



**KING COUNTY**  
**Signature Report**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**July 12, 2011**

**Ordinance 17138**

**Proposed No. 2011-0250.1**

**Sponsors Ferguson**

1 AN ORDINANCE authorizing the executive to enter into  
2 updated interlocal cooperation agreements with cities that  
3 participate with King County in the Community  
4 Development Block Grant Consortium, the HOME  
5 Investments Partnership Consortium and the Regional  
6 Affordable Housing Program Consortium.

7 **STATEMENT OF FACTS:**

- 8 1. King County receives an annual Community Development Block Grant  
9 ("CDBG") entitlement grant and a HOME Investments Partnership  
10 ("HOME") grant, and related federal funds from the United States  
11 Department of Housing and Urban Development ("HUD").
- 12 2. In order for the King County CDBG and HOME consortia to remain  
13 qualified as urban county consortia with HUD, the consortia must renew  
14 and/or update interlocal cooperation agreements with the cities that choose  
15 to participate in the consortia every three years.
- 16 3. King County annually collects document recording fee surcharge  
17 revenue generated by the passage of Chapter 294, Laws of Washington  
18 2002, Section 2, codified as RCW 36.22.178, to be used for affordable

19 housing projects pursuant to a Regional Affordable Housing Program  
20 ("RAHP") interlocal agreement with cities in King County.

21 4. Pursuant to K.C.C. chapter 24.13, it is the policy of King County to  
22 partner with cities and towns in King County as urban county consortia for  
23 planning the distribution and administration of federal CDBG and HOME  
24 funds, and for planning the distribution and administration of state  
25 authorized RAHP funds.

26 5. Pursuant to K.C.C. 24.13.010, King County consortia partnerships are  
27 established through the following interlocal cooperation agreements:

28 a. CDBG agreement for cities that do not qualify to receive their own  
29 CDBG grant, and participate in both the CDBG and HOME consortia;

30 b. CDBG joint agreement for cities that could qualify to receive their  
31 own CDBG grant, but that choose to participate in the King County  
32 CDBG consortium to plan and implement a joint community development  
33 program;

34 c. HOME agreement for cities that receive their own CDBG grant, but do  
35 not qualify to receive their own HOME funds, and participate only in the  
36 HOME consortium; and

37 d. RAHP agreement for all cities in the county that want to participate in  
38 a regional affordable housing fund.

39 6. The King County CDBG and HOME consortia have agreed to  
40 automatically renew the CDBG agreement and the HOME agreement for a  
41 another three year qualification period 2012-2014, to update the CDBG

42 joint agreement for the period 2012-2014, and to update the RAHP

43 agreement for the period 2012-2014.

44 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

45 SECTION 1. The King County executive is hereby authorized to enter into

46 renewed and updated interlocal cooperation agreements with CDBG agreement cities,

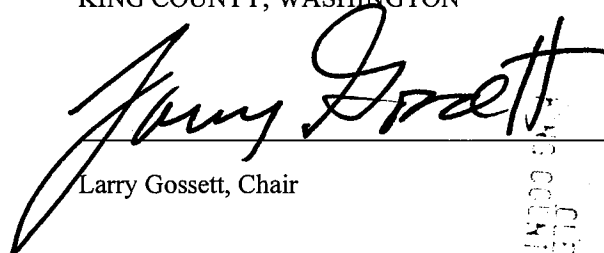
47 CDBG joint agreement cities, HOME agreement cities and RAHP agreement cities. The

48 agreements shall be in substantially the form of Attachments A, B, C and D to this  
49 ordinance.  
50

Ordinance 17138 was introduced on 6/13/2011 and passed by the Metropolitan King County Council on 7/11/2011, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,  
Ms. Patterson, Ms. Lambert, Mr. Ferguson, Mr. Dunn and Mr.  
McDermott  
No: 0  
Excused: 0

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



Larry Gossett, Chair

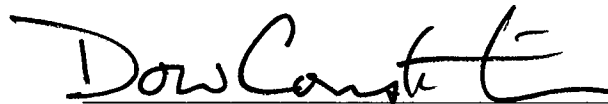
ATTEST:



Anne Noris, Clerk of the Council

RECEIVED  
2011 JUL 13 PM 4:05  
CLERK  
KING COUNTY COUNCIL

APPROVED this 13 day of JULY, 2011.



Dow Constantine, County Executive

**Attachments:** A. Interlocal Cooperation Agreement Regarding the Community Development Block Grant Program, B. Joint Interlocal Agreement Regarding the Community Development Block Grant Program, C. Home Investment Partnership Program Interlocal Cooperation Agreement, D. Regional Affordable Housing Program Interlocal Cooperation Agreement

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

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

**WITNESSETH:**

WHEREAS, the federal government, through adoption and administration of the Housing and Community Development Act of 1974 (the "Act"), as amended, will make available to King County Community Development Block Grant funds, hereinafter referred to as "CDBG", for expenditure during the 2012-2014 funding years; and

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

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

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

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

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

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

WHEREAS, King County and the participating jurisdictions agree that it is mutually desirable and beneficial to enter into a consortium arrangement pursuant to and authorized by the National Affordable Housing Act of 1990, as amended, 42 USC 12701 et. seq. and 24 CFR Part 92 for purposes of the HOME Investment Partnerships Program, hereinafter referred to as "HOME Program", and to cooperate in undertaking HOME Program activities; and

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

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

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

WHEREAS, the purpose of this Interlocal Cooperation Agreement, entered into pursuant to and in accordance with the State Interlocal Cooperation Act, RCW Chap. 39.34, is to form an urban county consortium, ("Consortium"), for planning the distribution and administration of CDBG, HOME Program, and other federal funds received on behalf of the Consortium from HUD, and for execution of activities in accordance with and under authority of the Act:

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

**I. GENERAL AGREEMENT**

King County and participating jurisdictions agree to cooperate to undertake, or assist in undertaking, activities which further the development of viable urban communities, including the provision of decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate income, through community renewal and lower income housing assistance activities, funded from annual CDBG and HOME Program funds from federal Fiscal Years 2012, 2013 and 2014 appropriations, from recaptured funds allocated in those years, and from any program income generated from the expenditure of such funds.

