <b>Subtotal – Funds Allocated to Kirkland:</b>                     | <b>\$120,000</b>                         |

Home Investment Partnerships Program (HOME)

The Home Investment Partnerships Program (HOME) provides HUD grants that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

HOME funds are administered by King County in cooperation with the King County CDBG/HOME Consortium member cities. Over the last six years, approximately \$8.3 million in HOME funds have supported the development of 686 units of permanent low-income housing in King County.

In previous years Kirkland’s interlocal agreement with King County covered both the CDBG and HOME programs. For procedural reasons, HUD requires that Joint Agreement cities have separate agreements with King County for the two programs. The attached resolution authorizes the City Manager to sign both the CDBG and HOME interlocal agreements in substantially the form of the attached documents.

Attachments:

- 1 – Resolution of Intent
  - Exhibit A Draft 2015-2017 Interlocal – CDBG
  - Exhibit B Draft 2015-2017 Interlocal - HOME

RESOLUTION R-5051

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) HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) CONSORTIUM AND AUTHORIZING THE CITY MANAGER TO SIGN THE APPROPRIATE AGREEMENTS.

WHEREAS, the City of Kirkland is currently a member of the regular King County CDBG/HOME Consortium, governed by an Interlocal Agreement set to expire at the end of 2014; and

WHEREAS, based on population and other eligibility criteria, the City of Kirkland has been notified of its option to participate in the King County CDBG/HOME 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/HOME program under a joint agreement with King County; 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 2015-2017;

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 a joint agreement.

Section 2. The City Manager is hereby authorized and directed to sign the appropriate Interlocal Agreements regarding the Community Development Block Grant Program and the Home Investment Partnership Program in substantially the form included in Exhibit A and Exhibit B.

Passed by majority vote of the Kirkland City Council in open meeting on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

Signed in authentication thereof this \_\_\_\_\_ day  
of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

**JOINT INTERLOCAL AGREEMENT  
REGARDING THE  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

THIS AGREEMENT is entered into by and between King County (hereinafter the “County”) and the City of \_\_\_\_\_, (hereinafter the “City”) said parties to this Agreement each being a unit of general local government in the State of Washington.

**WITNESSETH:**

WHEREAS, the federal government, through adoption and administration of the Housing and Community Development Act of 1974 (the “Act”), as amended, will make available to King County Community Development Block Grant funds, hereinafter referred to as “CDBG”, for expenditure during the 2015, 2016 and 2017 funding years; and

WHEREAS, the area encompassed by unincorporated King County and all participating cities, has been designated by the United States Department of Housing and Urban Development (“HUD”), as an urban county for the purpose of receiving CDBG funds; and

WHEREAS, the Act directs HUD to distribute to each urban county a share of the annual appropriation of CDBG funds based on formula, taking into consideration the social and economic characteristics of the urban county; and

WHEREAS, the Act allows participation of units of general government within an urban county in undertaking activities that further the goals of the CDBG program within the urban county; and

WHEREAS, upon HUD approval of the joint request and cooperation agreement, a metropolitan city becomes a part of the urban county for purposes of program planning and implementation for the entire period of the urban county qualification, and for the CDBG program, will be treated by HUD as any other unit of general local government that is a part of the urban county; and

WHEREAS, a metropolitan city or an urban county may be part of a consortium; and

WHEREAS, the County and the City agree that it is mutually desirable and beneficial to form a consortium that includes other participating jurisdictions (“Consortium”) to implement the terms of this Interlocal Agreement; and

WHEREAS, the CDBG Regulations require the acceptance of the consolidated housing and community development plan (“Consolidated Plan”) by participating jurisdictions; and

WHEREAS, the County and the participating jurisdictions agree that it is mutually desirable and beneficial to enter into a consortium arrangement pursuant to and authorized by the National Affordable Housing Act of 1990, as amended, 42 USC 12701 et. seq. and 24 CFR Part 92 for

purposes of the HOME Investment Partnerships Program, hereinafter referred to as “HOME Program,” and to cooperate in undertaking HOME Program activities; and

WHEREAS, King County and the participating jurisdictions agree that it is mutually desirable and beneficial to enter into a consortium arrangement pursuant to and authorized by the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, for purposes of the Emergency Solutions Grant Program, hereinafter referred to as “ESG”, and to cooperate in undertaking ESG activities; and

WHEREAS, the County shall undertake CDBG, ESG and HOME Program-funded activities in participating incorporated jurisdictions as specified in the Consolidated Plan by granting funds to those jurisdictions and to other qualifying entities to carry out such activities; and

WHEREAS, the County is responsible to the federal government for all activities undertaken with CDBG funds and shall ensure that all CDBG assurances and certifications King County is required to submit to HUD with the Annual Action Plan are met; and

WHEREAS, the County and the City are committed to targeting CDBG, ESG and HOME Program funds to ensure benefit for very low to moderate-income persons as defined by HUD; and

WHEREAS, the County and the City recognize that needs of very low to moderate-income persons may cross jurisdictional boundaries and therefore can be considered regional and sub-regional needs as well as local needs; and

