CITY OF KIRKLAND
Department of Parks & Community Services
505 Market Street, Suite A, Kirkland, WA 98033 425.587.3300
www.ci.kirkland.wa.us

To: David Ramsay, City Manager

From: Sharon Anderson, Human Service Coordinator

Date: June 3, 2008

Subject: RENEWING THE INTERLOCAL COOPERATION AGREEMENT (ICA) FOR THE 2009-2011 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

RECOMMENDATION

Staff recommends that Council adopt the enclosed resolution authorizing the City Manager to sign the Community Development Block Grant (CDBG) Interlocal Cooperation Agreement (ICA) ensuring Kirkland has continued participation in the King County Consortium from 2009 through 2011.

Upon approval, this agreement will be forwarded to King County.

BACKGROUND DISCUSSION

The City of Kirkland must decide whether to continue its participation in the King County Community Development Block Grant Consortium, which includes most of the suburban cities in King County, as well as the unincorporated areas of the county. (It does not include Seattle, Bellevue, Auburn or Kent, which receive direct entitlements from HUD.) The *current* Interlocal Cooperation Agreement for this federally funded program covers 2006-2008.

The CDBG Consortium's inter-jurisdictional policy body, the Joint Recommendations Committee (JRC), has recommended a new agreement for the next three years, 2009-2011, as shown in Attachment A.
The renewal of the agreement includes technical updates, the detail and impact of which is outlined below.

MINOR CHANGES TO THE AGREEMENT

The changes provide the necessary citations for combining coverage of the CDBG and HOME programs within one agreement. This will allow Kirkland and affordable housing developers serving our city to apply for HOME funds to meet housing needs, including affordable rental housing and first-time homeownership programs.

IMPACT

A. Service Delivery

No impact. Kirkland will continue to participate in the consortium and serve on advisory committees to review funding requests and make recommendations for funding of capital projects and human services programs.

B. Fiscal

Kirkland residents will have access to the King County Home Repair Program and benefit from other programs receiving CDBG funding. CDBG funding offsets requests that might otherwise be received through the City's human service general fund dollars.

ALTERNATIVES TO STAFF RECOMMENDATION

The Council could opt not to approve the new Interlocal Cooperation Agreement. In that case, Kirkland would no longer be a member of the King County Consortium, and our residents would not be eligible for any services made available through CDBG funding, including home repair.

ATTACHMENTS

Resolution
2009-2011 CDBG Interlocal Cooperation Agreement (ICA)

RESOLUTION R-4708

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO SUBMIT AND SIGN THE INTERLOCAL COOPERATION AGREEMENT WHICH OUTLINES THE METHOD OF SHARING COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS.

WHEREAS, the federal government through adoption and administration of the Housing and Community Development Act of 1974, as amended, will make funds available to King County for expenditure during the 2009 through 2011 funding years; and

WHEREAS, the City of Kirkland wishes to enter into a cooperative agreement with King County for the purpose of undertaking activities to be funded with Community Development Block Grant Funds for the years 2009 through 2011, inclusive, and

WHEREAS, the Kirkland City Council finds it to be in the best interest of the City of Kirkland, and its residents, to enter into such cooperative agreements;

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

Section 1. The City Manager for the City of Kirkland is hereby authorized and directed to submit and sign an Interlocal Cooperation Agreement on behalf of the City of Kirkland with King County for planning the distribution and administration of certain Community Development Block Grant funds and execution of the King County Community Development Block Grant Program under the Federal Housing and Community Development Act of 1974, as amended. A copy of said agreement is attached to the original of this resolution and by this reference incorporated herein.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2008.

Signed in authentication thereof this _____ day of _____, 2008.

_____
MAYOR

Attest:

_____
City Clerk

INTERLOCAL COOPERATION 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 Kirkland (hereafter 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 2009-2011 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, the CDBG Regulations require the acceptance of the consolidated housing and community development plan ("Consolidated Plan") by participating jurisdictions; and

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

WHEREAS, King County and the participating jurisdictions 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, King 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 Interlocal Cooperation Agreement, entered into pursuant to and in accordance with the State Interlocal Cooperation Act, RCW Chap. 39.34, is to form an urban county consortium, ("Consortium"), 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

King County and participating jurisdictions agree to cooperate to undertake, or assist in undertaking, activities which further the development of viable urban communities, including the provision of decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate income, through community renewal and lower income housing assistance activities, funded from annual CDBG and HOME Program funds from federal Fiscal Years 2009, 2010 and 2011 appropriations, from recaptured funds allocated in those years, and from any program income generated from the expenditure of such funds.

