

5/10/83

INTRODUCED BY AUDREY GRUGER

PROPOSED NO.

83 - 249

MOTION NO. 5747

A MOTION relating to the Community Development Block Grant Program adopting the 1984 King County Community Development Block Grant Consortium Policy Plan.

WHEREAS, King County is a member of the Community Development Block Grant Consortium, and

WHEREAS, King County as the official applicant is responsible to the Federal Government for all activities undertaken with Community Development Block Grant funds, and

WHEREAS, the Interlocal Cooperation Agreement between the governing body of King County and twenty-five incorporated jurisdictions within King County sets forth an arrangement for planning the distribution of Community Development Block Grant funds, and

WHEREAS, the Agreement refers to the Three Year Plan (which was updated annually and most recently adopted by Motion 5249) to guide the distribution of those funds, and

WHEREAS, the Three Year Plan is no longer a Federal requirement but the need to produce a local policy statement to guide the use of Community Development Block Grant funds continues, and

WHEREAS, in 1983 the Consortium and King County adopted the first annual Consortium Policy Plan (adopted by Motion 5473) consisting of the general policies governing Community Development Block Grant funds and Consortium members' guidelines for funding in 1983 to continue guiding the distribution of Community Development Block Grant funds, and

WHEREAS, the 1984 King County Community Development Block Grant Consortium Policy Plan (hereinafter referred to as the 1984 Policy Plan) has been developed as an annual update to incorporate changes in Federal regulations and local conditions into the local policies used to guide the distribution of Community Development Block Grant funds, and

WHEREAS, all Consortium members, housing agencies, and other non-County agencies participated in the development of the 1984 Policy Plan through

1 review and comment and the submission of funding policies for the 1984 program
2 year, and

3 WHEREAS, the Joint Policy Committee approved the 1984 Policy Plan and
4 will be asked to approve the incorporated municipal jurisdictions' funding
5 policies for the 1984 program year, and

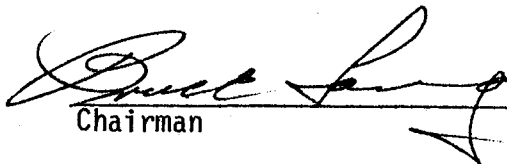
6 WHEREAS, the King County Executive has submitted the 1984 Policy Plan and
7 the King County Community Development Block Grant Funding Policies for 1984;

8 NOW, THEREFORE, BE IT MOVED by the Council of King County:

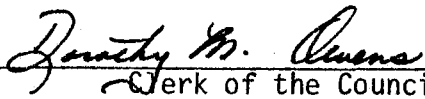
9 The attached 1984 King County Community Development Block Grant Consortium
10 Policy Plan and the 1984 King County Community Development Block Grant Funding
11 Policies are hereby adopted to replace the 1983 King County Community Develop-
12 ment Block Grant Policy Plan and the 1983 King County Community Development
13 Block Grant Funding Guidelines and to govern the planning process and develop-
14 ment of the 1984 Community Development Block Grant Program.

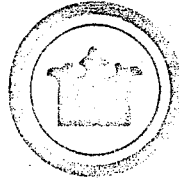
15 PASSED this 31st day of May, 19 83.

16 KING COUNTY COUNCIL
17 KING COUNTY, WASHINGTON

18 
19 Chairman

20 ATTEST:

21
22 
23 Clerk of the Council



- 249

King County Executive
Randy Revelle

May 10, 1983

5747

The Honorable Bruce Laing
Chairman, King County Council
C O U R T H O U S E

RE: 1984 Policy Plan and 1984 Funding Policies

Dear Mr. Chairman:

Enclosed is a proposed motion adopting the 1984 King County Community Development Block Grant (CDBG) Consortium Policy Plan and King County's 1984 CDBG Funding Policies.

The 1984 Policy Plan is the annual update of local policies used to guide the distribution of CDBG funds to meet the needs of low and moderate income people throughout King County. The 1984 Policy Plan provides information to CDBG applicants about the policies affecting local CDBG funding decisions -- eligibility requirements, CDBG Consortium policies adopted by the Joint Policy Committee (JPC), and locally adopted non-CDBG policies which affect funding decisions.

The 1984 Policy Plan is based on adopted policies and does not include major changes from the 1983 Policy Plan. For the first time, the 1984 Policy Plan contains the JPC adopted Needs Funds Considerations and policies on the allocation of limited public service funds.

King County's 1984 CDBG Funding Policies are included as a supplement to the 1984 Policy Plan. The 1984 Funding Policies establish King County's strategies for using CDBG funds and describe categories where funding is emphasized or discouraged. The CDBG Consortium cities will submit their locally adopted CDBG Funding Policies directly to the JPC for approval.

We recommend four general funding policies be adopted to guide King County's consideration of 1984 CDBG requests: (1) the ability to implement requests within the program year in which funds are made available, (2) the relationship of requests to King County adopted plans and policies, (3) the selection of requests which provide maximum benefit to lower income neighborhoods, and (4) the coordination of requests with other CDBG funded facilities or public facilities.

The Honorable Bruce Laing
May 10, 1983
Page Two

Together, these four policies will ensure the 1984 CDBG Program has a lasting value for the citizens of unincorporated King County. We further recommend specific funding policies to guide the distribution of CDBG funds to various types of activities. The categories of activities are described below in descending order of funding priority.

We recommend concentrating CDBG funds on the special and urgent housing needs of the lowest income people. In particular, housing for people in emergency situations and for people with the greatest difficulty obtaining housing -- such as the mentally ill and physically disabled in need of semi-independent living situations -- is needed. King County's housing repair and rehabilitation programs should be continued to keep the housing stock repaired, thus avoiding the larger future costs of deferred maintenance. We recommend King County discourage new senior housing proposals because vacancies and turnover in assisted senior housing has increased substantially in the past year.

Next, we recommend ensuring maximum use of CDBG funds up to the existing Federal limit of ten percent of the grant amount for direct delivery of critically needed public services. The recommended policies provide flexibility for increasing public service spending if Congress raises the lid on such expenditures in legislation being developed to reauthorize the CDBG program for 1984-1986. The policies support increasing expenditures to service programs which complement existing King County human services, health programs, or CDBG funded facilities.

As a third priority, we recommend CDBG funds be allocated to rehabilitating existing park facilities. We must improve deteriorated facilities at older developed parks before developing additional parks or expanding existing parks. This effort will contribute to reducing operations and maintenance costs for such facilities.

Once the need for funding viable projects in the above three categories has been met, we recommend CDBG funds be considered for pedestrian access projects: (1) to implement adopted Business District Guides, or (2) to link or make better use of existing facilities in low and moderate income neighborhoods.

The final area of emphasis we recommend is using CDBG funds for planning efforts to produce projects benefiting low and moderate income people.

We recommend limiting the use of CDBG funds for community facilities and discourage the use of CDBG funds for storm water drainage improvements. Due to the lack of funds for operating community facilities, the CDBG Program should be limited to rehabilitating existing community facilities rather than expanding or constructing facilities. Storm water drainage is a County-wide problem not just affecting low income people; it should be solved through a Countywide surface water utility instead of constructing stop-gap measures with limited CDBG funds.

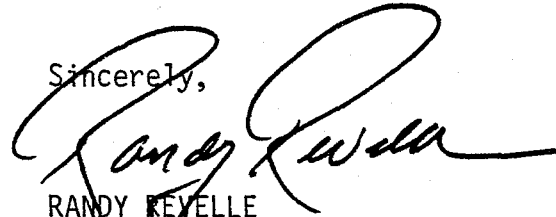
The Honorable Bruce Laing
May 10, 1983
Page Three

The final 1984 Policy Plan will be used by King County in developing the 1984 CDBG Program in late May and June, 1983. The CDBG project applications are due July 6, 1983.

We look forward to a prompt and positive review of the 1984 Policy Plan and our recommended 1984 CDBG Funding Policies for King County.

If you have any questions about our recommendations, please call Holly Miller at 344-7503.

Sincerely,



RANDY REVELLE
King County Executive

RR:HM:ta3/2

Attachments

cc: King County Councilmembers

ATTN: Jerry Peterson, Council Administrator
Executive Cabinet

Mona Jarman-Hirsch, Acting Manager, Housing and Community Development

ATTN: Norm Schwab, Technical Assistance Coordinator
Members, Joint Policy Committee

1984

KING COUNTY

COMMUNITY DEVELOPMENT

BLOCK GRANT CONSORTIUM

POLICY PLAN

1984

KING COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT CONSORTIUM

POLICY PLAN

KING COUNTY, WASHINGTON
IN CONSORTIUM WITH:

ALGONA
AUBURN
BLACK DIAMOND
BOTHELL
CARNATION
CLYDE HILL
DES MOINES
DUVALL
ENUMCLAW
HUNTS POINT
ISSAQUAH
KENT
KIRKLAND
LAKE FOREST PARK
MEDINA
MERCER ISLAND
NORMANDY PARK
NORTH BEND
PACIFIC
REDMOND
RENTON
SKYKOMISH
SNOQUALMIE
TUKWILA
YARROW POINT

1984 KING COUNTY COMMUNITY DEVELOPMENT

BLOCK GRANT CONSORTIUM POLICY PLAN

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SECTION I - THE KING COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Introduction

Each year King County receives Federal Community Development Block Grant (CDBG) funds under the Housing and Community Development Act of 1974, as amended. In 1984, King County anticipates receiving the same level of funding as in 1983, which was \$5,884,000. These funds are divided among the partners of the King County CDBG Consortium (the Consortium). The Consortium, organized to receive CDBG funds as an entitlement urban county, is composed of twenty-five of King County's twenty-eight cities and towns and the unincorporated areas of King County. The cities of Seattle and Bellevue administer their own CDBG programs. The Town of Beaux Arts has elected not to join the Consortium for the years 1982-1984.