WHEREAS, the County, in conjunction with the participating jurisdictions, must submit an Annual Action Plan to HUD, which is a requirement to receive CDBG funds; and

WHEREAS, the purpose of this Joint Interlocal Agreement, entered into pursuant to and in accordance with the State Interlocal Cooperation Act, RCW Chapter 39.34, is for planning the distribution and administration of CDBG, HOME Program, and other federal funds received on behalf of the Consortium from HUD, and for execution of activities in accordance with and under authority of the Act:

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING CIRCUMSTANCES AND IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, IT IS AGREED THAT:

**I. GENERAL AGREEMENT**

The County and City agree to cooperate to undertake, or assist in undertaking, activities which further the development of viable urban communities funded from annual CDBG and HOME Program funds from federal fiscal years 2015, 2016 and 2017 appropriations, from recaptured funds and from any program income generated from the expenditure of such funds. These activities include the provision of decent housing, homeless assistance, and a suitable living environment and economic development opportunities, principally for persons with very low to moderate incomes.

**II. DEFINITIONS**

- A. “JRC” means the inter-jurisdictional Joint Recommendations Committee as described in Section V of this Agreement.
- B. “CDBG Consortium Partners” means jurisdictions that are official HUD-recognized participants in the CDBG Consortium through a signed Interlocal Agreement.
- C. “Consolidated Plan” is the King County Consortium Consolidated Housing and Community Development Plan, a HUD-required plan that identifies needs and contains a strategic plan to guide the investment of HUD CDBG, HOME and ESG funds for a multi-year period not to exceed five years.
- D. “Entitlement amount” means the amount of funds that a metropolitan city is entitled to receive under the Entitlement Grant Program as determined by formula set forth in Section 106 of the Act.
- E. “Program income” means gross income received by the City directly generated from the use of City CDBG funds which includes income from the Housing Repair Program projects within the City and a pro rata share of net income generated from float loan activity. Pro rata calculations will use the amount in II (B).
- F. “Recaptured funds” means a fund balance that remains at the close of a project activity, cancellation of an awarded project or a repayment of funds that is required due to determination of ineligible activity by HUD, change of use from original grant award or sale of property.
- G. “New stand-alone capital project” means a project that requires the establishment of a new HUD Integrated Disbursement & Information System (“IDIS”) activity number as opposed to an existing project where supplemental funding is being added.
- H. “Stand-alone public service project” means a project that has not been funded by the sub-regional process utilized by those non-entitlement consortium cities signing the King County Consortium Interlocal Cooperation Agreement for the Community Development Block Grant Program in the applicable program year. A City’s stand-alone public service project may consist of more than one contract with more than one agency, as long as only one HUD IDIS activity number is required for the project activity, and the City submits all information, reports and invoices to the County as one project activity.
- I. “Joint Agreement Cities” means CDBG entitlement cities that choose to participate in the King County CDBG Consortium for administration of CDBG funds as a party to this Agreement.

**III. GENERAL DISTRIBUTION OF FUNDS**

- A. Each year the County will retain, for all of the administration, planning and fund management responsibilities of the County, an amount of the Administration and Planning set-aside of the City's CDBG entitlement equal to fifty (50) percent of the maximum amount allowable by HUD for Administration and Planning. The remaining fifty (50) percent of the maximum amount allowable by HUD for Administration and Planning will be allocated by the City and may be used to plan and administer the City's CDBG projects in accordance with this Agreement. The maximum amount currently allowed by HUD for the Administration and Planning set-aside is twenty (20) percent of the City's CDBG entitlement plus twenty (20) percent of program income. If the current maximum allowable percentage for Administration and Planning is changed for the CDBG Program at the federal level, the City and County may negotiate to change the percentage of funds retained for administration, planning and fund management.
- B. The County will retain an amount equal to two (2) percent of the City's CDBG entitlement plus two (2) percent of program income each year for eligible project management related costs for the implementation of capital projects funded by the City. This amount may not be adequate to cover a subsequent capital project after recapture of funds from a previous project, and will be negotiated between the City and the County, based on the circumstances.
- C. The Human Services Set-aside shall be the maximum allowable by HUD for human services [currently fifteen (15) percent of the funds available from the City's CDBG entitlement plus fifteen (15) percent of program income]. Five (5) percent of the Human Services Set-aside shall be retained for Consortium-wide public services addressing homelessness, as determined by the CDBG Consortium partners and stakeholders pursuant to the current Consortium Consolidated Plan. The remaining ten (10) percent will be available for public services as allocated by the City in accordance with this Agreement.
- D. Twenty (20) percent of the funds available from the City's CDBG entitlement plus twenty (20) percent of program income shall be retained for the Consortium-wide Housing Repair program. The JRC may periodically review and recommend increases or decreases to this percentage if, in its judgment, there has been a substantial change in the Consortium's overall funding or in the need for housing repair that justifies an increase or decrease. The remaining capital funds will be allocated by the City in accordance with this Agreement.
- E. The balance of the City's entitlement and any remaining program income and recaptured funds from city-funded projects, may be allocated to projects selected by the City, provided they are consistent with the provisions of Section IV below.
- F. The CDBG Consortium Partners may propose King County Consortium CDBG, ESG and HOME Guidelines, for approval by the JRC, to guide the Consortium regarding details of program implementation, including, but not limited to, funding guidelines, frequency of application processes, Consortium procedures and goals for geographic equity in the distribution of funds over time.