**II. GENERAL DISTRIBUTION OF FUNDS**

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

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

- B. Five percent of the funds available from the CDBG entitlement and program income shall be reserved for the Housing Stability Program, a public service activity in support of homeless prevention and in support of the affordable housing requirements under the implementation of the state Growth Management Act (RCW Chapter 36.70A).
- C. Twenty-five percent of the funds available from the CDBG entitlement and program income shall be reserved for the Consortium-wide Housing Repair program. The JRC may periodically review and recommend increases or decreases to this percentage if, in its judgment, there has been a substantial change in the Consortium's overall funding or in the need for housing repair that justifies an increase or decrease.
- D. The remaining entitlement and program income funds, including any remaining balance of the 20 percent allowable for planning and administration, as well as any recaptured or prior year funds, shall be divided between two sub-regions of the county—the north/east sub-region and the south sub-region. These funds shall be made available on a competitive basis for a variety of eligible activities consistent with the Consolidated Housing and Community Development Plan.
  - 1. The north/east sub-region shall include those cities in the north and east and those portions of unincorporated King County that lie north of Interstate 90. The cities of Mercer Island, Newcastle, Issaquah, and North Bend, which are at or near the Interstate 90 border, along with their designated potential annexation areas, also shall be included in the north/east sub-region.
  - 2. The south sub-region shall include those cities south of Interstate 90 and those portions of unincorporated King County that lie south of Interstate 90, except for the cities of Mercer Island, Newcastle, Issaquah, and North Bend and their potential annexation areas, which are part of the north/east sub-region.
  - 3. The formula for dividing the funds between the two sub-regions shall be based on each sub-region's share of the Consortium's low-and moderate-income population.

### **III. USE OF FUNDS: GENERAL PROVISIONS**

- A. Funds shall be used to support the goals and objectives of the Consolidated Plan.
- B. Funds shall be used in accordance with the CDBG regulations at 24 CFR Part 570, Home Program regulations at 24 CFR Part 92, and all other applicable federal regulations.

IV. **JOINT RECOMMENDATIONS COMMITTEE**

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

- A. Composition—The JRC shall be composed of three county representatives and eight cities representatives.
1. The three county representatives shall be King County Executive staff with broad policy responsibilities and/or department directors. County representatives shall be specified in writing and, where possible, shall be consistently the same persons from meeting to meeting.
  2. Four of the cities representatives shall be from those cities signing this interlocal cooperation agreement, two from each sub-region.
  3. The remaining four cities representatives shall be from cities that qualify to receive CDBG entitlement funds directly from HUD and that are not signing this agreement, but are signing either Joint agreements or HOME Program-only agreements. These latter four representatives shall have no vote on matters specific to the jurisdictions that are parties to this agreement.
  4. The chairperson and vice-chairperson of the JRC shall be chosen from among the members of the JRC by a majority vote of the members for a term of one year beginning with the first meeting of the calendar year. Attendance of five members shall constitute a quorum.
- B. Appointments—The King County Executive shall appoint the three county representatives. The participating cities shall provide for the appointment of their shared representatives in a manner to be determined by those cities through the Suburban Cities Association or other agreed-upon mechanism for the execution of shared appointing authority. The Suburban Cities Association or other agreed mechanism will select four jurisdictions of varying size from among those signing this agreement, two from the north/east sub-region and two from the south sub-region. The cities representatives shall be elected officials, chief administrative officers, or persons who report directly to the chief administrative officer and who have broad policy responsibilities; e.g., planning directors, department directors, etc. Members of the JRC shall serve for two years, or at the pleasure of their respective appointing authorities.
- C. Powers and Duties—The JRC shall be empowered to:
1. Review and recommend to the King County Executive all policy matters concerning the Consortium CDBG and HOME Program, including but not limited to the Consolidated Plan and related plans and policies.



2. Review and recommend to the King County Executive the projects and programs to be undertaken with CDBG funds and HOME Program funds, including the Administrative Setaside.
  3. Monitor and ensure that all geographic areas and participating jurisdictions benefit fairly from CDBG and HOME Program funded activities over the three-year agreement period, so far as is feasible and within the goals and objectives of the Consolidated Plan.
- D. Advisory Committees to JRC—In fulfilling its duty to review and recommend projects and programs to be undertaken with the CDBG and HOME Program funds, the JRC shall consider the advice of inter-jurisdictional advisory committees. Sub-regional advisory committees, made up of one representative from each participating jurisdiction in a sub-region that wishes to participate, shall be convened to assist in the review and recommendation of projects and programs to be undertaken in that sub-region. The JRC may also solicit recommendations from other inter-jurisdictional housing and community development committee

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

- A. Notwithstanding any other provision contained in this Agreement, the County as the applicant and grantee for CDBG and HOME Program funds has responsibility for and assumes all obligations in the execution of the CDBG and HOME Programs, including final responsibility for selecting and executing activities, and submitting to HUD the Consolidated Plan, Annual Action Plans, and related plans and reports, including the Analysis of Impediments to Fair Housing Choice and the Fair Housing Action Plan. Nothing contained in this Agreement shall be construed as an abdication of those responsibilities and obligations.
- B. The Metropolitan King County Council shall have authority and responsibility for all policy matters, including the Consolidated Plan, upon review and recommendation by the JRC.
- C. The Metropolitan King County Council shall have authority and responsibility for all fund allocation matters, including approval of the annual CDBG and HOME Program Administrative Setasides and appropriation of all CDBG and HOME Program funds.
- D. The King County Executive, as administrator of the CDBG and HOME Programs, shall have authority and responsibility for all administrative requirements for which the County is responsible to the federal government.
- E. The King County Executive shall have authority and responsibility for all fund control and disbursements.
- F. The King County Executive shall have the authority and responsibility to staff the JRC and provide liaison between HUD and the urban county Consortium. County

Executive staff shall prepare and present to the JRC evaluation reports or recommendations concerning specific proposals or policies, and any other material deemed necessary by the JRC to help it fulfill its powers and duties in IV. C., above.

- G. King County Executive staff shall have the authority and responsibility to communicate and consult with participating jurisdictions on CDBG and HOME Program policy and program matters in a timely manner.
- H. King County Executive staff shall have the authority and responsibility to convene sub-regional advisory committees made up of representatives from participating jurisdictions in the sub-region, to advise the JRC on the allocation of the sub-regional funds.
- I. King County Executive staff shall provide periodic reports on clients served by jurisdictions in the Housing Stability and Housing Repair programs and on the status of CDBG and HOME Program funded projects and make them available to all participating jurisdictions and the JRC.
- J. King County Executive staff shall solicit proposals, administer contracts, and provide for technical assistance, both in the development of viable CDBG and HOME Program proposals and in complying with CDBG and HOME Program contractual requirements.
- K. King County shall have environmental review responsibility for purposes of fulfilling requirements of the National Environmental Policy Act, under which King County may require the local incorporated jurisdiction or contractor to furnish data, information, and assistance for King County's review and assessment in determining whether an Environmental Impact Statement is required.