Congress mandates that CDBG funds provide needed housing, capital improvements, community facilities, and limited services to improve living conditions in low and moderate income areas. More specifically, the intent of these funds is to:

- Maintain and upgrade current housing and provide new housing for people with low and moderate incomes.
- Eliminate conditions causing health, safety and public welfare problems.
- Aid public services that improve the communities in which low and moderate income people live.
- Use land and other natural resources better.
- Reduce isolation of income groups, promote diversity and vitality.
- Restore and preserve historic buildings and other properties of special value to a community.
- Reduce physical and economic distress through the stimulation of private investment.

The funds are not to be used to:

- Reduce the amount of local financial support for a particular activity.
- Support the regular ongoing responsibilities of general local government.

The Purpose of the Policy Plan

King County develops the Policy Plan in cooperation with the twenty-five cities and towns in the Consortium. The Joint Policy Committee (JPC--the governing body of the Consortium) approves and the King County Council formally adopts the Policy Plan to guide funding decisions for the 1984 CDBG Program.

The Policy Plan presents general funding policies as established by the United States Department of Housing and Urban Development (HUD), the JPC, and King County. It also incorporates community development policies stated in various adopted community and municipal plans and King County plans such as the King County Comprehensive Plan, the Growth Management Program Guidelines (Motion 4152), Parks Policy Plan, the Sewerage General Plan, and the Housing Assistance Plan.

Subject to JPC approval each member jurisdiction will adopt its own annual statement of local Funding Policies as a supplement to the Policy Plan. These Funding Policies state local strategies for use of CDBG funds and describe categories and/or areas where funding will be emphasized.

The Policy Plan and local Funding Policies will aid applicants in submitting project proposals and the Consortium in selecting projects which meet local needs and support the principal objective of CDBG funds to improve the living conditions of low and moderate income people.

Organization of the Policy Plan

The Policy Plan is divided into the two following sections. Section II, "Allocation Policies" encompasses the Federal eligibility regulations, adopted Consortium policies governing the distribution of CDBG funds, and

other Consortium general policies that apply to CDBG activities. Section III, "Activity Policies" further details the policies applicable to CDBG activities and directs applicants to the most needed or desirable projects within each activity. Section III groups activities which provide a similar improvement into functional categories (such as community facilities, housing, parks, and planning).

Applicant Use of the Policy Plan

Any person, non-profit or for-profit organization, neighborhood association or governmental agency in unincorporated King County or in any of the 25 Consortium cities and towns may apply to use CDBG funds for an eligible activity in 1984. An eligible CDBG activity must be implemented by a city or County department, special purpose district, or private non-profit organization. A special exception allows for-profit organizations to implement certain CDBG activities - see Economic Development, page 25. Applications for activities that serve areas outside city limits must be submitted to the Housing and Community Development Division (H&CD) by July 6, 1983. Applications for activities that serve areas within a city or town in the Consortium must be sponsored by the involved city and town. City and town applications must be submitted to H&CD by October 28, 1983. Contact the city or town staff for information on application procedures. All applicants should structure project proposals to be consistent with the policies and requirements of this document to ensure consideration for funding. A 1984 calendar showing important dates which applicants should be aware of for the King County CDBG Program follows below.

King County Community Development Block Grant Calendar

1984 Program Year

- | | |
|--------------|--|
| May 3, 1983 | King County Executive recommends and JPC approves 1984 Policy Plan including Needs Considerations and Public Service Funds Allocation Process. |
| May 10, 1983 | King County Executive recommends Funding Policies for unincorporated King County. |
| May 29, 1983 | Publish amount of 1984 CDBG funds available. |

May 31, 1983	King County Council Adopts 1984 Policy Plan including Needs Considerations, Public Service Funds Allocation Process and King County Funding Policies. Distribute Policy Plan to Consortium.
June 15, 1983	Instructions sent to cities on local Funding Policies.
July 6, 1983	All applications involving King County funds are due at H&CD (Pop - Needs - Joint).
July 18, 1983	Cities' resolutions authorizing Joint requests with King County due at H&CD.
July 27, 1983	King County Executive recommends and JPC approves 1984 Annual Housing Action Plan.
August 12, 1983	Cities 1984 Funding Policies due at H&CD including letter of intent to apply for Public Service funds.
August-October	Cities develop their 1984 programs with citizen input.
September 14, 1983	JPC approves local Funding Policies.
September 19, 1983	King County Council adopts 1984 Annual Housing Action Plan.
September 30, 1983	King County Executive submits 1984 Annual Housing Action Plan to HUD.
October 14, 1983	King County Executive recommends King County's CDBG program to King County Council.
October 28, 1983	Cities applications due at H&CD.
November 11, 1983	Cities' resolutions authorizing cities' 1984 projects due at H&CD.
November 1983	Public hearing on King County's 1984 projects.
November 1983	King County Council approves 1984 County CDBG program.
January-February 1984	JPC meetings to allocate 1984 Consortium CDBG funds.
February 1984	JPC finalizes 1984 Consortium CDBG program.
March-April 1984	Publish Proposed "Statement of Community Development Objectives and Projected Use of 1984 Funds."

March - April 1984	King County Council adopts 1984 Consortium CDBG program.
April - June 1984	H&CD staff work with subgrantees to prepare 1984 contracts and environmental checklists.
May 31, 1984	King County Executive submits Final Statement of Community Development Objectives and Projected Use of 1984 Funds to HUD.
July 1, 1984	1984 program year begins.

SECTION II - ALLOCATION POLICIES

Introduction

Every year, King County's Division of Housing and Community Development (H&CD) receives more eligible proposals than can be funded. The urban-rural character and the diverse needs of the King County Block Grant Consortium (the Consortium), and limited Federal Community Development Block Grant (CDBG) funds make it necessary to consider all proposed projects in light of County and local policies as well as Federal and State law. Policies used to plan a program making the most efficient and effective use of limited CDBG resources are described below. The Consortium uses these policies to review proposed projects.

This section of the Policy Plan describes how funding decisions are made and funds are distributed within the Consortium. Federal requirements limit the use of CDBG funds to certain eligible activities and require that CDBG funds principally benefit low to moderate income persons, or reduce or prevent slum and blight. These Federal requirements are explained; applicants for CDBG funds must show how these requirements are met. Also, Consortium policies which have been established considering the limited amount of CDBG funds available are described for CDBG funds generally, and for competitive funds and funds for public services (human services) specifically.

The Federal Regulations

HUD has established regulations which all CDBG projects must follow to ensure the program is carried out in a manner consistent with the intent of the United States Congress.

Two sets of requirements in the Federal regulations determine if a proposal may use CDBG funds: 1. Benefit Criteria and 2. Eligible Activities.

Benefit Criteria

A CDBG activity must either principally benefit low to moderate income persons, or reduce or prevent slum and blight. These two objectives are the "Benefit Criteria". They are the ultimate test against which proposals are judged. Lack of documentation to meet the benefit criteria makes a proposal ineligible for CDBG funding. Definition of the criteria follows as well as general information on how to document benefit.

Low to Moderate Income: A low to moderate income household is one whose annual income does not exceed 80% of the median income for families of the same size in King County. More specifically, for 1983, 80% of the median income in King County translates into: \$17,440 for a single person, \$20,000 for a family of two and \$24,960 for a family of four. These figures are HUD income limits which are published for King County, and updated annually. Current income limits for King County for all family sizes are shown on the chart on page 9.

"Principally Benefiting": Over half (at least 51%) of the people helped by a CDBG activity must have low to moderate income. This standard applies to an activity providing a general benefit to an area with a majority of low to moderate income individuals, such as the funding of a community center or street improvements. For an activity providing a direct benefit to an individual, documentation must be kept to show the individual is income eligible. Income screening may be done through applications or client records. An example of such an activity is a housing repair loan program.

