

July 24, 1990

GREG NICKELS
INTRODUCED BY Audrey Gruger
PROPOSED NO. 90-670

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ORDINANCE NO. _____

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AN ORDINANCE relating to the Community Development Block Grant program; and authorizing King County to enter into a three-year interlocal cooperation agreement with participating jurisdictions within King County for the purpose of planning the distribution of Community Development Block Grant funds and undertaking community development activities within those jurisdictions.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. The county is hereby authorized to enter into an interlocal cooperation agreement with those cities eligible and willing to participate with King County in an urban consortium for the purposes of administering federal Housing and Urban Development Community Development Block Grant funds, and planning and undertaking community development activities within the consortium.

SECTION 2. Pursuant to King County Charter Section 495 and King County Code 4.04.040(B)(5), the county council hereby further authorizes the county to enter into said interlocal agreement, which is anticipated to be in effect for a three-year period, thereby requiring the payment of funds from appropriations of subsequent fiscal years.

INTRODUCED AND READ for the first time this 23rd day of July, 1990.

PASSED this 30th day of July, 1990.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Lois North
Chair

ATTEST:

Gerald A. Peterson
Clerk of the Council

APPROVED this 13th day of August, 1990.

Jim Hill
King County Executive

AGREEMENT 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.

THIS AGREEMENT, made this _____ day of _____, 1990 by and between King County and the undersigned incorporated municipal jurisdiction within King County.

WITNESSETH:

WHEREAS, the federal government through adoption and administration of the Housing and Community Development Act of 1974, as amended, hereafter referred to as the Act, will make Community Development Block Grant, hereinafter referred to as CDBG, funds available to the County of King, hereinafter referred to as King County, for expenditure during the 1991-1993 funding years; and

WHEREAS, the area encompassed by the county, exclusive of the cities of Seattle, Bellevue, and Auburn, has been designated by the U.S. Department of Housing and Urban Development, hereinafter referred to as HUD, as an urban county for the purpose of receiving CDBG funds; and

WHEREAS, the Act directs HUD to distribute to the urban county the annual appropriation of CDBG funds based on the population characteristics of the urban county; and

WHEREAS, the Act allows joint participation of units of general government within an urban county, and a distribution of CDBG funds to such governmental units; and

WHEREAS, the CDBG Regulations require the acceptance of both the Housing Assistance Plan and the Annual Community Development Plan by participating jurisdictions; and

WHEREAS, King County will undertake CDBG funded activities in participating incorporated jurisdictions as specified in the Annual Community Development Plan and the Housing Assistance Plan by granting funds to those jurisdictions to carry out such activities, and by undertaking such activities directly as are authorized by amendment to this Agreement; and

WHEREAS, King County as the applicant is responsible to the federal government for all activities undertaken with CDBG funds and will ensure that all CDBG assurances and certifications King County is required to submit to HUD with the Annual Statement will be met; and

WHEREAS, King County and the participating jurisdictions are committed to targeting CDBG funds to ensure benefit to low and moderate income persons as defined by HUD;

WHEREAS, King County and its consortium members recognize that the needs of low and moderate income persons may cross jurisdictional boundaries and can therefore be considered regional needs; and

WHEREAS, the Housing Assistance Plan and Community Development Plan must be revised annually by King County and participating jurisdictions and submitted to HUD as part of an annual Statement, required to receive CDBG funds; and

WHEREAS, the purpose of this Cooperation Agreement, which is entered into pursuant to and in accordance with the State Interlocal Cooperation Act, RCW Chap. 39.34, is to form an urban county consortium, herein referred to as the Consortium, for planning the distribution and administration of CDBG funds and for execution of activities in accordance with and under authority of the Housing and Community Development Act of 1974, as amended;

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 each participating jurisdiction agree to cooperate to undertake, or assist in undertaking, community renewal and lower income housing assistance activities, specifically urban renewal and publicly assisted housing, as specified in the Community Development Plan and Housing Assistance Plan portions of the Statement,

funded from annual Community Development Block Grants from Federal Fiscal Years 1991, 1992, and 1993 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 distribution within the County, exclusive of the cities of Seattle, Bellevue, and Auburn, of CDBG Entitlement Funds under Title I of the Act shall be governed by the following provisions:

- A. The amount needed for administration of the CDBG program, less County charges for overhead, shall be reserved by the County. This amount, hereinafter referred to as the administration setaside, is contingent upon review by the Joint Policy Committee, hereinafter referred to as the Committee, as provided in VI(B) (1), and approval by the King County Council, as provided in IX(A) and IX(B).
- B. Of the grant amount remaining after II(A), hereinafter referred to as the adjusted grant amount, any city which is a participant in this agreement may elect to receive a direct share, hereinafter referred to as a pass-through, given that:
 1. this share of the adjusted grant amount is based on the city's share of the Consortium's low and moderate income people, as defined by HUD; and
 2. this share equals \$25,000 or more.
- C. The funds remaining in the adjusted grant amount after II(B) shall be referred to as the County and Small Cities fund, and shall be allocated on a competitive basis to projects serving the cities not receiving or not electing to receive pass-throughs and serving the unincorporated areas (County).
- D. If the monies assigned to a project during the period of this Agreement exceed the actual cost, or if the project is later reduced or cancelled, then the excess monies, hereinafter referred to as recaptured funds, will be redistributed as follows:
 1. Administration setaside funds, as defined in II(A), which are recaptured shall return to the Consortium and be distributed in the same manner as the entitlement amount, described in II(A), II(B), and II(C).
 2. Funds recaptured from a project funded through a city's pass-through, as defined in II(B), shall return to the city's pass-through fund, unless the city no longer qualifies for a pass-through as provided in II(B) (2), in which case the funds return to the County and Small Cities fund.
 3. Funds recaptured from a project funded through the County and Small Cities fund, as defined in II(C), shall return to the County and Small Cities fund.
- E. Unallocated or recaptured funds from 1987 and prior years (e.g., unallocated or recaptured "Population," "Needs," or "Joint" funds) shall return to the Consortium and be distributed in the same manner as the entitlement amount, described in II(A), II(B), and II(C).
- F. Funds received by a jurisdiction or CDBG subrecipient generated from the use of CDBG funds, hereinafter referred to as program income, shall return to the fund which generated the program income as follows, unless exception is specifically recommended by the Committee and approved by the King County Council:
 1. Program income generated through the interim finance ("CD float") loan, which uses all or a portion of the Consortium's total available CDBG funds, shall return to the Consortium and be distributed in the same manner as the entitlement, as described in II(A), II(B), and II(C), after reserving the amount needed to pay for the direct costs (e.g., attorney and bank fees, advertising costs, contract compliance costs), of the negotiation and implementation of the CD float loan project.
 2. Program income generated from a project funded through a city's pass-through, as defined in II(B), shall return to the city's pass-through fund, unless the city no longer qualifies for a pass-through as provided in II(B)(2), in which case the program income returns to the County and Small Cities fund.
 3. Program income generated from a project funded through the County and Small Cities fund, as defined in II(C), shall return to the County and Small Cities fund.

4. Program income generated from projects (except for Housing repair) funded in 1987 and prior years shall return to the Consortium and be distributed in the same manner as the entitlement amount described in II(A), II(B), and II(C). Housing repair program income shall return to the housing repair program.

III. USE OF FUNDS: GENERAL PROVISIONS

- A. The County and each of the pass-through cities shall specify activities and projects which it will undertake with the funds described in II above.
- B. The County and each of the pass-through cities shall ensure that scarce CDBG funds are targeted to activities which can document predominant (51%) benefit to low and moderate income people and that the overall program meets or exceeds HUD's requirements for the percentage of funds spent to benefit low and moderate income people in King County.
- C. Pass-through cities may exchange their CDBG funds with other pass-through cities for general revenue funds. The use of general revenue funds obtained by a pass-through city in this manner shall be consistent with the general intent of the community development program, but shall not be considered CDBG program income.
- D. The County and each of the pass-through cities shall conduct the appropriate citizen participation activities as required by HUD regulations.
- E. Approval of projects must be secured through formal grant applications (proposals) to King County; approval of activities shall be secured when the annual program is approved or amended.
- F. General administrative costs incurred by pass-through cities shall be paid for out of the pass-through or from local funds. Costs incurred in administering specific projects may be included in project costs.

IV. PROGRAM INCOME

- A. The participating jurisdiction must inform King County of any income generated by the expenditure of CDBG funds received by the participating jurisdiction.
- B. Any such program income is subject to requirements set forth in Section II (F) of the Agreement.
- C. Any program income the participating jurisdiction is authorized to retain may only be used for eligible activities in accordance with all CDBG requirements as may then apply.
- D. King County has the responsibility for monitoring and reporting to HUD on the use of any such program income thereby requiring appropriate recordkeeping and reporting by the participating jurisdiction as may be needed for this purpose.
- E. In the event of close-out or change in status of the participating jurisdiction, any program income that is on hand or received subsequent to the close-out or change in status shall be paid to King County.