**VI. RESPONSIBILITIES OF THE PARTICIPATING CITIES**

- A. All participating cities shall cooperate in the development of the Consolidated Plan and related plans.
- B. All participating cities shall assign a staff person to be the primary contact for the County on CDBG/HOME Program issues. The assigned CDBG/HOME Program contact person is responsible for communicating relevant information to others at the participating city, including any representative the city may choose to send to the sub-regional advisory committee, if that representative is not the CDBG/HOME Program contact person.
- C. At its discretion, a participating city may assign a representative to attend meetings of the sub-regional advisory committee. This representative may or may not be the City's CDBG/HOME Program contact person. It may be the CDBG/HOME Program contact person, a different staff member, an elected official, or a citizen.

- D. If and when a participating city deems necessary or advisable, it may prepare applications for CDBG or HOME Program funds to address the needs of its residents, consistent with the Consolidated Plan.
- E. Each participating city shall obtain its council's authorization for any CDBG or HOME Program application submitted.
- F. All participating cities shall carry out CDBG or HOME Program funded projects in a manner that is timely and consistent with contractual requirements.
- G. All participating cities owning community facilities or other real property acquired or improved in whole or in part with CDBG or HOME Program funds shall comply with use restrictions as required by HUD and as required by any relevant policies adopted by the JRC.
  - 1. During the period of the use restriction, the participating cities shall notify King County prior to any modification or change in the use of real property acquired or improved in whole or in part with CDBG or HOME Program funds. This includes any modification or change in use from that planned at the time of the acquisition or improvement, including disposition.
  - 2. During the period of the use restriction, if the property acquired or improved with CDBG or HOME Program funds is sold or transferred for a use which does not qualify under the applicable regulations, the participating city shall reimburse King County in an amount equal to the current fair market value (less any portion thereof attributable to expenditures of funds other than CDBG or HOME Program funds).

**VII. RESPONSIBILITIES OF ALL PARTICIPATING JURISDICTIONS**

- A. All participating jurisdictions shall be considered to be those jurisdictions that have signed this Agreement.
- B. All participating jurisdiction shall fulfill to the County's reasonable satisfaction all relevant requirements of federal laws and regulations that apply to King County as applicant, including assurances and certifications described in Section VIII below.
- C. Each participating jurisdiction or cooperating unit of general local government certifies that it has adopted and is enforcing:
  - 1. a policy that prohibits the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2. a policy that enforces applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of non-violent civil rights demonstrations within jurisdiction.
- D. Pursuant to 24 CFR 570.501(b), all participating units of local governments are subject to the same requirements applicable to subrecipients when they receive CDBG funds to implement an activity. The applicable requirements include, but are not limited to, a written agreement with the County that complies with 24 CFR 570.503 and includes provisions pertaining to: statement of work; records and reports; program income; uniform administrative items; other program requirements; conditions for religious organizations; suspension and termination; and reversion of assets.
  - E. All participating units of local government understand that they may not apply for grants under the federal Small Cities or State CDBG Programs that receive separate entitlements from HUD during the period of participation in this Agreement.
  - F. All units of local government participating in the CDBG urban county consortium through this interlocal cooperation agreement understand that they are also part of the urban county for the HOME Program and that they may not participate in a HOME Program consortium except through the urban county, regardless of whether the urban county receives a HOME formula allocation.
  - G. All participating units of local government hereby agree to affirmatively further fair housing and to ensure that no CDBG or HOME Program funds shall be expended for activities that do not affirmatively further fair housing within its jurisdiction or that impede the County's actions to comply with its fair housing certification. For purposes of this section, "affirmatively furthering fair housing" includes participation in the process of developing an Analysis of Impediments to Fair Housing Choice and a Fair Housing Action Plan. While King County has the primary responsibility for the development of these reports to HUD pursuant to Section V(A) of this Agreement, upon request, the City shall provide assistance to the County in preparing such reports.
  - H. Participating jurisdictions undertaking activities and/or projects with CDBG funds distributed under this Agreement shall retain full civil and criminal liability as though these funds were locally generated.
  - I. Participating jurisdictions retain responsibility in fulfilling the requirements of the State Environmental Policy Act under which King County has review responsibility only.

**VIII. GENERAL TERMS**

- A. This Agreement shall extend through the 2012, 2013 and 2014 program years, and shall remain in effect until the CDBG funds, Home Program funds and program income received with respect to activities carried out during the three-year qualification period are expended and the funded activities completed. This Agreement shall be automatically renewed for participation in successive three-year qualification periods, unless the County or the City provides written notice that it wishes to amend this agreement or elects not to participate in the new qualification period by the date set forth by the United States Department of Housing and Urban Development in subsequent Urban County Qualification Notices. King County, as the official applicant, shall have the authority and responsibility to ensure that any property acquired or assisted with CDBG funds or HOME Program funds is disposed of or used in accordance with federal regulations.
- B. Pursuant to 24 CFR Part 570.307(d)(2), during the period of qualification no included unit of general local government may terminate or withdraw from the cooperation agreement while it remains in effect.
- C. It is understood that by signing this Agreement, the City shall agree to comply with the policies and implementation of the Consolidated Plan.
- D. Parties to this Agreement must take all required actions necessary to assure compliance with King County's certification required by Section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended, including Title VI of the Civil Rights Act of 1964, (Title III of the Civil Rights Act), the Fair Housing Act as amended, Section 109 of Title I of the Housing and Community Development Act of 1974, as amended, the Americans with Disabilities Act of 1990, and other applicable laws.
- E. This Agreement shall be executed in three counterparts, each of which shall be deemed an original, by the chief executive officers of the County and the City, pursuant to the authority granted them by their respective governing bodies. One of the signed Agreements shall be filed by the County with the Region X office of HUD, one shall be filed with the City and one shall be filed with the County. Prior to its taking effect, the fully executed Agreement shall be filed with the County Auditor, or, alternatively, listed by subject on a public agency's web site or other electronically retrievable public source.
- F. It is recognized that amendment to the provisions of this Agreement may be appropriate, and such amendment shall take place when the parties to this Agreement have executed a written amendment to this Agreement. The City and the County also agree to adopt any amendments to the Agreement incorporating changes necessary to meet the requirements for cooperation agreements set forth in an Urban County Qualification Notice applicable for a subsequent three-year

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

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

KING COUNTY, WASHINGTON

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

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

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

Jackie MacLean

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

Printed Name

Director, Department of Community and Human Services

\_\_\_\_\_ Title

Title

\_\_\_\_\_ Date

\_\_\_\_\_ Date

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

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

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

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

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

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

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

**WITNESSETH:**

WHEREAS, the federal government, through adoption and administration of the Housing and Community Development Act of 1974 (the "Act"), as amended, will make available to King County Community Development Block Grant funds, hereinafter referred to as "CDBG", for expenditure during the 2012-2014 funding years; and