Documenting Benefit to Low to Moderate Income

For a project which provides a general benefit, such as a community facility or a capital improvement project, 51% of the individuals benefiting from the proposed project must be low to moderate income. Several sources of information are available to determine benefit and may need to be used together to ensure a solid base of documentation. The 1980 Census is the primary source of information. Census data on income and overcrowded housing is a useful starting point to compare the project area with Countywide averages and HUD

income limits. Census tracts, however, usually cover an area larger than the service area of a project. Data such as housing conditions, property assessed valuations, and the number of families whose children participate in free and reduced cost lunch programs at schools should be used to supplement Census data for documenting benefit. Visual indicators recorded during a field check of an area can also document that the area is principally low to moderate income. Indicators include size and condition of housing and yards, and lack of public improvements such as walkways and underground drainage. H&CD can provide assistance in preparing a field check survey.

For certain general benefit projects serving a small geographical area with a mix of income groups, such as a residential block or a small neighborhood, it may be difficult to conclusively document that the area is principally low to moderate income. In these instances, it is necessary to conduct a confidential income survey of all households to document benefit. H&CD can provide assistance in doing an income survey.

For a project which provides a direct benefit (serving persons who are income screened by application forms or client records), the individuals must have incomes below those listed on the following chart. Examples of such a project are a housing repair loan program, a food bank, or a counseling service. The beneficiary group should be clearly identified at the time a project is proposed and a system must be ensured to screen eligible income beneficiaries when the project is implemented.

1983 INCOME GUIDELINES FOR KING COUNTY*
(Annual Salary by Family Size)

Family Size	1	2	3	4	5	6	7	8
Moderate Income 80%	17,440	20,000	22,480	24,960	26,960	28,960	30,960	32,960
Low Income 50%	10,900	12,500	14,050	15,600	16,850	18,100	19,350	20,600

*These guidelines are updated annually by HUD

Reduction or Prevention of Slum and Blight

Activities necessary to eliminate conditions of blight or physical decay include acquisition of blighted structures, demolition, historic preservation, relocation, and capital improvements needed to alleviate a critical health and safety hazard. Such activities must be located in areas designated as slum and blight pursuant to State law. Evidence that an area meets State criteria for slum and blight must be maintained in records of local jurisdictions. Isolated detrimental conditions which are scattered or located outside slums or blighted areas may also be addressed, although activities must be limited to those necessary to eliminate the specific conditions of blight or physical decay. Prevention activities are limited to circumstances where existing decay must be stopped so that it will not worsen conditions in an area. Examples include acquisition and rehabilitation of an historic structure to prevent its demolition and providing sewers to eliminate health hazards resulting from failure of septic tank drainfields throughout an area.

Eligible/Ineligible Activities

To receive funding a project must be an eligible activity identified in the Federal CDBG regulations. Eligible activities are described in the introduction to each functional category in the Activities Policies Section III of this Policy Plan, beginning on page 23.

The following are Ineligible Activities and may not be funded through the CDBG program:

- Public facilities such as city halls, police stations, exhibit halls and stadiums, schools, airports, hospitals, and nursing homes, unless the activity to be done in these facilities is the removal of architectural barriers.
- The purchase of a motor vehicle or equipment or furnishings not permanently attached to a building, except when necessary as a part of an eligible public service.

- Operating and maintenance expenses of a CDBG assisted facility, unless part of a public service activity.
- General government expenses.
- Political activities.
- New housing construction.
- Income payments such as payments for income maintenance, housing allowances or down payments.

H&CD can help in making determinations of eligible activities. Call 344-7605 and ask for Technical Assistance.

Who Makes the Funding Decisions

A partnership agreement called the Interlocal Cooperation Agreement establishes a six-member Joint Policy Committee (JPC) to provide overall guidance to the Consortium, make policy decisions and allocate CDBG funds. The membership of the JPC consists of three mayors (appointed by the Suburban Mayors' Association), the King County Executive, and two King County Councilpersons. The JPC reviews goals, objectives, and program guidelines, as well as reviews specific project proposals and arbitrates disagreements. The JPC approves all CDBG policies and makes the final recommendations to the King County Council for projects to be included in the annual program submitted to the United States Department of Housing and Urban Development (HUD) for CDBG funds.

Because King County is the official applicant for CDBG funds, it has the final authority and responsibility for all CDBG policy matters and allocations. The King County Executive recommends policy and projects and provides overall management for implementing the CDBG program. The King County Council approves all CDBG projects in the annual program submitted to HUD, as well as all projects in unincorporated King County.

The twenty-five cities and towns in the Consortium identify their community development needs through local staff and citizen participation and develop CDBG projects. The legislative body of each jurisdiction approves each CDBG request submitted to H&CD for review and the JPC for approval.

King County's Division of Housing and Community Development (H&CD) administers the Consortium's CDBG Program. H&CD acts as staff to all the Consortium members and the JPC. H&CD serves as liaison between the Consortium and HUD. H&CD identifies needs in the communities, provides assistance in interpreting HUD regulations, helps develop proposals, reviews proposals, contracts for services, monitors programs, reimburses eligible costs, and submits documents and reports that HUD requires.

Citizen Participation

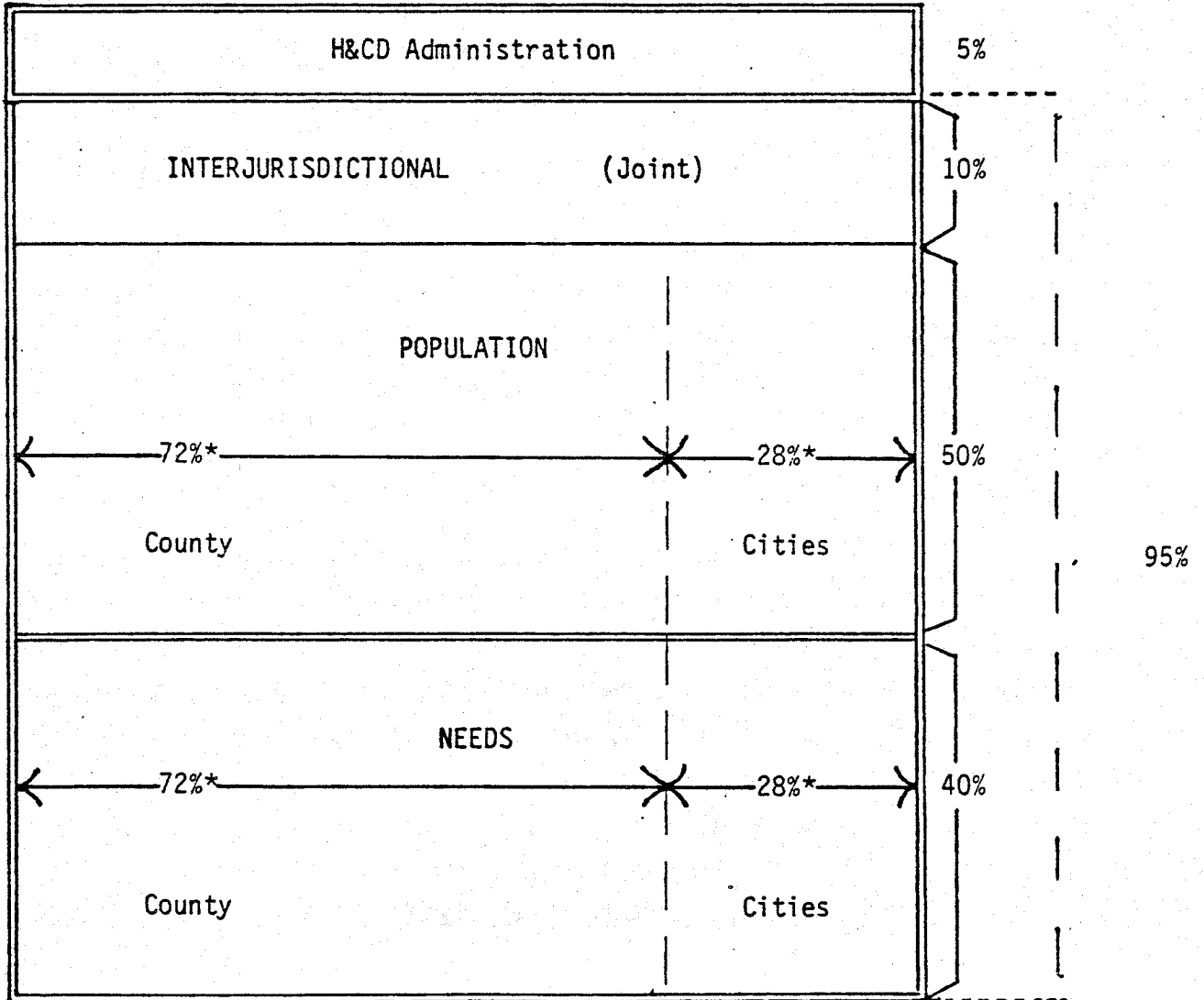
CDBG program regulations require citizens be given the opportunity to examine and appraise the Consortium's use of CDBG funds. Each member of the Consortium is responsible for furnishing citizens with information on its portion of the CDBG program. Opportunities for citizen participation vary between the member jurisdictions of the Consortium. Generally, citizens are afforded an opportunity to participate through existing forums and channels. For example, in King County, ideas for projects come from citizens serving on community plan advisory committees or on issue task forces, or from citizens directly contacting King County departments and elected officials. The cities of Auburn, Issaquah, and Renton have citizen advisory groups set up for target neighborhoods or for the local CDBG program. Public meetings or public hearings must be held so citizens may comment on community development and housing needs at each local jurisdiction in the Consortium. H&CD publishes a proposed "Statement of Community Development Objectives and Projected Use of Funds" prior to the King County Council's adoption of the annual CDBG program to afford citizens a final opportunity to submit comments on the annual program. (See page 3 for a calendar of CDBG events.)