#### IV. USE OF FUNDS: GENERAL PROVISIONS

- A. Funds shall be used to support the goals, objectives and strategies of the King County Consortium Consolidated Housing and Community Development Plan.
- B. Funds shall be used in accordance with the CDBG regulations at 24 CFR Part 570, HOME Program regulations at 24 CFR Part 92, and all other applicable federal regulations.
- C. The City agrees to a maximum of two new stand-alone capital projects per year with a maximum of one project that may trigger Davis Bacon labor standards annually. Capital funds not used for these stand alone capital projects may be allocated to sub-regional projects by the City unless returned by City to the sub-regional fund. The City may be allowed to do one additional stand-alone capital project in a given year, if there is a compelling reason, and the City secures agreement from another Joint Agreement City that is only doing one project in the applicable year, to loan the City their capacity for a second project.
- D. Public Service funds. The City agrees to a maximum of four stand-alone public service projects, which each require only one HUD IDIS activity number per project each year. The City may have as many contracts with agencies as desired for each project activity. Funds contributed to a sub-regional public service project would not count as part of the four stand-alone projects in this Agreement.
- E. No project funding minimum is established in this Agreement. Project minimums that may be established by the JRC for the CDBG Consortium sub-regional funding shall not be binding on the Joint Agreement cities.
- F. Section 108 Loans. The City may participate in Section 108 Loan activity of the Regular CDBG Consortium, and may initiate a request for the CDBG Consortium to consider a Section 108 Loan of an amount larger than six times 60 percent of the City's entitlement amount, but within the limits of JRC adopted CDBG Guidelines, if the City participates in all other Section 108 Loans of the Regular CDBG Consortium and pays an equitable percentage of any Section 108 Loans that require repayment with CDBG funds. The Section 108 Loan request must be reviewed and approved by the JRC.

If the City does not elect to participate with the Regular CDBG Consortium in Section 108 Loans, then the City may approach the County to consider a Section 108 Loan of the limited amount of six times 60 percent of the City's entitlement amount, with any potential loan repayment to be exclusively the responsibility of the City, and with the workload required to execute the Section 108 Loan to be negotiated between the City and the County on a per loan basis.

#### V. JOINT RECOMMENDATIONS COMMITTEE

An inter-jurisdictional Joint Recommendations Committee (“JRC”) was established through the 2009 – 2011 CDBG Consortium Interlocal Cooperation Agreement and through King County Code 24.13, and is hereby adopted as part of this Agreement.

- A. Composition—The JRC for the CDBG, ESG and HOME Consortium is composed of three county representatives and eight cities representatives.
1. The three county representatives shall be King County Executive staff with broad policy responsibilities and/or department directors. County representatives shall be specified in writing and, where possible, shall be consistently the same persons from meeting to meeting.
  2. Four of the cities representatives shall be from those non-entitlement consortium cities signing the King County Consortium Interlocal Cooperation Agreement Regarding the Community Development Block Grant Program, two from each subregion.
  3. The remaining four cities representatives shall be from cities that qualify to receive CDBG or entitlement funds directly from HUD that are signing either a Joint Agreement or HOME Program Agreement. These latter four representatives shall have no vote on matters specific to the jurisdictions of the King County Consortium Interlocal Cooperation Agreement Regarding the Community Development Block Grant Program.
  4. Two of the eight cities representatives shall be rotated among the CDBG Joint Agreement Cities. The two representatives will vote on issues affecting Joint Agreement Cities that are specific to this Agreement.
  5. For the two Joint Agreement City rotating positions, the Joint Agreement Cities will notify the County by the end of the second week in February of each year, who the two Joint Agreement City representatives will be for that year.
  6. The chairperson and vice-chairperson of the JRC shall be chosen from among the members of the JRC by a majority vote of the members for a term of one year beginning with the first meeting of the calendar year. Attendance of five members of the entire body of eleven members of the JRC for the CDBG/HOME Consortium shall constitute a quorum for voting matters in which all members of the JRC are eligible to vote. For voting items of the Regular CDBG Consortium, in which only seven members identified in sub-sections 1 and 2 of this section may vote, four members shall constitute a quorum, made up of two King County representatives and two city representatives.
- B. The King County Executive shall appoint the three county representatives. The participating cities of the King County Consortium Interlocal Cooperation

Agreement shall provide for the appointment of their shared representatives in a manner to be determined by those cities through the Sound Cities Association or other agreed-upon mechanism for the execution of shared appointing authority. The Sound Cities Association or other agreed mechanism will select four jurisdictions of varying size from among those signing this Agreement, two from the north/east sub-region and two from the south sub-region. The cities representatives shall be elected officials, chief administrative officers, or persons who report directly to the chief administrative officer, who have broad policy responsibilities; e.g., planning directors, department directors, etc. Members of the JRC shall serve for two years, or at the pleasure of their respective appointing authorities.