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

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

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

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

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

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

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

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

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

WHEREAS, the County and the participating jurisdictions agree that it is mutually desirable and beneficial to enter into a consortium arrangement pursuant to and authorized by the National Affordable Housing Act of 1990, as amended, 42 USC 12701 et. seq. and 24 CFR Part 92 for purposes of the HOME Investment Partnerships Program, hereinafter referred to as "HOME Program," and to cooperate in undertaking HOME Program activities; and

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

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

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

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

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

**I. GENERAL AGREEMENT**

The County and City agree to cooperate to undertake, or assist in undertaking, activities which further the development of viable urban communities, including the provision of decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low-and-moderate income, through community renewal and lower income housing assistance activities, funded from annual CDBG and HOME Program funds from federal fiscal years 2012, 2013 and 2014 appropriations, from recaptured funds and from any program income generated from the expenditure of such funds.

**II. DEFINITIONS**

A. "JRC" means the inter-jurisdictional Joint Recommendations Committee as described in Section V of this Agreement.



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

**III. GENERAL DISTRIBUTION OF FUNDS**

- A. The County will retain an amount equal to 10% of the City’s CDBG entitlement plus program income each year for administration and fund management. The remaining 10% of the City’s CDBG entitlement plus program income available for planning and administration will be allocated by the City and may be used to plan and administer the City’s CDBG projects in accordance with this agreement.
- B. The County will retain an amount equal to 2% of the City’s CDBG entitlement plus program income each year for eligible project management related costs for the implementation of capital projects funded by the City. This amount may not be adequate to cover a subsequent capital project after recapture of funds from a

previous project, and will be negotiated between the City and the County, based on the circumstances.

- C. Five percent of the funds available from the City's CDBG entitlement plus program income shall be retained for the Housing Stability Program, a public service activity in support of homeless prevention and in support of the affordable housing requirements under the implementation of the State Growth Management Act (RCW Chapter 36.70A). The remaining 10% from the City's entitlement plus program income available for public services will be allocated by the City in accordance with this agreement.
- D. Twenty-five percent of the funds available from the City's CDBG entitlement plus program income shall be retained for the Consortium-wide Housing Repair program. The JRC may periodically review and recommend increases or decreases to this percentage if, in its judgment, there has been a substantial change in the Consortium's overall funding or in the need for housing repair that justifies an increase or decrease. The remaining capital funds will be allocated by the City in accordance with this agreement.
- E. The balance of the City's entitlement, plus program income, along with any recaptured funds from city-funded projects, may be allocated to projects selected by the City, provided they are consistent with the provisions of Section IV below.

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

- A. Funds shall be used to support the goals and objectives of the King County Consortium Consolidated Plan.
- B. Funds shall be used in accordance with the CDBG regulations at 24 CFR Part 570, HOME Program regulations at 24 CFR Part 92, and all other applicable federal regulations.
- C. The City agrees to a maximum of two new stand-alone capital projects per year with a maximum of one project that may trigger Davis Bacon labor standards annually. Capital funds not used for these stand alone capital projects may be allocated to sub-regional projects by the City unless returned by City to the sub-regional fund. The City may be allowed to do one additional stand-alone capital project in a given year, if there is a compelling reason, and the City secures agreement from another Joint Agreement City that is only doing one project in the applicable year, to loan the City their capacity for a second project.
- D. Public Service funds. The City agrees to a maximum of four stand-alone public service projects, which each require only one HUD IDIS activity number per project each year. The City may have as many contracts with agencies as desired for each project activity. Funds contributed to a sub-regional public service project would not count as part of the four stand-alone projects in this Agreement.

- E. No project funding minimum is established in this agreement. Project minimums that may be established by the JRC for the CDBG Consortium sub-regional funding shall not be binding on the Joint Agreement cities.
- F. Section 108 Loans. The City may participate in Section 108 Loan activity of the Regular CDBG Consortium, and may initiate a request for the CDBG Consortium to consider a Section 108 Loan of an amount larger than six times 60 percent of the City's entitlement amount, but within the limits of JRC adopted CDBG Guidelines, if the City participates in all other Section 108 Loans of the Regular CDBG Consortium and pays an equitable percentage of any Section 108 Loans that require repayment with CDBG funds. The Section 108 Loan request must be reviewed and approved by the JRC.

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

#### **V. JOINT RECOMMENDATIONS COMMITTEE**

An inter-jurisdictional Joint Recommendations Committee ("JRC") shall be established through the 2009-2011 Consortium Interlocal Cooperation Agreement and is hereby adopted as part of this agreement.

- A. Composition—The JRC is composed of three county representatives and eight cities representatives.
  1. The three county representatives shall be King County Executive staff with broad policy responsibilities and/or department directors. County representatives shall be specified in writing and, where possible, shall be consistently the same persons from meeting to meeting.
  2. Four of the cities representatives shall be from those non-entitlement consortium cities signing the King County Consortium Interlocal Cooperation Agreement Regarding the Community Development Block Grant Program, two from each subregion.
  3. The remaining four cities representatives shall be from cities that qualify to receive CDBG or entitlement funds directly from HUD that are signing either a Joint Agreement or HOME Program Agreement. These latter four representatives shall have no vote on matters specific to the jurisdictions of the King County Consortium Interlocal Cooperation Agreement Regarding the Community Development Block Grant Program.

4. Two of the eight cities representatives shall be rotated among the CDBG Joint Agreement Cities. The two representatives will vote on issues affecting Joint Agreement Cities that are specific to this agreement.
  5. For the two Joint Agreement City rotating positions, the Joint Agreement Cities will notify the County by the end of the second week in February of each year, who the two Joint Agreement City representatives will be for that year.
  6. The chairperson and vice-chairperson of the JRC shall be chosen from among the members of the JRC by a majority vote of the members for a term of one year beginning with the first meeting of the calendar year. Attendance of five members shall constitute a quorum.
- B. The King County Executive shall appoint the three county representatives. The participating cities of the King County Consortium Interlocal Cooperation Agreement shall provide for the appointment of their shared representatives in a manner to be determined by those cities through the Suburban Cities Association or other agreed-upon mechanism for the execution of shared appointing authority. The Suburban Cities Association or other agreed mechanism will select four jurisdictions of varying size from among those signing this agreement, two from the north/east sub-region and two from the south sub-region. The cities representatives shall be elected officials, chief administrative officers, or persons who report directly to the chief administrative officer, who have broad policy responsibilities; e.g., planning directors, department directors, etc. Members of the JRC shall serve for two years, or at the pleasure of their respective appointing authorities.
- C. Powers and Duties—The JRC shall be empowered to:
1. Review and recommend to the King County Executive all policy matters concerning the Consortium CDBG and HOME Programs, including but not limited to the Consolidated Plan and related plans and policies.
  2. Review and recommend to the King County Executive the projects and programs to be undertaken with CDBG funds and HOME Program funds, including the Administrative Set-aside.
  3. Monitor and ensure that all geographic areas and participating jurisdictions benefit fairly from CDBG and HOME Program funded activities over the three-year agreement period, so far as is feasible and within the goals and objectives of the Consolidated Plan.
- D. Advisory Committees to JRC—In fulfilling its duty to review and recommend projects and programs to be undertaken with CDBG and HOME Program funds, the JRC shall consider the advice of inter-jurisdictional advisory committees.