How CDBG Funds Are Divided in the Consortium

The Interlocal Cooperation Agreement between King County and the twenty-five cities in the Consortium sets forth the general allocation formula for the CDBG funds. (See page 14 for chart.)

1. The total grant amount is first reduced by five percent to support the cost of program administration. Additional funds for program administration come from King County's share of the CDBG entitlement.
2. Ten percent of the adjusted CDBG entitlement is reserved for Joint projects. These are projects which involve and are supported by more than one jurisdiction. The key determinants in the allocation of these funds are project innovation and the ability of the project to leverage other funds. Joint project requests are competitive. The JPC makes the final recommendation to the King County Council for the use of Joint funds.
3. Forty percent of the adjusted grant amount is reserved as Needs funds. These funds are divided between the cities and towns, and King County according to population (about 28% for the cities and towns, and 72% for King County), so that the cities and towns do not compete against King County for Needs funds. The JPC adopts Needs Considerations each year against which Needs requests are evaluated. Severity of need and benefit to low and moderate income people are key determinants in the Needs Considerations. The 1984 Needs Considerations have been included in the Policy Plan and may be found on pages 17 and 18.
4. Fifty percent of the adjusted grant amount is allocated to Consortium partners on a per capita basis. These funds are called Population (Pop) funds. Each member jurisdiction of the Consortium has flexibility to allocate Pop funds to any eligible activity. HUD limits on public services and planning are the only external constraints. See page 40 on Public Services and page 39 on Planning and Management. The King County Council allocates the King County Pop funds, while each Consortium city allocates its own Pop funds. Due to its large size, King County annually earmarks its Pop funds to four regions of the County before CDBG applications are due. All Pop projects require JPC approval.

FUNDS DISTRIBUTION



* Approximate Percentages figured each funding cycle according to the most recent population figures published by Washington State OFM.

Needs Funds for Cities

To ensure that viable projects serving significant needs in low and moderate income areas are funded from the competitive cities' Needs fund, the JPC has annually adopted a set of "Needs Considerations." H&CD reviews all cities' Needs requests against these Considerations in addition to the priorities set by each city of its Needs requests. Information regarding how many of these Considerations each request meets is provided to the JPC and to the cities prior to their presentations to the JPC. Needs Considerations are now incorporated into this Policy Plan.

The amount of requests for Needs funds has always substantially exceeded available funds. JPC policy has required applicants for Needs funds to meet certain basic requirements in order to apply. These requirements are listed below. They have been expanded to provide cities with more guidance in applying for Needs funds, and to ensure Needs funds are stretched to serve as many communities as possible.

NOTE: For the purpose of clarity of the requirements and considerations below, a project is the set of activities which is proposed to be implemented and completed in the 1984 program year (July 1984 - June 1985). The project includes all CDBG and non-CDBG funds for the set of activities. A multi-year project is a set of activities which takes place at a single project site over more than one program year. An example is acquisition, design, and reconstruction of a facility. Ongoing sidewalk, sewer, water, or housing repair programs are generally not considered multi-year projects unless the phases are interdependent and all phases must be completed to make the project functional.

Requirements

1. A city must have all its Population funds allocated to viable projects in order to apply for Needs funds.
2. A city must contribute a substantial amount of its Population funds to a project request for Needs funds.

- A city with a population over 15,000 must fund 25% or more of the project with its Population funds.
 - A city with a population under 15,000 must commit 50% of its Population funds to the project.
3. When requesting Needs funds a city must provide in the application a realistic schedule showing the proposed project can be implemented in the 1984 program year (July 1984 - June 1985).
 4. No request for Needs funds may exceed \$100,000, unless a waiver is granted by the JPC.
 5. Only cities receiving less than \$10,000 in Population funds may request Needs funds for public services provided: (a) the total Needs funds requested by each city for public services does not exceed \$15,000, (b) more than 50% of the city's population has incomes below 80% of the County median income, and (c) the total CDBG request (Population and Needs funds) cannot exceed the previous year's public services funding approved for the city.
 6. Each city is limited to three Needs requests. Cities must set priorities for their Needs requests.
 7. No cost overruns will be funded out of Needs funds.

Public service requests for Needs funds must be an encouraged type of project in the Public Services section of the Policy Plan and cannot be inconsistent with review factors of that section of the Plan. See page 41. Such requests will not be assigned points using the Needs Considerations.

The following Needs Considerations will be used only for decision making on physical activities and planning or design activities.

The Needs Considerations

Each proposal receives a point or points as shown below for each Consideration met if the proposed project is:

1. A project for which there is documentation that:
 - a) 50% of the population benefiting from the project are low and moderate income (incomes below 80% of County median income) (1 point),
 - b) 75% of the population benefiting from the project are low and moderate income (incomes below 80% of County median income) (2 points), or
 - c) 51% of the population benefiting from the project are low income (incomes below 50% of County median income) (3 points).

2. A project that reduces or eliminates detrimental conditions which have created health and safety hazards, excluding fire flow and water storage facilities (2 points).

3. A project that:
 - a) is coordinated with other CDBG activities (1 point), or
 - b) is part of a concentrated physical development activity carrying out an adopted plan or program to revitalize an area of the community (adopted by motion, ordinance, or as local CDBG Funding Policies) (2 points).

4. A project that directly supports deconcentration of low and moderate income housing (1 point).

5. A project that includes a substantial contribution of committed non-CDBG funds.
 - a) Cities with a population over 15,000 must fund:
 - 15% of the total project with non-CDBG funds (1 point), or
 - 30% of the total project cost with non-CDBG funds (2 points).
 - b) Cities with a population under 15,000 must fund:
 - 10% of the total project cost with non-CDBG funds (1 point), or
 - 15% of the total project cost with non-CDBG funds (2 points).

6. A project accomplishing three or more of the Federal CDBG objectives (1 point).

(For example: The restoration of an historic building to be used as a visitors center which will promote economic development. The Federal CDBG objectives are listed on page 1 of this Policy Plan.)

7. A project that is a phase of a previously approved multi-year project (1 point).

Needs Funds for King County

King County receives a share of Needs funds under the Interlocal Cooperation Agreement. Requests for these Needs funds are reviewed against the intent of the above Needs Considerations, to select projects which best serve significant needs in low and moderate income areas. Since King County Needs requests compete on the merit of the project and are not compared to requests from other jurisdictions, no points are applied. The following policies also apply to King County Needs requests:

1. All King County Population funds must be allocated to viable projects in order for King County to use Needs funds.
2. The Needs request must provide in the application a realistic schedule showing the project can be implemented in the 1984 program year (July 1984 - June 1985).
3. Preference will be given to using Needs funds for projects which serve countywide needs or needs in more than one region of King County.
4. No cost overruns will be funded out of Needs funds.

Allocation of Public Service Funds to King County and Consortium Cities

Federal regulations place a limit on the amount of CDBG funds which may be used for public services (human services). This limit is 10% of the annual CDBG entitlement, and includes prior years' funds which are obligated during the current program year. In the 1983 program year, King County was restricted to using 8% of its Pop and Needs funds for public services, based

upon historical patterns. The balance of funds up to the Federal limit was available for use by the cities and towns. For the 1984 program year, King County's share of funds for public services will increase to 9% of its Pop and Needs funds with the balance available for use by the cities and towns. King County's share of public service funds will increase to 10% of its Pop and Needs funds for the 1985 program year. The shift over time in public service funds between King County and the cities and towns will result in an equitable distribution of limited funds while not overburdening communities with cut-backs in service levels in any single year. Due to the split of funds between King County and the cities, Joint funds may not be used for public services.

According to HUD regulations, only ten percent of the Consortium's grant amount may be allocated to public service projects. If the Consortium receives the same grant amount for 1984 as for 1983 (\$5,884,000), then \$588,400 will be the limit for public service funding. King County will then receive \$325,951 of that amount (9% of its Population and Needs funds) and the cities will receive the balance of \$262,449 for the 1984 program year. For the 1985 program year, King County would receive \$362,168 (10% of its Population and Needs funds) and the cities would receive \$226,232.

Cities Public Service Funds Allocation Process

The following public service allocation process will be used by the JPC to allocate the cities share of available public service funds.

1. Priority will be given to funding public service projects in "safe harbor" cities and towns which are not able to fund eligible physical development or improvement projects that benefit low to moderate income people with their Population funds.
2. The JPC will adopt a formula for distributing funds between the other cities to accomplish an equitable distribution of funds based upon: 1) the 1983 public service funding levels in cities, and 2) a fair share amount for each city based upon its proportion of low and moderate income residents as compared to the other cities.