V. REAL PROPERTY

- A. Participating jurisdictions owning community facilities acquired or improved in whole or in part using CDBG funds, must comply with change of use restrictions as required by HUD and the policies adopted by the Joint Policy Committee as found in the annual Policy Plan.
- B. The participating jurisdiction must notify King County prior to any modification or change in the use of real property acquired or improved in whole or in part using CDBG funds. This includes any modification or change in use from that planned at the time of the acquisition or improvement, including disposition.

- C. The jurisdiction shall reimburse King County in an amount equal to the current fair market value (less any portion thereof attributable to expenditures of non-CDBG funds) of property acquired or improved with CDBG funds that is sold or transferred for a use which does not qualify under the CDBG regulations.
- D. Program income generated from the disposition or transfer of property prior to or subsequent to the close-out, change of status or termination of the cooperation agreement between the county and the participating jurisdiction shall be subject to the requirements set forth in Section II (F) and Section IV.

VI. JOINT POLICY COMMITTEE

There shall be established a Joint Policy Committee.

A. Composition. The Committee shall be composed of the following elected officials or their designees (who shall be specified in writing by the elected member, and who should, where possible, be the same person consistently from meeting to meeting): The King County Executive; two King County Councilmembers to be selected by the Council every January; and two elected officials of participating pass-through cities and one elected official of a small city participating in the County and Small Cities fund. The cities' officials shall be selected by the Suburban Cities Association every January. Members of the Committee shall serve at the pleasure of their respective appointing authorities. The chairperson and vice-chairperson of the Committee shall be chosen from among the members of the Committee by a majority vote of the members for a term of one year beginning the first meeting of the calendar year, if possible, provided that a representative of a city shall be designed as chairperson at least once in every two years.

B. Powers and Duties. The Committee shall be empowered to:

1. Review and recommend to the County Council all policy matters including the amount of the administration setaside.
2. Review, recommend and adopt the Housing Assistance Plan and the Annual Community Development Plan required by HUD. The King County Community Development Block Grant Consortium Policy Plan, herein referred to as the Policy Plan, will be developed annually by the Consortium to meet the HUD requirement for an annual community development plan. The Policy Plan will include Consortium-wide policies and program guidelines for project proposals.
3. Review plan and program disagreements between the County and participating cities, and offer recommendations to the King County Council.

VII. DUTIES OF THE KING COUNTY PLANNING AND COMMUNITY DEVELOPMENT DIVISION STAFF

Those King County Planning and Community Development Division Staff which are funded through the administration setaside, hereinafter referred to as the Staff, shall fulfill the following duties:

A. Responsibilities to the Committee. The Staff shall:

1. Solicit and present to the Committee all applicable federal and County policy guidelines, special conditions, and formal requirements related to the preparation of the Housing Assistance Plan and the Annual Community Development Plan, (locally known as the Policy Plan), and related to administration of the programs under these plans.
2. Prepare and present written materials required by HUD and the King County Council as components of the annual King County Housing Assistance Plan and Community Development Plan to be prepared pursuant to this Agreement, including but not limited to: collection and analysis of data; identification of problems, needs and their locations; development of long and short term objectives; consideration of alternative strategies; and preparation of the administration budget.
3. Prepare and present to the Committee policy evaluation reports or recommendations, and any other material deemed necessary by the Committee to help the Committee fulfill its powers and duties.

B. Responsibilities to Jurisdictions Which Are Parties to This Agreement. The Staff shall:

1. Solicit and present all applicable federal and County policy guidelines, special conditions, and format requirements related to program administration.
2. Prepare and present written materials required by HUD and the King County Council as components of the annual King County Housing Assistance Plan and the Community Development Plan (locally known as the Policy Plan) to be prepared pursuant to this Agreement, including but not limited to collection and analysis of data; identification of problems, needs and their location; development of long and short term objectives; consideration of alternative strategies; and preparation of the administration budget.
3. Identify supplemental sources of funding to increase the participating jurisdiction's capability to conduct effective community development activities.
4. Prepare and where applicable present project review reports for proposed projects.
5. Prepare and present to the King County Executive and Council material necessary for the approval of the County and Small Cities portion of the annual program.
6. Present to the King County Council the Consortium's annual program for adoption.
7. Administer the Consortium's CDBG Program, including monitoring and enforcing compliance with the Davis-Bacon Act.