Sub-regional advisory committees, made up of one representative from each participating jurisdiction in a sub-region that wishes to participate, shall be convened to assist in the review and recommendation of projects and programs to be undertaken in that sub-region. The JRC may also solicit recommendations from other inter-jurisdictional housing and community development committees.

## VI. RESPONSIBILITIES AND POWERS OF KING COUNTY

- A. Notwithstanding any other provision contained in this Agreement, the County as the applicant and grantee for CDBG and HOME Program funds has responsibility for and assumes all obligations in the execution of the CDBG and HOME Programs, including final responsibility for selecting and executing activities, ensuring compliance with federal requirements and submitting to HUD the Consolidated Plan, Annual Action Plan, and related plans. Nothing contained in this Agreement shall be construed as an abdication of those responsibilities and obligations.

The County will bear responsibility for:

1. the HUD-related portions of program planning
  2. preparing and submitting the Annual Action Plan and application to HUD
  3. preparing and submitting amendments to the Annual Action Plan
  4. setting up the projects in the HUD IDIS system
  5. preparing and submitting all other HUD-required planning documents (Consolidated Plan and any amendments; the Analysis of Impediments to Fair Housing Choice and the Fair Housing Action Plan; the Homeless Continuum of Care Plan and the Homeless Management Information System; the Lead Paint Hazard Reduction Plan; etc.)
  6. working with Regular CDBG Consortium members and Joint Agreement Consortium members to develop new common guidelines, operating procedures and/or best practices that will help clarify consortium processes and facilitate coordination and strong working relationships.
- B. The Metropolitan King County Council shall have authority and responsibility for all policy matters, including the Consolidated Plan, upon review and recommendation by the JRC.
- C. The Metropolitan King County Council shall have authority and responsibility for all fund allocation matters, including approval of the annual CDBG and HOME

Program Administrative Set-asides and appropriation of all CDBG and HOME Program funds.

- D. The King County Executive, as administrator of the CDBG and HOME Program, shall have authority and responsibility for all administrative requirements for which the County is responsible to the federal government.
- E. The King County Executive shall have authority and responsibility for all fund control and disbursements.
- F. The King County Executive shall have the authority and responsibility to staff the JRC and provide liaison between HUD and the Urban County Consortium. County Executive staff shall prepare and present to the JRC evaluation reports or recommendations concerning specific proposals or policies, and any other material deemed necessary by the JRC to help it fulfill its powers and duties.
- G. King County Executive staff shall have the authority and responsibility to communicate and consult with the Joint Agreement City on CDBG and HOME Program policy and program matters in a timely manner.
- H. King County Executive staff shall provide periodic reports on clients served by jurisdictions in the Housing Stability and Housing Repair programs and on the status of CDBG and HOME Program funded projects and make them available to all participating jurisdictions and the JRC.
- I. King County Executive staff shall administer contracts and provide technical assistance and monitoring, both in the development of viable CDBG and HOME Program proposals and in complying with CDBG and HOME Program contractual requirements.
- J. King County Executive staff shall have environmental review responsibility for purposes of fulfilling requirements of the National Environmental Policy Act, under which King County may require the local incorporated jurisdiction or contractor to furnish data, information, and assistance for King County's review and assessment of whether preparation of an environmental impact statement is required. Additional environmental review costs may be charged directly to individual project activity and will be addressed in the proposed project application.
- K. King County Executive staff shall implement City funded capital projects, except City administered projects as noted below.

## **VII. RESPONSIBILITIES OF THE CITY**

- A. The City shall cooperate in the development of the Consolidated Plan and related plans.

- B. The City shall assign a staff person to be the primary contact for the County on CDBG/HOME Program issues. The assigned CDBG/HOME Program contact person is responsible for communicating relevant information to others at the city.
- C. The City will bear all responsibility for local annual program planning, using financial projections that will be provided by the County.

The City will ensure:

- 1. that all selected projects (1) are an eligible activity, (2) meet a national objective, and (3) are consistent with the Consolidated Plan and all applicable JRC policies,
  - 2. that the public participation requirements are met and documented and will provide certification of such to the County,
  - 3. that all requested information by the County will be submitted in a timely manner that allows the County enough time to meet HUD timelines, and
  - 4. changes to the local program that require the County to amend budget amounts and/or submit an amendment to the Annual Action Plan after it has been submitted to HUD will only be accepted November through June. Budget amendments received by the 5<sup>th</sup> day of the month will be effective on the 1<sup>st</sup> day of the next month.
- D. The Joint Agreement city and/or their funded agencies owning community facilities or other real property acquired or improved in whole or in part with CDBG funds shall comply with use restrictions as required by HUD and as required by any relevant policies adopted by the JRC.
    - 1. During the period of the use restriction, the City shall notify County prior to any modification or change in the use of real property acquired or improved in whole or in part with CDBG funds. This includes any modification or change in use from that planned at the time of the acquisition or improvement, including disposition.
    - 2. During the period of the use restriction, if the City property acquired or improved with CDBG funds is sold or transferred for a use which does not qualify under the applicable regulations, the City shall reimburse the County in an amount equal to the current fair market value (less any portion thereof attributable to expenditures of funds other than CDBG funds).
    - 3. The City will inform any agency awarded capital funding of the requirement for security documents to be recorded for each capital project

activity in accordance with execution of a contract between the awarded agency and the County, and will inform the agency that the County will incorporate the security requirement into the contracting process.