3. Due to the shift in the level of available public service funds between King County and the cities, and to the redistribution of funds under the JPC formula described above, all cities (including safe harbor cities) will experience a slight cut in funding from their 1983 level. An exception will be those cities who received less in 1983 than their fair share based upon their proportion of low and moderate income residents. Those cities will receive an increased amount of funds in 1984. The reduction of funding levels for the other cities will be kept to a reasonable level to minimize adjustments to cutbacks and will be spread over time.

The formula to be adopted by the JPC will be reviewed with the cities prior to action by the JPC in the late spring or early summer. Once a formula has been adopted, all cities planning to apply for public service funds must notify H&CD of their intent by August 12, 1984. This will allow H&CD to compute the allocated amount for each city prior to development of local programs and submittal of applications. This will ensure that each city will know in advance the amount of public service dollars they may allocate.

In the event cities do not use their allocation for public services, the JPC will first give consideration to providing unallocated funds to those cities which are below their fair share funding level.

Other Consortium Policies

- CDBG proposals should locate activities in areas of greatest need such as neighborhoods where low to moderate income persons live, or where there are concentrations of low income youth or elderly.
- CDBG activities should be developed in accordance with adopted plans and land use policies of King County and the local jurisdiction, such as the King County Comprehensive Plan, the Growth Management Program Guidelines (Motion 4152), the Housing Assistance Plan, and community plans.
- CDBG projects that can be implemented in the program year in which funds are available will be encouraged. Projects that cannot be implemented in a single program year will be phased wherever possible. Documentation of a realistic schedule for a project must be provided in the application.

- Proposals that stretch the use of CDBG funds by combining other sources of funding are favored. For example, CDBG funds can be used as the "local match" for other grants, in connection with a local capital improvement program, or as the leverage that will bring private financing. CDBG funds can be used as "seed monies" for organizational support or for developing applications for Federal subsidy programs.
- CDBG proposals must document need for the activity by providing cost benefit analysis, feasibility studies, and proof of community support and ability to maintain and operate completed facilities..
- For community facilities, economic development projects, drainage projects and public services, a cost/benefit analysis must be submitted with the application to be considered for funding. (A prescribed format for the cost/benefit analysis identifying the populace to be served and the per capita cost of the project is available from H&CD. Call 344-7605 and ask for Technical Assistance.)
- For community facilities and proposals acquiring housing to reduce operating costs for agencies providing services to special populations (such as emergency housing or homes for the mentally ill), agencies must show a committed source other than CDBG is available to adequately cover operating/service costs. (A prescribed format for a self-sufficiency plan identifying how the program, administrative, and operations and/or maintenance costs of the facility will be supported over the next three year period is available from H&CD. Call 344-7605 and ask for Technical Assistance.)
- Capital improvement projects must be located on public rights-of-way or easements must be obtained from private property owners consistent with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
- Private facilities assisted with CDBG funds (other than housing repair grants and loans) must have a public interest established through either a leasehold agreement, lien, or restrictive covenant, whichever is appro-

private. Leaseholds will be required for a period of seven (7) years for minor repairs, fifteen (15) years for substantial rehabilitation, and twenty-five (25) years for new construction.

- CDBG funds allocated for planning studies (including those for economic development and housing) but unspent 18 months after the start of the project will be recaptured. Exceptions may be made by the JPC for those planning studies awaiting final legislative action for final publication.
- All unspent public service funds for continuing projects will be recaptured at the end of each program year, except that jurisdictions may choose to extend them with their own Population funds.
- Needs funds and Joint funds may not be used for costs that exceed the original total project cost estimates. A jurisdiction may choose to use their Population funds for this purpose.
- The status of Needs and Joint projects will be reviewed by the JPC six months after funds become available. Projects not yet begun may be re-evaluated by the JPC for possible reduction or cancellation. Such determination will be made in the form of a recommendation to the King County Council in keeping with the Consortium's Cooperation Agreement. Any funds resulting from such Council action will revert to the fund from which they originated.
- When a project is funded from more than one CDBG source, the grant recipient must expend Pop funds first, Joint funds second, and Needs funds last. At the conclusion of a project, if funds remain unexpended, these funds shall revert to the CDBG funding source from which the funds originally came. Recaptured Needs funds, regardless of whether County or Cities Needs in origin, shall be divided between the cities and towns, and King County according to population (about 28% for the cities and towns, and 72% for King County.) Recaptured funds are reallocated to projects through the normal CDBG allocation process, unless a significant amount of recaptured funds becomes available for a special competition reallocation process mid-year.

SECTION III - ACTIVITY POLICIES

Introduction

Activities which provide similar types of improvements are grouped into functional categories (housing, parks, public services, planning). Specific policies apply to each functional category in addition to the general policies described under the Funding Policies Section. The following policies have emerged over the last seven years of program activity, and are based on actions of the Joint Policy Committee (JPC) and King County Council. These policies are used to evaluate proposed projects in each functional category.

On the following pages, each functional category is listed in alphabetical order, and includes a brief description of eligible Federal Community Development Block Grant (CDBG) activities that fall within that category. A history of CDBG funding for that category and a general statement of goals for 1984 funding is presented for each category. Next, the types of projects encouraged for 1984 directs applicants to the most needed or desirable projects in the category.

Following this are the review factors for that category of activities. They pinpoint the policies specific to the activity on which the Housing and Community Development Division (H&CD) and the JPC base their review of proposals. Some review factors are special conditions, which must be met as a result of either Federal, State or local requirements and specific King County CDBG Consortium (Consortium) policy.

COMMUNITY FACILITIES

CDBG funds may be used for acquisition, rehabilitation and construction of senior and neighborhood centers. The Consortium recognizes the importance of community facilities as a focal point for community services for both the young and the elderly, as well as a source of community identification. Community facilities have been a popular CDBG activity, and therefore have been provided in most areas of King County and many cities. In 1983 the

majority of funds programmed for community facilities were earmarked for physical improvements to existing centers. CDBG funds for new facilities covered only a small portion of the total cost of such facilities. Since facilities funded with CDBG funds must be open to the public, private organizations should be aware of the leasehold policy to establish a public interest, as described on page 21. There is concern about the ongoing self-sufficiency of existing as well as proposed facilities. Reduced Federal and State program funds cause concern about the stability of programs operating in facilities as well as operation and maintenance costs. Therefore, the Consortium requires long term self-sufficiency plans for all proposed community facility projects. Plans must show how programs operating from the facility will continue to be funded and how operation and maintenance costs will be paid. Detailed information on preparing a self-sufficiency plan and cost/benefit analysis which must be submitted with a CDBG application is available upon request from H&CD.

Types of Projects Encouraged

1. Projects that rehabilitate existing community facilities for continued use will be favored over projects that call for expansion or new construction.
2. Projects that provide energy efficiency improvements to community facilities that reduce operating costs are encouraged. (Examples of such improvements are insulation, storm windows, solar heating, and furnace efficiency improvements.)
3. Projects that rehabilitate existing facilities for use as a community center will be favored over new construction.
4. Projects that expand existing community centers to encompass a new use will be favored over new construction of separate facilities.

Review Factors

- No funds will be given to community facilities until an acceptable long-term self-sufficiency plan including a cost/benefit analysis has been provided along with the application to H&CD. Consortium cities and towns must approve self-sufficiency plans for centers in their jurisdiction prior to submittal to H&CD.
- Reduction of operating costs must be documented for energy improvements proposed for a community facility.
- An application for a new community facility must have an inventory of existing sites that could be acquired and/or renovated for use as a center, including cost per square foot of each alternative.
- Projects using multiple sources of funding will be favored.
- Consideration will be given to projects which acquire and/or rehabilitate facilities as a means of reducing rents and operating costs for social service agencies, particularly when multiple agencies will benefit. Documentation of cost savings should be provided with the application.
- Public school districts seeking improvements to educational facilities may not apply for CDBG funds. Facilities no longer used for schooling which are reused to serve the community at large may use CDBG funds, provided public access is assured through a leasehold interest as described on page 21.

ECONOMIC DEVELOPMENT

Economic Development activities are directed toward the alleviation of physical and economic distress through stimulation of private investment, community revitalization and expansion of economic opportunities for low and moderate income persons. Private for-profit entities, neighborhood-based non-profit organizations, local development corporations, or Small Business Investment Companies may implement economic development projects. CDBG funds

may be used to acquire real property; construct or rehabilitate public or commercial or industrial facilities for economic development purposes; as working capital to leverage other funds; and for technical and management assistance. Due to no major funding for economic development activities being available to the Consortium from other funding sources, such as Urban Development Action Grants, the Consortium has not yet allocated CDBG funds to physical economic development projects. The use of a limited amount of CDBG funds for economic development activities may be considered. CDBG is viewed as being supplemental to Federal programs of the Department of Labor, Small Business Administration, and Farmers Home Administration. Applications for CDBG funds for economic development must include a cost/benefit analysis on a form provided upon request from H&CD.