- C. Powers and Duties—The JRC shall be empowered to:
  - 1. Review and recommend to the King County Executive all policy matters concerning the Consortium CDBG and HOME Programs, including but not limited to the Consolidated Plan and related plans and policies.
  - 2. Review and recommend to the King County Executive the projects and programs to be undertaken with CDBG funds and HOME Program funds, including the Administrative Set-aside.
  - 3. Monitor and ensure that, for all geographic areas and participating jurisdictions that benefit from CDBG, ESG and HOME Program funded activities over time, so far as is feasible considering eligible applications submitted within the goals, objectives and strategies of the Consolidated Plan: 1) there is equity in distribution of funds pursuant to proportion of the region’s low to moderate-income population; and, 2) equity is achieved over time pursuant to Consortium Guidelines adopted by the JRC.
  
- D. Advisory Committees to JRC — In fulfilling its duty to review and recommend projects and programs to be undertaken with CDBG, ESG and HOME Program funds, the JRC shall consider the advice of inter-jurisdictional advisory committees. Sub-regional advisory committees, made up of one representative from each participating jurisdiction in a sub-region that wishes to participate, shall be convened to assist in the review and recommendation of projects and programs to be undertaken in that sub-region. The JRC may also solicit recommendations from other inter-jurisdictional housing and community development committees.

**VI. RESPONSIBILITIES AND POWERS OF KING COUNTY**

- A. Notwithstanding any other provision contained in this Agreement, the County as the applicant and grantee for CDBG, ESG and HOME Program funds has responsibility for and assumes all obligations in the execution of the CDBG, ESG and HOME Programs, including final responsibility for selecting and executing

activities, ensuring compliance with federal requirements and submitting to HUD the Consolidated Plan, Annual Action Plan, and related plans. Nothing contained in this Agreement shall be construed as an abdication of those responsibilities and obligations.

The County will bear responsibility for:

1. the HUD-related portions of program planning
  2. preparing and submitting the Annual Action Plan and application to HUD
  3. preparing and submitting amendments to the Annual Action Plan
  4. setting up the projects in the HUD IDIS system
  5. preparing and submitting all other HUD-required planning documents (Consolidated Plan and any amendments; the Analysis of Impediments to Fair Housing Choice and the Fair Housing Action Plan; the Homeless Continuum of Care Plan and the Homeless Management Information System; the Lead Paint Hazard Reduction Plan; etc.)
  6. working with Regular CDBG Consortium members and Joint Agreement Consortium members to develop common guidelines, operating procedures and/or best practices that will help clarify consortium processes and facilitate coordination and strong working relationships.
- B. The Metropolitan King County Council shall have authority and responsibility for all policy matters, including the Consolidated Plan, upon review and recommendation by the JRC.
- C. The Metropolitan King County Council shall have authority and responsibility for all fund allocation matters, including approval of the annual CDBG, ESG and HOME Program Administrative Set-asides and appropriation of all CDBG, ESG and HOME Program funds.
- D. The King County Executive, as administrator of the CDBG, ESG and HOME Program, shall have authority and responsibility for all administrative requirements for which the County is responsible to the federal government.
- E. The King County Executive shall have authority and responsibility for all fund control and disbursements.
- F. The King County Executive shall have the authority and responsibility to staff the JRC and provide liaison between HUD and the Urban County Consortium. County Executive staff shall prepare and present to the JRC evaluation reports or recommendations concerning specific proposals or policies, and any other material deemed necessary by the JRC to help it fulfill its powers and duties.

- G. King County Executive staff shall have the authority and responsibility to communicate and consult with the Joint Agreement City on CDBG, ESG and HOME Program policy and program matters in a timely manner.
- H. King County Executive staff shall provide periodic reports on clients served by jurisdictions in the Housing Stability and Housing Repair programs and on the status of CDBG, ESG and HOME Program funded projects and make them available to all participating jurisdictions and the JRC.
- I. King County Executive staff shall administer contracts and provide technical assistance and monitoring, both in the development of viable CDBG, ESG and HOME Program proposals and in complying with CDBG, ESG and HOME Program contractual requirements.
- J. King County Executive staff shall have environmental review responsibility for purposes of fulfilling requirements of the National Environmental Policy Act, under which King County may require the local incorporated jurisdiction or contractor to furnish data, information, and assistance for King County's review and assessment of whether preparation of an environmental impact statement is required. Additional environmental review costs may be charged directly to individual project activity and will be addressed in the proposed project application.
- K. King County Executive staff shall implement City funded capital projects, except City administered projects as noted below.

VII. **RESPONSIBILITIES OF THE CITY**

- A. The City shall cooperate in the development of the Consolidated Plan and related plans.
- B. The City shall assign a staff person to be the primary contact for the County on CDBG, ESG and HOME Program issues. The assigned CDBG, ESG and HOME Program contact person is responsible for communicating relevant information to others at the city.
- C. The City will bear all responsibility for local annual program planning, using financial projections that will be provided by the County.