- E. City staff shall implement CDBG-funded projects within the program year and submit both vouchers and required reports to the County in a complete and timely manner. Prior to the first and last payment on capital projects exclusive of Housing Repair, acquisition and Community Based Development Organization projects, pre-approval must be received from County staff that federal labor requirements have been met.
- F. City legislative bodies shall approve or disapprove via motion or resolution all CDBG activities, locations, and allocations submitted by Joint Agreement City staff.
- G. The City will be responsible for subcontracting with third parties for services provided by a Community Based Development Organization for employee development services; and for public service and city managed projects, except for labor standards and relocation where responsibility will be shared with the County (see below). If federal requirements have an unforeseen budget implication (for example, if the City has not foreseen the need for relocation) the City will be responsible for the increased budget.
- H. The City shall fulfill to the County's reasonable satisfaction all relevant requirements of federal laws and regulations that apply to King County as applicant, including assurances and certifications described below.
- I. The City certifies that it has adopted and is enforcing:
  - 1. a policy that prohibits the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
  - 2. a policy that enforces applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of non-violent civil rights demonstrations within jurisdiction.
- J. Pursuant to 24 CFR 570.501(b), the City is subject to the same requirements applicable to subrecipients when they receive CDBG funds to implement an activity. The applicable requirements include, but are not limited to, a written agreement with the County that complies with 24 CFR 570.503 and includes provisions pertaining to: statement of work; records and reports; program income; uniform administrative items; other program requirements; conditions for religious organizations; suspension and termination; and reversion of assets.



- K. The City understands that it may not apply for CDBG grant entitlement funds from HUD for the period of participation in this Agreement.
- L. The City in its participation in the CDBG urban county consortium through this Interlocal Agreement understands that it is also part of the Urban County for the HOME Program and that it may not participate in a HOME consortium except through the Urban County, regardless of whether the Urban County receives a HOME formula allocation.
- M. When undertaking activities and/or projects with CDBG funds distributed under this Agreement, the City shall retain full civil and criminal liability as though these funds were locally generated.
- N. The City retains responsibility in fulfilling the requirements of the State Environmental Policy Act under which County shall have review responsibility only.

### **VIII. SHARED RESPONSIBILITY**

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

B. Uniform Relocation Act/Barney Frank:

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

C. Financial/Fund Management:

The County will be responsible for contracting with HUD for the grant funds; recording and tracking loan repayments and other program income; determining funds available under the caps; setting up and drawing down from IDIS; paying vouchers submitted by the city; doing budget revisions upon amendment; reconciling balances, program income, and funds available for carry over or reallocation at year's end; tracking overall expenditure rate; financial reporting to HUD, etc.

D. Reporting:

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

E. Monitoring:

1. The City will annually monitor the agencies with which it subcontracts to ensure compliance with all federal, state and county requirements associated with CDBG funding with an on-site monitoring visit not less than every two years.
  2. The County will monitor the City (and may monitor selected subcontracting agencies). County will be monitored by HUD, the State Auditor, and by the HUD Inspector General.
  3. County staff will communicate with City staff at least quarterly to send relevant reports, monitor, provide technical assistance, and discuss capital project status. County and City staff will determine, collectively, if a face-to-face meeting is required from time to time.
- F. The City will provide the County all information necessary from its application process for contracting and implementation purposes for all other stand-alone capital projects
- G. City staff may participate in other Consortium-wide planning activities envisioned in the Consolidated Plan such as Interjurisdictional Advisory Group meetings regarding the HOME Program, Housing Stability Program, Regional Affordable Housing Program (“RAHP”) and other regional and sub-regional processes.

#### **VIII. GENERAL TERMS**

- A. This Agreement shall extend through the 2012, 2013 and 2014 program years, and shall remain in effect until the CDBG funds, HOME Program funds and program income received with respect to activities carried out during the three-year qualification period are expended and the funded activities completed. This Agreement shall be automatically renewed for participation in successive three-year qualification periods, unless the County or the City provides written notice that it wishes to amend this agreement or elects not to participate in the new qualification period by the date set forth by HUD in subsequent Urban County Qualification Notices. The County, as the official applicant, shall have the authority and responsibility to ensure that any property acquired or assisted with CDBG funds is disposed of or used in accordance with federal regulations.
- B. Pursuant to 24 CFR Part 570.307(d)(2), during the period of qualification no included unit of general local government may terminate or withdraw from the cooperation agreement while it remains in effect.
- C. It is understood that by signing this Agreement, the City shall accept and agree to comply with the policies and implementation of the King County Consortium Consolidated Plan.

- D. Parties to this Agreement must take all required actions necessary to assure compliance with King County's certification required by Section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended, including Title VI of the Civil Rights Act of 1964, (Title III of the Civil Rights Act), the Fair Housing Act as amended, Section 109 of Title I of the Housing and Community Development Act of 1974, as amended, the Americans with Disabilities Act of 1990, and other applicable laws.
- E. City agrees to affirmatively further fair housing and will ensure that no CDBG or HOME Program funds shall be expended for activities that do not affirmatively further fair housing within its jurisdiction or that impede the County's actions to comply with its fair housing certification. For purposes of this section, "affirmatively furthering fair housing" includes participation in the process of developing an Analysis of Impediments to Fair Housing Choice and a Fair Housing Action Plan. While King County has the primary responsibility for the development of these reports to HUD pursuant to Section VI(A) of this Agreement, upon request, the City shall provide assistance to the County in preparing such reports.
- F. Parties to this Agreement agree to negotiate in good faith any issues that may arise that are not specifically addressed by this Agreement.
- G. This Agreement shall be executed in three counterparts, each of which shall be deemed an original, by the chief executive officers of the County and the City, pursuant to the authority granted them by their respective governing bodies. One of the signed Agreements shall be filed by the County with the Region X office of HUD, one shall be filed with the City and one shall be filed with the County. Prior to its taking effect, the fully executed Agreement shall be filed with the County Auditor, or, alternatively, listed by subject on a public agency's web site or other electronically retrievable public source.
- H. It is recognized that amendment to the provisions of this Agreement may be appropriate, and such amendment shall take place when the parties to this Agreement have executed a written amendment to this Agreement. The City and the County also agree to adopt any amendments to the Agreement incorporating changes necessary to meet the requirements for cooperation agreements set forth in an Urban County Qualification Notice applicable for a subsequent three-year qualification period, and to submit such amendment to the HUD. Failure to adopt such required amendment shall void the automatic renewal of the Agreement for the subsequent qualification period.
- I. This Agreement is made and entered into for the sole protection and benefit of the parties hereto and their successors and assigns. No other person shall have any right of action based on any provision of this Agreement.