Types of Projects Encouraged

1. Given the limited amount of CDBG funds available, planning and technical assistance projects which examine the need and feasibility of economic development projects involving public-private joint ventures to create long term jobs for low and moderate income people are encouraged. (See Planning and Management activities, page 39, for more information.)
2. Economic development projects involving public-private joint ventures to create or retain long term employment opportunities for low and moderate income people will be encouraged.

Review Factors

- Economic development projects that create or retain employment for low and moderate income people must document feasibility including a reasonable cost/benefit ratio.
- CDBG funds will grant or loan a maximum of \$1,000 per low and moderate income person employed or 15% of project cost, whichever is less.
- Proposals for CDBG to retain jobs must document how job loss would result without such assistance.

- Projects must be consistent with State, regional and King County economic development policies.

ENERGY CONSERVATION

Energy conservation projects are aimed at helping low and moderate income people remain in their homes by reducing energy costs; encouraging energy saving programs or projects at the community level; and improving the environment in areas where low and moderate income people live. The Community Facilities section and Housing section (see pages 23 and 33 respectively) include energy conservation projects.

Energy projects must meet standards set forth in the King County Energy Code, King County Ordinance 5770, the King County Energy Management Plan or any adopted energy policies of the involved jurisdiction. CDBG funds are supplemental to existing programs funded by the Federal Departments of Energy or Health and Human Services or local public or private utilities.

ENVIRONMENTAL QUALITY

CDBG funds may be used for the acquisition, construction or reconstruction of electrical utilities, water and sewer projects, flood and drainage facilities, and solid waste disposal. As with other uses of CDBG funds, environmental quality projects must be shown to benefit low to moderate income persons, or reduce or prevent slum and blight and serve existing neighborhoods or communities. In 1983 water and sewer projects requesting over \$100,000 were not funded. Small scale drainage projects and sewer projects replacing deteriorated and leaking lines were funded if they served low and moderate income neighborhoods. Because environmental quality projects are very expensive, this Policy Plan calls for formation of Local Improvement Districts and Utility Local Improvement Districts wherever appropriate to meet environmental quality needs. Also, all requests for CDBG for construction are encouraged to have realistic cost estimates completed prior to submitting an application to ensure adequate funds are provided. Feasibility studies and design work are eligible for CDBG funding, but no commitment for funding construction is implied if studies or design work are CDBG funded. Applica-

tions for CDBG funds for environmental quality must include a cost/benefit analysis in a form provided upon request from H&CD. For certain environmental quality projects -- including water supply, sanitary sewers (excluding hook-ups for users), and solid waste facilities, CDBG will only fund up to 50% of the project.

Types of Projects Encouraged

1. Environmental quality projects needed to support assisted housing.
2. Projects that replace deteriorating sewer lines which cause documented health problems in low and moderate income neighborhoods.
3. Projects that improve the quality of a domestic water source to remedy a documented public health problem, such as the elimination of contaminants. An example would be a project that converts a surface water supply to a well system.
4. Sewer and water hook-up programs for low to moderate income homeowners when needed to eliminate a health and safety hazard.
5. Improving surface water drainage in principally low and moderate income neighborhoods or communities, provided the need for the project ranks high in comparison to similar needs in other parts of the community or King County and cost/benefit is shown to be reasonable.
6. Environmental quality projects which have final design work completed prior to submitting an application for CDBG construction funds will be favored.

Review Factors

- Projects must include with the application documentation from appropriate Federal, State, or local government showing that conditions fail to meet environmental quality standards.

- Projects must document feasibility including a reasonable cost/benefit ratio.
- Project applications (except for design projects) must show that anticipated costs for maintaining and/or operating the improvement are reasonable as well as how such costs will be financed.
- Projects must be consistent with adopted plans and policies of the involved jurisdiction. Examples are the King County Comprehensive Plan, the Growth Management Program Guidelines (Motion 4152), King County Sewerage General Plan, community plans, and required plans for Water and Sewer Districts.
- When the applicant is different than the implementing agency, the application must have the endorsement of the implementing agency (either King County Department of Public Works, cities Public Works Departments, or local utility districts).
- Surface water drainage improvements cannot be located in an area that would encourage development that is inconsistent with land use plans or where redevelopment would occur such that the area would no longer retain its predominantly low and moderate income character.
- Projects are encouraged not to increase substantially service fees for low and moderate income users.
- King County's sewer policy provides that 25% of the CDBG funds for a sewer project will be allocated to sewer construction and the remainder be made available to low and moderate income persons in the project area in the form of no-interest deferred payment loans for the assessments. Loans will be available based on income, and repayment will not be due until the home changes ownership. This policy only applies to unincorporated King County.
- Sewer and water hook-up programs for low to moderate income homeowners will only be considered when structured using deferred payment loans. Grants will not be considered.

- Projects requesting more than \$50,000 in CDBG funds must demonstrate how the project can be phased.
- Projects requesting more than \$100,000 in CDBG funds must have a commitment from other sources of matching funds in excess of the CDBG request. (Other sources include the Washington State Department of Social and Health Services Water Supply and Waste Section and the United States Farmers Home Administration.)
- Consideration will be given to use of CDBG as local match for small scale flood projects in predominately low and moderate income areas. For large scale flood projects, CDBG will only fund an identifiable segment that directly benefits low and moderate income areas.
- Projects for improved water supply, fire flow, and solid waste facilities are considered a low priority and are encouraged to find other sources of funding.

FIRE PROTECTION

Fire protection activities include acquisition, rehabilitation or construction of a fire protection facility and the purchase of fire protection equipment. Fire fighting schools and training of fire fighters are not eligible CDBG activities. Fire protection projects must be located in or serve areas where an overall package of community development activities have been or are being assisted with CDBG funds. Check with H&CD to determine if your project meets this Federal criterion. CDBG funds have been used for fire facilities and equipment in rural areas seriously lacking in adequate fire protection. In all cases, CDBG will only fund up to 50% of the total costs of a fire protection project. (The Federal Department of Natural Resources Rural Community Fire Protection Assistance program is a viable funding source for rural communities with a population under 10,000 that need fire protection.)

Types of Projects Encouraged

1. Projects that provide new or upgraded fire protection equipment to provide minimum national standards of service through existing facilities will be favored over replacing equipment which is still functional.
2. Projects that provide fire protection facilities, although CDBG will be limited to only that portion of the facility needed to ensure a basic level of fire protection is provided.

Review Factors

- CDBG support of fire protection will go to those areas with the greatest concentrations of low to moderate income persons.
- CDBG support of fire protection will go only to areas where CDBG physical improvement activities are concentrated.
- Only communities that are unable to levy sufficient funds for fire protection will be considered.

HISTORIC PRESERVATION

Historic Preservation projects are intended to encourage restoration of public or private buildings, sites and areas that depict the development of King County and to provide usable community facilities and housing for low and moderate income persons. Historic properties are those sites or buildings that are listed or eligible to be listed in the National Register of Historic Places or in State or local inventories of historic places. CDBG funds may be used for acquisition, restoration and creative reuse of publicly or privately owned historic properties. Interior restoration is eligible only if 51% of the beneficiaries are low to moderate income. The criteria for evaluating the historic significance of a building or site can be found in King County's Historic Preservation Ordinance No. 2991, passed in 1976 and Ordinance 4828 passed in 1980. Since 1978, historic preservation projects have received about 1% of the annual CDBG entitlement. The King County Historic Preser-

vation Office receives CDBG funds for construction grants. These funds are available through a separate application process. Contact the Historic Preservation Office at 344-7503 for more information.

Types of Projects Encouraged

1. Exterior restoration of an historic property will be favored over interior restoration.
2. Projects that have an identified use (such as a community facility or low income housing) and have other funding resources committed for operations and maintenance costs are encouraged.
3. Facade restoration of historic properties in central business districts, neighborhood districts, and rural town centers is encouraged.
3. Projects on public property or on sites where the public is afforded access will be given preference over privately owned properties.

Review Factors

- The King County Historic Preservation Office will review all requests for Historic Preservation projects and provide comments to H&CD on feasibility, relationship to adopted policies, and assessment of relative importance of a proposal to a community. Cities and towns will complement this information with local assessments.
- A proposal for CDBG funding of an historic property will be considered only if a use has been identified for that property and other needed funds are committed to develop a useable facility.
- Projects coordinated with local programs like museums and historic associations will be favored.
- Projects including private funds will be considered a higher priority than requests for total CDBG funding.

- Priority is placed on exterior restoration of an historic building rather than interior restoration. Interior restoration will be considered only in historic buildings where public access is guaranteed and the majority of users are low to moderate income.
- All projects must present a realistic plan for maintenance of a historic property with an application for CDBG funds.