II. GENERAL DISTRIBUTION OF FUNDS

The annual distribution of CDBG and HOME Program funds for the King County urban county Consortium shall be governed by the following provisions:

A. The amount needed for administration of the Consortium's CDBG, HOME Program and related federal programs that benefit the Consortium shall be reserved by the County. This amount (hereinafter referred to as the "Administrative Setaside") is contingent upon review by the Joint Recommendations Committee ("JRC"), as provided in Section IV, and approval by the Metropolitan King County Council, as provided by Section V. To the extent that is reasonable and feasible, the County and the Committee shall strive to ensure that some portion of the allowable 20 percent of CDBG for planning and administration remains available for the purposes outlined in II. D. below.

B. Five percent of the funds available from the CDBG entitlement and program income shall be reserved for the Housing Stability Program, a public service activity in support of homeless prevention and in support of the affordable housing requirements under the implementation of the state Growth Management Act (RCW Chapter 36.70A).

C. Twenty-five percent of the funds available from the CDBG entitlement and program income shall be reserved 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.

D. The remaining entitlement and program income funds, including any remaining balance of the 20 percent allowable for planning and administration, as well as any recaptured or prior year funds, shall be divided between two sub-regions of the county—the north/east sub-region and the south sub-region. These funds shall be made available on a competitive basis for a variety of eligible activities consistent with the Consolidated Housing and Community Development Plan.

1. The north/east sub-region shall include those cities in the north and east and those portions of unincorporated King County that lie north of Interstate 90. The cities of Mercer Island, Newcastle, Issaquah, and North Bend, which are at or near the Interstate 90 border, along with their designated potential annexation areas, also shall be included in the north/east sub-region.

2. The south sub-region shall include those cities south of Interstate 90 and those portions of unincorporated King County that lie south of Interstate 90, except for the cities of Mercer Island, Newcastle, Issaquah, and North Bend and their potential annexation areas, which are part of the north/east sub-region.

3. The formula for dividing the funds between the two sub-regions shall be based on each sub-region's share of the Consortium's low-and moderate-income population.

III. USE OF FUNDS: GENERAL PROVISIONS

A. Funds shall be used to support the goals and objectives of the Consolidated Plan.

B. Funds shall be used in accordance with the CDBG regulations at 24 CFR 570 and all other applicable federal regulations.

IV. JOINT RECOMMENDATIONS COMMITTEE

An inter-jurisdictional Joint Recommendations Committee ("JRC") shall be established.

A. Composition—The JRC shall be 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 cities signing this interlocal cooperation agreement, two from each sub-region.

3. The remaining four cities representatives shall be from cities that qualify to receive CDBG entitlement funds directly from HUD and that are not signing this agreement, but are signing either Joint agreements or HOME-only agreements.

These latter four representatives shall have no vote on matters specific to the jurisdictions that are parties to this agreement.

4. 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.

B. Appointments—The King County Executive shall appoint the three county representatives. The participating cities 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.

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 Program, 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 funds, including the Administrative Setaside.

3. Monitor and ensure that all geographic areas and participating jurisdictions benefit fairly from CDBG and HOME Program funded activities over the three-year agreement period, so far as is feasible and within the goals and objectives of the Consolidated Plan.

D. Advisory Committees to JRC—In fulfilling its duty to review and recommend projects and programs to be undertaken with the CDBG and HOME 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 committee

V. RESPONSIBILITIES AND POWERS OF KING COUNTY

A. Notwithstanding any other provision contained in this Agreement, the County as the applicant and grantee for CDBG and HOME Program funds has responsibility for and assumes all obligations in the execution of the CDBG 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 Plans, and related plans. Nothing contained in this Agreement shall be construed as an abdication of those responsibilities and obligations.

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 and HOME Program Administrative Setasides and appropriation of all CDBG and HOME Program funds.

D. The King County Executive, as administrator of the CDBG and HOME Programs, 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 in IV. C., above.

G. King County Executive staff shall have the authority and responsibility to communicate and consult with participating jurisdictions on CDBG and HOME Program policy and program matters in a timely manner.