The City will ensure:

- 1. that all selected projects (1) are an eligible activity, (2) meet a national objective, and (3) are consistent with the goals, objectives and strategies of the King County Consortium Consolidated Housing and Community Development Plan and all applicable JRC Guidelines and Policies,
- 2. that the public participation requirements are met and documented and will provide certification of such to the County,

3. that all requested information by the County will be submitted in a timely manner that allows the County enough time to meet HUD timelines, and
  4. that it will work with King County to minimize the need for amendments to the annual Action Plan and will observe deadlines for submitting Action Plan materials pursuant to the CDBG Consortium's adopted guidelines.
- D. The Joint Agreement city and/or their funded agencies owning community facilities or other real property acquired or improved in whole or in part with CDBG funds shall comply with use restrictions as required by HUD and as required by any relevant policies adopted by the JRC.
1. During the period of the use restriction, the City shall notify County prior to any modification or change in the use of real property acquired or improved in whole or in part with CDBG funds. This includes any modification or change in use from that planned at the time of the acquisition or improvement, including disposition.
  2. During the period of the use restriction, if the City property acquired or improved with CDBG funds is sold or transferred for a use which does not qualify under the applicable regulations, the City shall reimburse the County in an amount equal to the current fair market value (less any portion thereof attributable to expenditures of funds other than CDBG funds).
  3. The City will inform any agency awarded capital funding of the requirement for security documents to be recorded for each capital project activity in accordance with execution of a contract between the awarded agency and the County, and will inform the agency that the County will incorporate the security requirement into the contracting process.
- E. City staff shall implement CDBG-funded projects within the program year and submit both vouchers and required reports to the County in a complete and timely manner. Prior to the first and last payment on capital projects exclusive of Housing Repair, acquisition and Community Based Development Organization projects, pre-approval must be received from County staff that federal labor requirements have been met.
- F. City legislative bodies shall approve or disapprove via motion or resolution all CDBG activities, locations, and allocations submitted by Joint Agreement City staff.
- G. The City will be responsible for subcontracting with third parties for services provided by a Community Based Development Organization for employee development services; and for public service and city managed projects, except for labor standards and relocation where responsibility will be shared with the County (see below). If federal requirements have an unforeseen budget

implication (for example, if the City has not foreseen the need for relocation) the City will be responsible for the increased budget.

- H. The City shall fulfill to the County's reasonable satisfaction all relevant requirements of federal laws and regulations that apply to King County as applicant, including assurances and certifications described below.
- I. The City certifies that it has adopted and is enforcing:
  - 1. a policy that prohibits the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
  - 2. a policy that enforces applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of non-violent civil rights demonstrations within jurisdiction.
- J. Pursuant to 24 CFR 570.501(b), the City is subject to the same requirements applicable to subrecipients when they receive CDBG funds to implement an activity. The applicable requirements include, but are not limited to, a written agreement with the County that complies with 24 CFR 570.503 and includes provisions pertaining to: statement of work; records and reports; program income; uniform administrative items; other program requirements; conditions for religious organizations; suspension and termination; and reversion of assets.
- K. The City understands that it may not apply for CDBG grant entitlement funds from HUD for the period of participation in this Agreement.
- L. The City in its participation in the CDBG urban county consortium through this Interlocal Agreement understands that it is also part of the Urban County for the HOME Program and that it may not participate in a HOME consortium except through the Urban County, regardless of whether the Urban County receives a HOME formula allocation; and also understands that the city is part of the urban county for the ESG Program and may only receive a formula allocation for ESG through the urban county consortium.
- M. When undertaking activities and/or projects with CDBG funds distributed under this Agreement, the City shall retain full civil and criminal liability as though these funds were locally generated.
- N. The City retains responsibility in fulfilling the requirements of the State Environmental Policy Act under which County shall have review responsibility only.

**VIII. SHARED RESPONSIBILITY**

- A. Federal Labor Standards:

1. The County will determine appropriate wage rates for inclusion in the construction bids and contracts, and hold preconstruction conferences with contractors, which City staff will also be required to attend.
2. The County will be responsible for reviewing and approving weekly certified contractor payrolls (wage rates, benefits, proper apprentice-journey ratios, etc.). The County will complete a review of initial payrolls submitted to County staff within 10 working business days of receipt from the contractor or the City before payment will be made by the contracting agency.
3. The County will enforce contractor compliance with federal labor standards if the City waits to pay first and last construction draws until after the County approves the certified payrolls. If the City pays before the County approves, the City will be responsible for any compliance problems.
4. The County will be responsible for submitting information for the semi-annual contractor/subcontractor report and the Section 3 report to HUD.
5. The County will provide technical assistance to identify Davis-Bacon issues during the application process.
6. The County will handle non-compliance issues provided the above requirements are met.

**B. Uniform Relocation Act/Barney Frank:**

1. The City is responsible for identifying proposed projects that may trigger relocation and replacement housing requirements, and for budgeting sufficient funds in the project up front to address these issues.
2. The County will provide advice and technical assistance if consulted ahead of time and will handle any necessary relocation processes.
3. The City and/or funded agency will be responsible for any unforeseen relocation costs. Any unresolved relocation cost will be charged against the City's grant amount after due diligence is completed in collecting payment of funds from the funded agency.