VIII. RESPONSIBILITIES AND POWERS OF JURISDICTIONS

The jurisdictions, the County and Cities participating in this Agreement, shall have the following responsibilities and powers:

- A. The County and Cities will develop annually a Consortium-wide Housing Assistance Plan and CDBG Policy Plan. In addition, the pass-through cities and the County will each develop local program policies which will identify community development and housing needs in the pass-through cities and in the balance of the County, respectively, in accordance with the primary objective and requirements of the Act. This Policy Plan, including the local program policies, will meet the HUD requirement for an annual community development plan.
- B. Each pass-through city shall adopt a local program policy that commits the city to examining its role in recognizing and addressing regional or Consortium-wide needs through a coordinated funding approach with other jurisdictions and the County and Small Cities fund.
- C. Each pass-through city shall exercise local discretion in determining the use of its pass-through funds in a manner consistent with the Housing Assistance Plan and the Policy Plan including the pass-through city's local program policies.
- D. The legislative authority of each pass-through city shall approve or disapprove activities, areas and budgets submitted by its agents for inclusion in the annual program. Approval shall be given by motion or resolution.
- E. Each pass-through city shall submit project proposals to the staff for review as to consistency with federal benefit objectives, eligibility requirements, and environmental review requirements prior to the presentation of the proposals to the King County Council for approval with the rest of the Consortium's annual program.
- F. The legislative authority of each small city submitting proposals for use of the County and Small Cities funds shall approve such applications by motion or resolution.
- G. King County shall determine, with the advice of officials from small cities, the use of the County and Small Cities funds in a manner consistent with the Policy Plan including its local program policies.

- H. Each participating jurisdiction shall fulfill to the County's satisfaction all relevant requirements of federal laws and regulations which apply to King County as applicant, including assurances and certifications described in part X(D).
- I. Pursuant to 24 CFR 570.501(b), all participating units of local government are subject to the same requirements applicable to subrecipients including the requirement of a written agreement with the county which complies with 24 CFR 570.503 and includes provisions pertaining to the following items: 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.

IX. RESPONSIBILITIES AND POWERS OF KING COUNTY

King County shall have the following responsibilities and powers:

- A. The King County Council shall have authority and responsibility for all policy matters, including the Consortium-wide Policy Plan and Housing Assistance Plan, upon review and recommendation by the Committee.
- B. The King County Council shall have authority and responsibility for all fund allocation matters, including the approval of the annual administration setaside and the approval and adoption of the Consortium's annual CDBG program (annual CDBG budget).
- C. The King County Executive shall have the authority and responsibility to approve requested changes to the adopted annual CDBG program in the following circumstances:
 - 1. The requested change is to a pass-through city's portion of the adopted annual program, and the change is requested by the legislative body of the pass-through city; or
 - 2. The requested change is in the County and Small Cities portion of the adopted annual program, and it is limited to a change of project scope or change of project implementor in a specific project, and it is requested by the subrecipient, and the change is made in consultation with the Councilmember in whose district the project is located.
- D. The King County Executive, as administrator of this CDBG Program, shall have authority and responsibility for all administrative requirements for which the County is responsible to the federal government.
- E. The King County Executive shall have authority and responsibility for all fund control and disbursements.
- F. Notwithstanding any other provision contained in this Agreement, the County as the applicant for CDBG Funds has responsibility for and assumes all obligations as the applicant in the execution of this CDBG Program, including final responsibility for selecting activities and annually filing Final Statements with HUD. Nothing contained in this Agreement shall be construed as an abdication of those responsibilities and obligations.

X. GENERAL TERMS

- A. This agreement shall extend through the 1991, 1992 and 1993 program years, or, if the federal government should end King County's CDBG entitlement status before that time, through the completion of CDBG activities in the participating city. 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 (1991-1993) no included unit of general local government may withdraw from nor be removed from the urban county for HUD's grant computation purposes.
- C. It is understood that by signing this Agreement the jurisdictions shall agree to comply with the policies and goals of the Housing Assistance 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 VIII of the Civil Rights Act

of 1968, Sections 109 of Title I of the Housing and Community Development Act of 1974, as amended, and other applicable laws.

- E. No CDBG 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 of the provisions of this Agreement may become necessary, and such amendment shall take place when all parties have executed a written addendum to this Agreement.
- G. Calculations for determining the number of low and moderate income persons residing in the County and Cities shall be based on the 1980 Census Data, until such time as 1990 Census data becomes available, and on the official annual estimates of populations of cities, towns and communities published by the State of Washington Office of Program Planning and Fiscal Management.
- H. Participating jurisdictions shall be considered to be those jurisdictions which have signed this Agreement.
- I. Jurisdictions undertaking activities and/or projects with CDBG funds distributed under this Agreement retain full civil and criminal liability as though these funds were locally generated.
- J. King County retains 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.
- K. Jurisdictions retain responsibility in fulfilling the requirements of the State Environmental Policy Act under which King County has review responsibility only.

KING COUNTY, WASHINGTON

PARTICIPATING JURISDICTION

King County Executive

Signature of Designated Official

Official Title

City or Town

K:agmtbg/cptr