HOUSING

The provision of safe and decent housing for low and moderate income people is a primary objective of the CDBG program. In 1983 about 40% of the Consortium's CDBG funding went to housing activities. From 1975 - 1983 housing repair programs for single family homeowners have been consistently identified by the Consortium as a funding priority. In 1983 projects that produced affordable housing for lower income families and those that acquired and/or rehabilitated facilities for emergency housing or housing for the mentally ill were funded. CDBG funds may be used for the acquisition of land or buildings, public improvements and rehabilitation or improvement of residential units. CDBG may not be used to build new housing units. Federal subsidies for new housing construction have been substantially cut and it is too expensive to substitute CDBG funds to support projects at a similar level. CDBG is a finite resource; as demands increase for its use, more ways need to be found to recycle funds so we can serve more people. CDBG funds will be focused on projects meeting urgent needs, maximizing resources and demonstrating low cost shelter approaches.

Types of Projects Encouraged

1. Projects that increase the amount of housing to meet emergency housing needs will be favored. Projects must show that corresponding social services and housing counseling services are provided from non-CDBG resources, since Federal regulations severely limit the use of CDBG funds for such services.

2. For repair and rehabilitation programs, preference will be given to programs that leverage funds, generate program income, or emphasize weatherization. This preference recognizes that the needs of the very low income may best be met with grant assistance. Rental rehabilitation programs should be targeted in neighborhoods designated for this purpose by local jurisdictions, thus accomplishing major housing improvements in a concentrated area.
3. Projects which supplement Federal or State programs serving special housing needs of families, displaced or handicapped persons, and low income tenants, will be supported.
4. Projects using less expensive ways to provide permanent low cost shelter (development cost and cost to the tenant) will be favored, such as shared housing, housing cooperatives, mobile home parks, and manufactured housing.
5. Limited funding for data collection and analysis, and development of codes, ordinances and regulations aimed at producing more affordable housing. Examples include mobile home ordinances, add-a-rental ordinances, density bonuses for providing low cost housing; and local government efforts to obtain or generate additional sources of housing financing, such as bond issues. (See Planning and Management Activities, page 39.)

Review Factors

Emergency Housing

- Proposals that create the largest number of units per CDBG dollar will be favored. Examples of ways CDBG can be used for emergency housing include:
 - a. Acquisition of existing housing that does not require rehabilitation.
 - b. Acquisition of existing housing for rehabilitation for use as emergency shelter. This approach may be lengthy if substantial rehabilitation is necessary.

- c. Leasing of existing housing by a public agency to lease to non-profit service agencies. (Preference would be given to proposals where leases include an option to purchase.) Conditions for using CDBG to lease a facility are: 1) the lease must be for a minimum of two years; 2) the lease must be paid in full at time of occupancy; 3) the public agency acquiring the units must provide with an application for CDBG funds a plan for alternative eligible sublessees in the event the need for the unit ceases or the operating agency becomes defunct.
- Proposals that demonstrate permanent long term use of the housing for low and moderate income persons will be favored.
 - Because the Consortium is at the Federal 10% limit on the amount of public services to be funded with CDBG, agencies must have non-CDBG funds committed for operating costs, social services, counseling, and house finding services prior to submitting a CDBG proposal.

Housing Repair and Rehabilitation

- Areas with large concentrations of tenant occupied older houses needing repair will receive consideration for program funding.
- Homeowner programs using deferred payment loans will be preferred over those using grants, except for emergency repair grants under \$1,500. Jurisdictions may choose to use CDBG Population funds for grants, particularly for the very low income or seniors.
- For weatherization projects that reduce home heating cost, emphasis will be placed on oil and natural gas heated homes, and where no other assistance is available, in electric heated homes.
- Public-private joint venture loan programs will be encouraged.
- Funding for weatherization and repairs aimed at energy use reduction in publicly owned low income rental housing will be considered only if no alternative funds are available and the impact of no action is clearly defined.

Less Expensive Shelter

- Only family or special housing needs proposals will be considered for funding.
- Seed money loans up to \$10,000 per organization in support of housing development projects will be favored (for site options, applications for Federal assistance, acquisition of housing for rehab, etc.).
- Preference will be given to affordable housing projects having the least per unit subsidy required and lowest cost to the tenant, particularly homesharing programs organized at the community level and shared living residences. Mobile home parks and manufactured housing developments are more expensive per unit, but may also be considered.
- Preference will be given to programs serving renters or limited equity co-operatives over those serving owners.

Data Gathering and Legislative Support for Affordable Housing

- Projects to study and draft new local legislation in support of affordable housing will be limited to \$10,000 each. (See Planning and Management Activities, page 39.)
- Preference will be given to proposals with in-kind or partial match from participating jurisdictions.

PARKS, RECREATION, AND OPEN SPACE

Historically, the cities and towns in the Consortium have requested and spent less CDBG funds on park projects than the unincorporated areas of King County. This is partially due to the varying scale of parks projects. Park projects in the cities and towns have generally been located in town centers. CDBG funding in the unincorporated areas is directed toward improving existing parks. In 1984, unincorporated King County will be committed to completing Forward Thrust and already approved CDBG projects. Before allocating funds to

new projects, King County will give careful consideration to both project need and ability to implement the project.

Eligible CDBG activities include acquisition, design, site preparation, drainage, construction or rehabilitation of recreational facilities. Construction or rehabilitation includes playgrounds, picnic areas, trails, benches, landscaping, access, restrooms, and parking lots. Ongoing maintenance is not eligible. Examples of maintenance are mowing, re-seeding, trash collection, repaving parking lots, or spraying. The diverse needs in King County such as the preservation of existing parks and recreational facilities in densely populated low to moderate income areas, and the development of parks in rural areas where low to moderate income persons are without recreational facilities, must be considered in the planning of parks, recreation and open space proposals.

Types of Projects Encouraged

1. Rehabilitation of existing recreational facilities in community parks serving low and moderate income residents will be favored over large scale parks (ones that offer parking and organized playfields) or regional parks.
2. Development of existing recreational property which principally serves low and moderate income residents will be favored over large scale or regional parks.
3. Expanding a facility to encompass a new recreational aspect in community parks serving low and moderate income residents will be favored over large scale parks or regional parks.

Review Factors

- Park projects located in areas where concentrated community development activities are being or have been carried out with CDBG funds will be favored.

- All parks and recreation projects must be consistent with King County or the jurisdiction's park plans, where they exist.
- Park projects will be carefully reviewed to ensure proposed improvements are not maintenance activities such as repairing of parking lots, lawn mowing or replacement of expended light bulbs. Maintenance is not eligible.
- Projects documenting reduced maintenance costs resulting from CDBG improvements will be favored. Evidence of ability to provide ongoing maintenance is required.
- Consideration will be given to projects that are necessary to mitigate environmental problems, for example, drainage problems in a park.
- CDBG will fund the acquisition of land for park development in areas where parks are not readily accessible to low and moderate income people.
- Park projects coordinated with other programs and funds such as Inter-Agency Committee on Outdoor Recreation, the Capital Improvement Program and local bonds will be given consideration.
- Water oriented recreational facilities must first document efforts to obtain Inter-Agency Committee on Outdoor Recreation funding, before CDBG funding will be considered.

PLANNING AND MANAGEMENT

CDBG regulations limit the amount of funds that may be used for Planning and Management to 20% of the annual CDBG funds. In 1983, about 17% of the grant amount funded planning and management activities in the Consortium.

CDBG funds can be used for the following planning and management activities: development of overall strategies and CDBG program administration, project plans, and feasibility, environmental, and design studies leading to capital projects and other revitalization programs; and to accomplish comprehensive

plans, where other planning assistance is not adequate or available. CDBG cannot pay for ongoing government services such as zoning administration, staffing of planning meetings and reviewing building permits, nor can it supplant local dollars. The 20% restriction on planning and management activities has always guided CDBG allocations. With costs increasing, staying below the 20% funding restriction becomes difficult. Therefore, proposals for planning studies requesting CDBG funding in 1984 must document benefit to low and moderate income people.

CDBG funds allocated for planning studies (including those for economic development and housing) but unspent 18 months after the start of the project will be recaptured. Exceptions may be made by the JPC for those planning studies awaiting final legislative action to use allocated funds to pay for cost of final publication.

Types of Projects Encouraged

- Planning studies to assess the community development needs of an area which will result in eligible CDBG physical improvement activities.
- Planning studies that solve specific community problems such as water quality problems, drainage problems and blight in low and moderate income areas.

Review Factors

- All proposals for planning projects must document benefit to low and moderate income persons.
- All proposals for planning projects must document that other planning assistance is not available or adequate.
- Ongoing staff positions to manage the CDBG program in Consortium cities will only be funded with CDBG Population funds.

- When other funding sources are available for planning activities such as feasibility studies or preliminary design of capital projects, applicants will be expected to apply to those sources to at least reduce the amount of CDBG required for the projects.
- Comprehensive plans and community plans are a low priority.