**C. Financial/Fund Management:**

The County will be responsible for contracting with HUD for the grant funds; recording and tracking loan repayments and other program income; determining funds available under the caps; setting up and drawing down from IDIS; paying vouchers submitted by the city; doing budget revisions upon amendment;

reconciling balances, program income, and funds available for carry over or reallocation at year's end; tracking overall expenditure rate; financial reporting to HUD, etc.

**D. Reporting:**

1. The City will report accomplishments to the County on each of their public service and stand alone projects.
2. The County will prepare all required reports to HUD, including, but not limited to: Consolidated Housing and Community Development Plan, Action Plan, Consolidated Annual Performance and Evaluation Report ("CAPER"), semi-annual reports on contracting/subcontracting, Section 3, Davis Bacon and labor standards, Analysis of Impediments to Fair Housing Choice and Fair Housing Action Plan, and quarterly Federal Cash Transaction Reports.
3. The County will report quarterly on capital project status and on housing repair activity. The Housing Stability Program report will be prepared and reviewed twice a year, with updates provided, as warranted, on the geographic location of clients served.

**E. Monitoring:**

1. The City will annually monitor the agencies with which it subcontracts to ensure compliance with all federal, state and county requirements associated with CDBG funding with an on-site monitoring visit not less than every two years.
2. The County will monitor the City (and may monitor selected subcontracting agencies). County will be monitored by HUD, the State Auditor, and by the HUD Inspector General.
3. County staff will communicate with City staff at least quarterly to send relevant reports, monitor, provide technical assistance, and discuss capital project status. County and City staff will determine, collectively, if a face-to-face meeting is required from time to time.

**F.** The City will provide the County all information necessary from its application process for contracting and implementation purposes for all other stand-alone capital projects.

**G.** City staff may participate in other Consortium-wide planning activities envisioned in the Consolidated Plan such as Interjurisdictional Advisory Group meetings regarding the HOME Program, Housing Stability Program, Regional Affordable Housing Program ("RAHP") and other regional and sub-regional processes.

**VIII. GENERAL TERMS**

- A. This Agreement shall extend through the 2015, 2016 and 2017 program years, and shall remain in effect until the CDBG funds, HOME Program funds and program income received with respect to activities carried out during the three-year qualification period are expended and the funded activities completed. This Agreement shall be automatically renewed for participation in successive three-year qualification periods, unless the County or the City provides written notice that it wishes to amend this Agreement or elects not to participate in the new qualification period by the date set forth by HUD in subsequent Urban County Qualification Notices. The County, as the official applicant, shall have the authority and responsibility to ensure that any property acquired or assisted with CDBG funds is disposed of or used in accordance with federal regulations.
- B. Pursuant to 24 CFR Part 570.307(d)(2), during the period of qualification no included unit of general local government may terminate or withdraw from the cooperation agreement while it remains in effect.
- C. It is understood that by signing this Agreement, the City shall accept and agree to comply with the policies and implementation of the King County Consortium Consolidated Plan.
- D. Parties to this Agreement must take all required actions necessary to assure compliance with King County's certification required by Section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended, including Title VI of the Civil Rights Act of 1964, (Title III of the Civil Rights Act), the Fair Housing Act as amended, Section 109 of Title I of the Housing and Community Development Act of 1974, as amended, the Americans with Disabilities Act of 1990, and other applicable laws.
- E. City agrees to affirmatively further fair housing and will ensure that no CDBG or HOME Program funds shall be expended for activities that do not affirmatively further fair housing within its jurisdiction or that impede the County's actions to comply with its fair housing certification. For purposes of this section, "affirmatively furthering fair housing" includes participation in the process of developing an Analysis of Impediments to Fair Housing Choice and a Fair Housing Action Plan. While King County has the primary responsibility for the development of these reports to HUD pursuant to Section VI (A) of this Agreement, upon request, the City shall provide assistance to the County in preparing such reports.
- F. Parties to this Agreement agree to negotiate in good faith any issues that may arise that are not specifically addressed by this Agreement.
- G. This Agreement shall be executed in three counterparts, each of which shall be deemed an original, by the chief executive officers of the County and the City, pursuant to the authority granted them by their respective governing bodies. One

of the signed Agreements shall be filed by the County with the Region X office of HUD, one shall be filed with the City and one shall be filed with the County. Prior to its taking effect, the fully executed Agreement shall be filed with the County Auditor, or, alternatively, listed by subject on a public agency’s web site or other electronically retrievable public source.

- H. It is recognized that amendment to the provisions of this Agreement may be appropriate, and such amendment shall take place when the parties to this Agreement have executed a written amendment to this Agreement. The City and the County also agree to adopt any amendments to the Agreement incorporating changes necessary to meet the requirements for cooperation agreements set forth in an Urban County Qualification Notice applicable for a subsequent three-year qualification period, and to submit such amendment to the HUD. Failure to adopt such required amendment shall void the automatic renewal of the Agreement for the subsequent qualification period.
  