H. King County Executive staff shall have the authority and responsibility to convene sub-regional advisory committees made up of representatives from participating jurisdictions in the sub-region, to advise the JRC on the allocation of the sub-regional funds.

I. 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 and HOME Program funded projects and make them available to all participating jurisdictions and the JRC.

J. King County Executive staff shall solicit proposals, administer contracts, and provide for technical assistance, both in the development of viable CDBG and HOME Program proposals and in complying with CDBG and HOME Program contractual requirements.

K. King County 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 in determining whether King County must prepare an Environmental Impact Statement.

VI. RESPONSIBILITIES OF THE PARTICIPATING CITIES

A. All participating cities shall cooperate in development of the Consolidated Plan and related plans.

B. All participating cities shall assign a staff person to be the primary contact for the County on CDBG/HOME Program issues. The assigned CDBG/HOME Program contact person is responsible for communicating relevant information to others at the participating city, including any representative the city may choose to send to the sub-regional advisory committee, if that representative is not the CDBG/HOME Program contact person.

C. At its discretion, a participating city may assign a representative to attend meetings of the sub-regional advisory committee. This representative may or may not be the City's CDBG/HOME Program contact person. It may be the CDBG/HOME Program contact person, a different staff member, an elected official, or a citizen.

D. If and when a participating city deems necessary or advisable, it may prepare applications for CDBG or HOME Program funds to address the needs of its residents, consistent with the Consolidated Plan.

E. Each participating city shall obtain its council's authorization for any CDBG or HOME Program application submitted.

F. All participating cities shall carry out CDBG or HOME Program funded projects in a manner that is timely and consistent with contractual requirements.

G. All participating cities owning community facilities or other real property acquired or improved in whole or in part with CDBG or HOME Program 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 participating cities shall notify King County prior to any modification or change in the use of real property acquired or improved in whole or in part with CDBG or HOME Program 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 property acquired or improved with CDBG or HOME Program funds is sold or transferred for a use which does not qualify under the applicable regulations, the participating city shall reimburse King County in an amount equal to the current fair market value (less any portion thereof attributable to expenditures of funds other than CDBG or HOME Program funds).

VII. RESPONSIBILITIES OF ALL PARTICIPATING JURISDICTIONS

A. All participating jurisdictions shall be considered to be those jurisdictions that have signed this Agreement.

B. All participating jurisdiction 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 in Section VIII below.

C. Each participating jurisdiction or cooperating unit of general local government 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.

D. Pursuant to 24 CFR 570.501(b), all participating units of local governments are subject to the same requirements applicable to sub recipients 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.

E. All participating units of local government understand that they may not apply for grants under the federal Small Cities or State CDBG Programs that receive separate entitlements from HUD during the period of participation in this Agreement.

F. All units of local government participating in the CDBG urban county consortium through this interlocal cooperation agreement understand that they are also part of the urban county for the HOME Program and that they may not participate in a HOME consortium except through the urban county, regardless of whether the urban county receives a HOME formula allocation.

G. All participating units of local government hereby agree to affirmatively further fair housing.

H. Jurisdictions undertaking activities and/or projects with CDBG funds distributed under this Agreement shall retain full civil and criminal liability as though these funds were locally generated.

I. Jurisdictions retain responsibility in fulfilling the requirements of the State Environmental Policy Act under which King County has review responsibility only.

VIII. GENERAL TERMS

A. This Agreement shall extend through the 2009, 2010 and 2011 program years, and shall remain in effect until the CDBG 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 the United States Department of Housing and Urban Development in subsequent Urban County Qualification Notices. King 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 agree to comply with the policies and implementation of the 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. No CDBG or HOME Program funds shall be expended for activities in or in support of any participating city that does not affirmatively further fair housing within its own jurisdiction or that impedes the County's actions to comply with its fair housing certification.

F. 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 United States Department of Housing and Urban Development. Failure to adopt such required amendment shall void the automatic renewal of the Agreement for the subsequent qualification period.

KING COUNTY, WASHINGTON	CITY OF KIRKLAND
for King County Executive	By: Signature David Ramsay, City Manager
Jackie MacLean Printed Name	Printed Name
Director, Department of Community and Human Services	

Title	Title Kirkland City Manager
Date	Date

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

Michael Sinsky, King County Senior Deputy Prosecuting Attorney