KING COUNTY, WASHINGTON

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

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

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

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

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

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

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

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

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

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

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

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

**HOME INVESTMENT PARTNERSHIPS PROGRAM  
INTERLOCAL COOPERATION AGREEMENT**

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

**RECITALS**

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

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

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

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

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

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

4. This Agreement shall remain in full force and effect for the period necessary to plan and carry out all activities that will be funded from HOME funds awarded for the 2012, 2013 and 2014 federal fiscal years, the three-year qualification period that coincides with the Agreement for the Distribution and Administration of the King County Consortium's Community Development Block Grant, or until the County's designation as a participating HOME jurisdiction or an urban county is rescinded by the United States Department of Housing and Urban Development, whichever is shorter.
5. This Agreement will be automatically renewed for participation in successive three-year qualification periods, unless the County or the City provides written notice it wishes to amend or elects not to participate in the new qualification period. Such written notice shall be given by the date set forth in an Urban County Qualification Notice applicable to subsequent three-year qualification periods and provided by the United States Department of Housing and Urban Development.
6. The City and the County agree to adopt any amendments to this Agreement incorporating changes necessary to meet the requirements for cooperation agreements set forth in an Urban County Qualification Notice applicable for a subsequent three-year qualification period, and to submit such amendments to the United States Department of Housing and Urban Development. Failure to adopt such amendments will void the automatic renewal of such qualification period.
7. During the term of this Agreement, neither the County nor the City may withdraw from participation from their respective obligations under this Agreement.
8. By executing the HOME Agreement, the City understands that it may not participate in a HOME consortium except through the County, regardless of whether the County receives a HOME formula allocation.
9. This Agreement shall be executed in three counterparts, each of which shall be deemed an original, by the chief executive officers of the County and the City, pursuant to the authority granted them by their respective governing bodies. One of the signed Agreements shall be filed by the County with the Region X office of HUD, one shall be filed with the City and one shall be filed with the County. Prior to its taking effect, the fully executed Agreement shall be filed with the County Auditor, or, alternatively, listed by subject on a public agency's web site or other electronically retrievable public source.
10. The parties to this Agreement hereby agree to affirmatively further fair housing and to ensure that no HOME funds are expended for activities that do not affirmatively further fair housing within the boundaries of their jurisdiction or for activities that impede the County's actions to comply with its fair housing certification. For purposes of this section, "affirmatively

furthering fair housing" includes participation in the process of developing an Analysis of Impediments to Fair Housing Choice and a Fair Housing Action Plan. While King County has the primary responsibility for the development of these reports to HUD pursuant to Section 3 of this Agreement, upon request, the City shall provide assistance to the County in preparing such reports.

11. Joint Recommendations Committee Composition. An inter-jurisdictional Joint Recommendations Committee ("JRC") shall be established through the 2012-2014 Consortium Interlocal Cooperation Agreement.

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

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

Four of the cities representatives shall be from non-entitlement consortium cities signing the King County Consortium Interlocal Cooperation Agreement Regarding the Community Development Block Grant Program, two from each subregion.

The remaining four cities representatives shall be from cities that qualify to receive CDBG funds directly from HUD that are signing either a Joint Agreement Regarding the Community Development Block Grant Program or a HOME Program-only Agreement. These latter four representatives shall have no vote on matters specific to the jurisdictions of the King County Consortium Interlocal Cooperation Agreement Regarding the Community Development Block Grant Program.

Two of the eight cities representatives shall be rotated among the HOME Program-only Agreement Cities. The two representatives will vote on issues affecting HOME Program Agreement Cities that are specific to this Agreement.

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

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

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



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

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

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

KING COUNTY, WASHINGTON

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

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

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

Jackie MacLean

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

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

Director, Department of Community and  
Human Services

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

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

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

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

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

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

**REGIONAL AFFORDABLE HOUSING PROGRAM  
INTERLOCAL COOPERATION AGREEMENT**

**An Agreement for the use of SHB 2060 Local Low Income  
Housing Funds in King County**

THIS AGREEMENT is entered into between King County, a municipal corporation and political subdivision of the State of Washington, hereinafter referred to as the “county”, and the City of \_\_\_\_\_, hereinafter referred to as the “city”, said parties to the Agreement each being a unit of general local government of the State of Washington.

**RECITALS**

WHEREAS, the King County Countywide Planning Policies, hereinafter referred to as the “CPPs”, developed pursuant to the Washington State Growth Management Act, have established standards for cities to plan for their share of regional growth and affordable housing; and

WHEREAS, to implement the CPPs, the King County Growth Management Planning Council appointed a public-private Housing Finance Task Force in 1994, hereinafter referred to as the “HFTF,” to recommend potential fund sources for affordable housing for existing low income residents and for meeting the affordable housing targets for future growth; and

WHEREAS the HFTF recommended a document recording fee as a source of regional dollars for low-income housing development and support, and recommended that representatives of the county, cities and the housing community work together to make decisions about the use and administration of such a fund; and

WHEREAS RCW 36.22.178 provides, in pertinent part, that:

... [A] surcharge of ten dollars per instrument shall be charged by the county auditor for each real property document recorded, which will be in addition to any other charge authorized by law. The county may retain up to five percent of these funds collected solely for the collection, administration and local distribution of the funds. Of the remaining funds, forty percent of the revenue generated through this surcharge will be transmitted monthly to the state treasurer . . .

\* \* \*

All of the remaining funds generated by this surcharge will be retained by the county and deposited into a fund that must be used by the county and its cities and towns for eligible housing projects or units within housing projects that are affordable to very low-income households at or below fifty percent of the area median income. The portion of the surcharge retained by a county shall be allocated pursuant to eligible housing projects or units within such housing projects that serve extremely low and very low income households in the county and cities within the county, according to

an interlocal agreement between the county and the cities within the county, consistent with countywide and local housing needs and policies ... [and in accordance with the eligible activities listed in the RCW 36.22.178].

and

WHEREAS, existing Interlocal Cooperation Agreements or Joint Agreements between the county and cities in the King County Community Development Block Grant Consortium, hereinafter referred to as the “CDBG Consortium Agreements,” and/or existing Interlocal Cooperation Agreements between the county and cities in the King County HOME Investment Partnerships Program Consortium, hereinafter referred to as the “HOME Consortium Agreements,” are not modified by this Regional Affordable Housing Program Agreement; and

WHEREAS, the city and county agree that affordable housing is a regional issue, that cooperation between the cities and the county is beneficial to the region, and that a regional approach to utilizing the RCW 36.22.178 funds will allow those funds to be used in the most productive manner; and

WHEREAS, it is mutually beneficial and desirable to enter into a cooperative agreement in order to administer the RCW 36.22.178 revenue as a regional fund, as authorized by the Intergovernmental Cooperation Act, RCW 39.34, and, as required by RCW 36.22.178 ;

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING CIRCUMSTANCES AND IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

**I. Definitions and Interpretation.**

Capitalized terms used herein shall have the following meanings unless the context in which they are used clearly requires otherwise.