- I. This Agreement is made and entered into for the sole protection and benefit of the parties hereto and their successors and assigns. No other person shall have any right of action based on any provision of this Agreement.

KING COUNTY, WASHINGTON

CITY OF \_\_\_\_\_

\_\_\_\_\_  
for King County Executive

\_\_\_\_\_  
By: Signature

\_\_\_\_\_  
Adrienne Quinn  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Director, Department of Community and  
Human Services  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Approved as to Form:  
OFFICE OF THE KING COUNTY  
PROSECUTING ATTORNEY

Approved as to Form:  
CITY OF \_\_\_\_\_  
CITY ATTORNEY

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_  
City Attorney

ATTEST:  
CITY OF \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
City Clerk

**HOME INVESTMENT PARTNERSHIPS PROGRAM  
INTERLOCAL COOPERATION AGREEMENT**

THIS AGREEMENT is entered into between King County, hereinafter referred to as the "County," and the City of \_\_\_\_\_ hereinafter referred to as the "City," said parties to the Agreement each being a unit of general local government of the State of Washington.

**RECITALS**

WHEREAS, King County is an urban county, as defined by 24 CFR 92.2 and 24 CFR 570.3; and

WHEREAS, a unit of general local government that is located within in an urban county may be part of a HOME consortium only through the urban county; and

WHEREAS, the City and King County agree that it is mutually desirable and beneficial to enter into a consortium arrangement for purposes of the HOME Investment Partnerships Program, hereinafter referred to as "HOME Program";

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING CIRCUMSTANCES, AND IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, IT IS AGREED THAT:

1. This Agreement is made pursuant to the National Affordable Housing Act of 1990, as amended, 42 USC § 12701 et. seq. (the "Act") and RCW 39.34, the Intergovernmental Cooperation Act.
2. The City and the County agree to cooperate to undertake or assist in undertaking HOME Program housing assistance activities which are eligible under 24 CFR Part 92.
3. The County is hereby authorized to act as the representative member on behalf of the Consortium for the purposes of the HOME Program. The County as the applicant and grantee for the HOME Program funds has responsibility for and assumes all obligations in the executing the HOME Program, including adding new members on behalf of the HOME Consortium, final responsibility for selecting and executing activities, ensuring compliance with federal requirements and submitting to HUD the Consolidated Housing and Community Development Plan (Consolidated Plan), Annual Action Plans, and related plans and reports, including the Analysis of Impediments to Fair Housing Choice and the Fair Housing Action Plan. Nothing contained in this Agreement shall be construed as an abdication of those responsibilities and obligations.

The City agrees to cooperate fully with the County in the development and preparation of the Consolidated Plan and related plans, and to prepare and provide those elements specifically pertaining to the City.

4. This Agreement shall remain in full force and effect for the period necessary to plan and carry out all activities that will be funded from HOME funds awarded for the **2015, 2016 and 2017** federal fiscal years, the three-year qualification period that coincides with the Agreement for the Distribution and Administration of the King County Consortium's Community Development Block Grant, or until the County's designation as a participating HOME jurisdiction or an urban county is rescinded by the United States Department of Housing and Urban Development, whichever is shorter.
5. This Agreement will be automatically renewed for participation in successive three-year qualification periods, unless the County or the City provides written notice it wishes to amend or elects not to participate in the new qualification period. Such written notice shall be given by the date set forth in an Urban County Qualification Notice applicable to subsequent three-year qualification periods and provided by the United States Department of Housing and Urban Development.
6. The City and the County agree to adopt any amendments to this Agreement incorporating changes necessary to meet the requirements for cooperation agreements set forth in an Urban County Qualification Notice applicable for a subsequent three-year qualification period, and to submit such amendments to the United States Department of Housing and Urban Development. Failure to adopt such amendments will void the automatic renewal of such qualification period.
7. During the term of this Agreement, neither the County nor the City may withdraw from participation from their respective obligations under this Agreement.
8. By executing the HOME Agreement, the City understands that it may not participate in a HOME consortium except through the County, regardless of whether the County receives a HOME formula allocation.
9. This Agreement shall be executed in three counterparts, each of which shall be deemed an original, by the chief executive officers of the County and the City, pursuant to the authority granted them by their respective governing bodies. One of the signed Agreements shall be filed by the County with the Region X office of HUD, one shall be filed with the City and one shall be filed with the County. Prior to its taking effect, the fully executed Agreement shall be filed with the County Auditor, or, alternatively, listed by subject on a public agency's web site or other electronically retrievable public source.
10. The parties to this Agreement hereby agree to affirmatively further fair housing and to ensure that no HOME funds are expended for activities that do not affirmatively further fair housing within the boundaries of their jurisdiction or for activities that impede the County's actions to comply with its fair housing certification. For purposes of this section, "affirmatively furthering fair housing" includes participation in the process of developing an Analysis of Impediments to Fair Housing Choice and a Fair Housing Action Plan. While King County

has the primary responsibility for the development of these reports to HUD pursuant to Section 3 of this Agreement, upon request, the City shall provide assistance to the County in preparing such reports.