PUBLIC SERVICES (Human Services)

Federal regulations limit the amount of funds that may be used for public services to 10% of the annual grant amount, or \$588,400 for the 1983 program year. As stated in Section II Funding Policies, King County's share of public service funds will increase from 8% to 9% of its Population and Needs funds in the 1984 program year, and in the 1985 program year to 10%. The balance of funds each year will be available for the Consortium cities. (See page 18.) Assuming the grant amount will remain the same in 1984 as in 1983, King County's share will be \$325,950 and the cities share will be \$262,450.

Over the years, CDBG funds have supported or complemented social and health services like youth counseling, nutrition programs and dental care programs that benefit low to moderate income persons. Because requests for public service funding far exceed available funds, all current and new public service projects will undergo close scrutiny as to low and moderate income benefit, supplementary funding and efforts toward self-sufficiency. King County will carefully review new requests for its portion of funds to ensure no continued dependency on CDBG or other King County funds to sustain such projects occurs.

All unspent public service funds for continuing projects will be recaptured at the end of each program year, except that jurisdictions may choose to extend them with their own Population funds.

Types of Projects Encouraged

1. A public service project whose services benefit 51% low income people. Low income is defined at or below 50% of the King County median income. (For example, the income for a family of four would be \$15,600 according to 1983 information.)

2. A public service project providing direct delivery of critical services, including but not limited to health clinics, food banks and nutrition programs. This does not include projects where the majority of costs are administrative or support type activities. Funding to provide additional staff to existing projects to increase direct delivery of services will be considered as the level of available CDBG funding allows.
3. A public service project related to an existing facility funded in whole or in part by CDBG funds.

Review Factors

- Public service projects must document cost/benefit per low to moderate income person served.
- Transportation (rides to community centers, doctors, or shopping) programs must document the need for service, describe how CDBG facilities are served, and provide a detailed budget.
- Public services should be coordinated with existing services in the community or area.
- Those projects that demonstrate efforts toward self-sufficiency will be encouraged.
- Public service projects cannot be funded with CDBG funds unless other sources of funds have been sought. A public service project where 25% or more of the project cost is funded with non-CDBG funds will be favored.
- A continuing public service project that is proposed at a 10% or more reduced funding level from 1983 will be favored.

STREETS, WALKWAYS, ARCHITECTURAL BARRIERS

CDBG funds may be used for street improvements such as curb and roadside drainage, the purchase and installation of traffic signals, the construction

of walkways and crosswalks, parking lots, and pedestrian malls, as well as the removal of architectural barriers that bar the handicapped and the elderly from buildings, and limit mobility within the public right-of-way. About 10% of the 1983 CDBG entitlement was allocated for street improvements, walkways and parking lots in the Consortium. Because there are funding sources, both public and private, (such as capital improvement funds, Local Improvement Districts (LID) and leveraging local funds) specifically designed for various street improvements, CDBG will direct funding to older established areas where proposals relate to a package of other CDBG activities. Examples are walkways that link low to moderate income residential neighborhoods to area businesses, parks, schools, or relate to a drainage project or a CDBG funded community facility. Parking lots are an eligible CDBG activity only when located in or serving areas where other CDBG activities are being or have been carried out.

Types of Projects Encouraged

1. Projects that improve local roads and streets and pedestrian accessibility (construction of walkways, crosswalks, and access ramps) and link low to moderate income residential neighborhoods or assisted housing, to schools, service areas, and CDBG funded neighborhood and senior centers.
2. Projects that include local dollar support or leverage funds without further burdening low to moderate income persons. For example, in business districts or in mixed income residential neighborhoods (where 51% are low to moderate income) supporting funds such as local business dollars, revenue bonds and approved Right-of-Way Improvement Districts are encouraged.
3. Projects that remove architectural barriers are encouraged.

Review Factors

- Each proposal for streets, walkways or removal of architectural barriers must be consistent with adopted community plans and design standards for the area in which the project is to be located.

- All proposals for streets, walkways, and removal of architectural barriers should be approved by the local Public Works Department prior to submittal and include cost estimates and a detailed schedule.
- Projects in areas where there is a concentration of CDBG physical improvement activities such as housing repair, sewers, and drainage projects, will be favored.
- Walkway projects will be considered only if they benefit principally low to moderate income people in residential neighborhoods where residents are likely to walk to service areas.
- Projects coordinated with other existing programs and community development plans such as the School Walkways Program, local Capital Improvement Programs or the jurisdictions' Six-Year Road Plan will be favored.
- Projects removing architectural barriers must document the number of the elderly and the handicapped to be served relative to the general population.
- Local roads and streets, collectors and minor arterials will be favored over major arterials, right of way improvements and parkway beautification projects.
- Major arterials are generally not considered for CDBG funding. Transportation funding sources such as Federal Aid to Urban Systems or Federal Aid to Rural Systems may be appropriate.
- Proposals for parking lots must document concentrated CDBG funded activity exists in the area.
- Isolated improvements in areas where no other capital improvements exist or are planned generally will not be funded.

1984 KING COUNTY COMMUNITY DEVELOPMENT
FUNDING POLICIES

King County's 1984 Funding Policies state preferences for use of the County's share of Community Development Block Grant (CDBG) funds. These policies are in addition to the 1984 Policy Plan, and show categories in which King County wants to emphasize or discourage proposals for 1984 CDBG funds.

King County will view all CDBG requests in the light of four general policies: (1) the ability to implement requests within the program year in which funds are available, (2) the relationship of requests to King County adopted plans and policies, (3) the degree of benefit requests provide to lower income neighborhoods, and (4) the coordination of requests with other CDBG funded facilities or public facilities.

Specific funding policies by categories follow. Categories of activities are described in descending order of funding priority.

HOUSING

- Acquisition and rehabilitation of emergency housing for families will be encouraged in areas where need can be demonstrated. Operating agencies must have adequate funds committed for program operation. King County will require long-term housing authority ownership of property acquired.
- Acquisition and rehabilitation of housing for non-elderly mentally or physically disabled persons will be encouraged. Operating agencies must have adequate funds committed for program operation. King County will require a leasehold for the life of the improvements.
- Seed money loans and technical assistance to help develop housing for non-elderly physically and mentally handicapped persons will be encouraged.
- Housing repair, rehabilitation and weatherization programs for low income homeowners will be continued Countywide.

- Housing repair, rehabilitation and weatherization programs for low income renters will be encouraged in targeted neighborhoods.
- Proposals supporting new housing development through land acquisition, site improvements, or other eligible CDBG activities will be considered only if Federal or other housing subsidies are available.
- Housing proposals for new senior housing are discouraged.

PUBLIC SERVICES

- Continuation of CDBG supported public services -- primarily direct delivery of critically needed services -- is favored within the existing lid of ten percent of the grant amount.
- If the Federal ten percent limit is raised, King County will consider public service projects up to the legal limit in the context of the impact such an expansion would have on CDBG funds available for capital projects.
- Expansion of CDBG funding beyond the existing ten percent limit will take the following policies into consideration:
 - further funding of previously CDBG funded program areas will be favored, particularly emergency services in support of CDBG funded facilities and direct delivery of dental and health services;
 - expansion of CDBG funding will consider adopted plans and policies such as the "Development of the King County Mental Health System;"
 - expansion of CDBG funded health services must be consistent with the general review criteria used by the King County Health Services Division for contracted services with community clinics;
 - new program areas will be considered where a documented need has emerged, the applicant agency can demonstrate the ability to address the need, and the new program is consistent with program areas in which King County is already involved.

PARKS REHABILITATION

- Park rehabilitation projects will be favored over new development.
- Park rehabilitation projects will be favored in neighborhood parks in lower income areas and in larger parks which serve a high concentration of lower income persons.
- Park projects which reduce operating and maintenance costs will be favored.
- Park projects in support of other CDBG funded improvements will be favored.
- Proposals to improve regional park facilities are discouraged.
- Proposals to acquire park land are discouraged.

PEDESTRIAN ACCESS IMPROVEMENTS

Once the need for funding viable projects in the Housing, Public Services, and Parks Rehabilitation categories has been met, CDBG funds will be considered for pedestrian access projects.

- Proposals to implement adopted Business District Guides will be favored.
- Proposals to link or make better use of existing public facilities serving low and moderate income people will be favored.

PLANNING

- Planning proposals to identify CDBG eligible capital projects will be favored, particularly where such efforts will result in a package of related capital projects.
- Planning proposals necessary to leverage non-CDBG funds for projects benefiting low and moderate income people will be favored.

- Other planning proposals which clearly benefit a majority of low and moderate income people will be favored.

DISCOURAGED CATEGORIES

Proposals for new construction or expansion of community facilities are discouraged. Proposals to rehabilitate existing community facilities will be favored where:

- a public investment is preserved;
- operating and maintenance costs are lowered, particularly as related to public services;
- use of the facility is increased without increasing operating and maintenance costs.

OTHER CATEGORIES

Proposals in all other CDBG eligible categories will be considered based on the 1984 Policy Plan. These categories typically receive small funding levels and policies stated in the 1984 King County CDBG Consortium Policy Plan are sufficient.