11. Joint Recommendations Committee Composition. An inter-jurisdictional Joint Recommendations Committee (“JRC”) shall be established through the **2015-2017** Consortium Interlocal Cooperation Agreement.

The JRC shall be composed of three county representatives and eight cities representatives.

The three county representatives shall be King County Executive staff with broad policy responsibilities and/or department directors. County representatives shall be specified in writing and, where possible, shall be consistently the same persons from meeting to meeting.

Four of the cities representatives shall be from non-entitlement consortium cities signing the King County Consortium Regular Interlocal Cooperation Agreement Regarding the Community Development Block Grant (CDBG) Program, two from each sub-region, as appointed by Sound Cities Association.

The remaining four cities representatives shall be from cities that qualify to receive CDBG funds directly from HUD, but are signing a Joint Agreement Regarding the CDBG Program and a HOME Program Agreement with King County; or that receive their own CDBG grant directly from HUD and are signing a HOME Program-only Agreement with King County. These latter four representatives shall have no vote on matters specific to the jurisdictions of the King County Consortium Regular Interlocal Cooperation Agreement Regarding the CDBG Program.

Two of the eight cities representatives shall be rotated among the HOME Program-only Agreement Cities, and two of the eight cities representatives shall be rotated among the cities signing a Joint Agreement Regarding the CDBG Program and a HOME Program Agreement. Those four representatives will vote on issues affecting HOME Program Agreement Cities that are specific to this Agreement.

For the HOME Program-only Agreement Cities’ rotating positions, the HOME Program Agreement Cities will notify the County by the end of the second week in February of each year, who the two HOME Program-only Agreement City representatives will be for that year.

The chairperson and vice-chairperson of the JRC shall be chosen from among the members of the JRC by a majority vote of the members for a term of one year beginning with the first meeting of the calendar year. Attendance of five members shall constitute a quorum.

12. JRC Appointments. The King County Executive shall appoint the three county representatives. The participating cities of the King County Consortium Interlocal Cooperation Agreement for the Community Development Block Grant Program shall provide for the appointment of their shared representatives in a manner to be determined by those cities through the Suburban Cities Association or other agreed-upon mechanism for the execution of shared appointing authority. The Suburban Cities Association or other agreed

mechanism will select four jurisdictions of varying size from among those signing this agreement, two from the north/east sub-region and two from the south sub-region. The cities representatives shall be elected officials, chief administrative officers, or persons who report directly to the chief administrative officer and who have broad policy responsibilities; e.g., planning directors, department directors, etc. Members of the JRC shall serve for two years, or at the pleasure of their respective appointing authorities.

13. Powers and Duties of the JRC. The JRC shall be empowered to:
  - a. Review and recommend to the King County Executive all policy matters concerning the King County CDBG Consortium and HOME Program Consortium, including but not limited to the Consolidated Plan and related plans and policies.
  - b. Review and recommend to the King County Executive the projects and programs to be undertaken with King County CDBG Consortium funds and HOME Program Consortium funds, including the Administrative Set-aside.
  - c. Monitor and ensure that all geographic areas and participating jurisdictions benefit fairly from King County CDBG Consortium and HOME Program Consortium funded activities over the three-year agreement period, so far as is feasible and within the goals and objectives of the Consolidated Plan.
  
14. Advisory Committees to the JRC. In fulfilling its duty to review and recommend projects and programs to be undertaken with HOME Program funds, the JRC shall consider the advice of inter-jurisdictional advisory committees. Sub-regional advisory committees, made up of one representative from each participating jurisdiction in a sub-region that wishes to participate, shall be convened to assist in the review and recommendation of projects and programs to be undertaken in that sub-region. The JRC may also solicit recommendations from other inter-jurisdictional housing and community development committees.
  
15. The City shall assist the County in developing the Consortium's HOME Program by participating in development of the Consolidated Plan to accommodate both the collective and individual housing objectives contained within local comprehensive plans or other adopted plans of the City and the County.
  
16. The City and County shall each assign a staff person to serve as the primary contact for the administration of this Agreement. The assigned contact person is responsible for communicating relevant information to their respective jurisdiction.
  
17. This Agreement applies to the Consortium's acceptance of other federal housing-related funds which may be allocated by formula to the Consortium. Allocation decisions for these funds will be subject to policies and procedures developed by the advisory committees to the JRC and adopted by the JRC.

18. This Agreement is made and entered into for the sole protection and benefit of the parties hereto and their successors and assigns. No other person shall have any right of action based on any provision of this Agreement.

KING COUNTY, WASHINGTON

CITY OF \_\_\_\_\_

\_\_\_\_\_  
for King County Executive

\_\_\_\_\_  
By: Signature

\_\_\_\_\_  
Jackie MacLean  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Director, Department of Community and  
Human Services  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Approved as to Form:  
OFFICE OF THE KING COUNTY  
PROSECUTING ATTORNEY

Approved as to Form:  
CITY OF \_\_\_\_\_  
CITY ATTORNEY

\_\_\_\_\_

\_\_\_\_\_  
City Attorney

ATTEST:  
CITY OF \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
City Clerk