**“Joint Recommendations Committee” or “JRC”** means the interjurisdictional body developed pursuant to and the CDBG and HOME Consortia Agreements as described in Section III of this Agreement.

**“Interjurisdictional Advisory Committee” or “Advisory Committee”** means the work group consisting of representatives from cities eligible to participate in the Regional Affordable Housing Program, and from the county. This group is advisory to the JRC.

**“RAHP/2060 Planning Group”** means the planning group consisting of representatives from the cities, from the county, and from housing and human services agencies serving King County, that will convene during the year the Regional Affordable Housing Program Guidelines expire to review the program and the guidelines and to recommend any changes or updates to the guidelines to the JRC.

**II. General Agreement**

The purpose of this Agreement is to establish the Regional Affordable Housing Program (“RAHP”), to be administered by the county in cooperation with cities and towns within the county that are eligible to participate in the program. The local portion of RCW 36.22.178 revenue shall be administered as a regional fund by the King County Housing and Community Development Program in a manner that is consistent with countywide and local housing needs and policies. The city and the county agree to cooperate in undertaking RAHP activities as set forth herein.

### **III. Administration, Distribution and Use of the RAHP.**

#### **A. Joint Recommendations Committee**

An interjurisdictional Joint Recommendations Committee (JRC) has been established through the CDBG and HOME Consortia Interlocal Cooperation Agreements and is hereby adopted as part of this Agreement. Changes to the JRC that occur in the CDBG and HOME Consortia Interlocal Agreements are incorporated by reference into this Agreement.

1. Composition of the JRC. For RAHP purposes, the JRC shall be composed of cities’ representatives and county representatives as specified in the CDBG and HOME Consortia Agreements, with the addition of an appointment from the City of Seattle. The Seattle JRC representative will only attend JRC meetings that concern the RAHP funds and will be entitled to vote solely on RAHP issues and not on other King County Consortium matters coming before the JRC. The Seattle representative shall be an elected official, department director or comparable level staff.
2. Powers and Duties of the JRC. The JRC shall be empowered to:
  - a. Review and adopt annual RAHP fund allocations.
  - b. Review and adopt RAHP allocation policies.
  - c. Review and adopt any subsequent updates to the RAHP Administrative Guidelines, as needed (the most recent version of the RAHP Administrative Guidelines are attached to this Agreement as Exhibit 1 for illustrative purposes). A jurisdiction that is party to this Agreement may dispute a JRC decision concerning the RAHP Guidelines by informing the JRC Chair of the dispute, and the JRC Chair will schedule time on the JRC agenda to discuss and resolve the disputed issue. In carrying out its duties, the JRC shall make decisions that are consistent with the RCW 36.22.178, the Consolidated Housing and Community Development Plan of the King County Consortium and the City of Seattle, the Ten Year Plan to End Homelessness in King County and other local housing plans, as applicable.

3. Interjurisdictional Advisory Committee to the JRC. In fulfilling its duties under this Agreement, the JRC shall consider the advice of an Advisory Committee, made up of representatives from those jurisdictions eligible to participate in the RAHP that choose to send representation. The Advisory Committee will meet at least once per year with county staff to recommend projects for RAHP funding to the JRC and may monitor the distribution of RAHP funds to the sub-regions and make recommendations to the JRC concerning actions to achieve geographic equity. If the Advisory Committee considers issues other than the RAHP, the staff from the City of Seattle shall only participate for the purpose of making RAHP recommendations.
  
- B. Administration of RAHP Programs. The King County Housing and Community Development Program (HCD) staff shall distribute RAHP funds pursuant to the allocations adopted annually by the JRC, and shall administer the program pursuant to the terms of this Agreement and the RAHP Administrative Guidelines.  
  
County HCD staff shall provide the JRC and the Advisory Committee with an annual report that provides information about the capital housing projects that were awarded RAHP funds in that year, as well as the status of capital housing projects that were awarded RAHP funds in a prior year(s).  
  
County HCD staff shall invite the representatives of cities that are a party to this Agreement to be involved in any work groups convened to update the RAHP Operations and Maintenance (O&M) Fund policies, and to be on the review panel that will recommend O&M funding awards to the JRC.
  
- C. Administrative Costs. The county agrees to pay the costs of administering the RAHP out of the five percent (5%) of the funds collected by the county for expenses related to collection, administration and local distribution of the funds, pursuant to RCW 36.22.178. No portion of the sixty percent (60%) of the RCW 36.22.178 revenue retained by the county in a fund for the RAHP shall be utilized for RAHP administration.
  
- D. Interest on the RAHP Fund. Interest accrued on the sixty percent (60%) of the RCW 36.22.178 revenue retained by the county in a fund for the RAHP shall remain with the RAHP fund and will be distributed to projects according to the subregional allocation target formula found in the RAHP Administrative Guidelines.
  
- E. Sub-Regional Geographic Equity. The parties intend that the RAHP funds shall be awarded to projects throughout the county in a fair and equitable manner over the duration of this Agreement. Equity is to be achieved through sub-regional allocation targets, as follows: A fixed percentage of RAHP local funds will be allocated to each sub-region of the county identified in the RAHP Administrative Guidelines by the expiration of this Agreement. The percentage goals for each sub-region set by the formula in the RAHP Administrative Guidelines shall be updated by the JRC when new data is available.

- F. General Use of Funds. The local portion of the RCW 36.22.178 revenue shall be utilized to meet regional housing priorities for households at or below fifty percent (50%) of area median income, as established in the RAHP Administrative Guidelines.
- G. Compliance with Fair Housing Laws. Parties to this Agreement must take actions necessary to ensure compliance with the Federal Fair Housing Act, as amended, the Americans with Disabilities Act of 1990, and other applicable state and local fair housing laws.

**IV. Effective Date**

This Agreement shall be effective on January 1, 2012.

**V. Agreement Duration**

- A. This Agreement shall extend for a three-year period, through the 2012, 2013 and 2014 calendar years, and shall remain in effect until the RAHP funds allocated in this three-year period, including any recaptured funds received with respect to activities funded during this three-year period, are expended, and the funded activities completed.
- B. Renewal. In the final year of the three-year Agreement period, the county will initiate a review of the Agreement no later than March 1<sup>st</sup>, through an invitation to all eligible cities in the county, to determine whether a majority of cities favor automatic renewal without amendment for a successive three-year period, or whether there are potential amendments. This Agreement shall be automatically renewed for participation in a successive three-year Agreement period, unless the city official empowered to sign the Agreement provides written notice to the county that it elects not to participate in a new three-year Agreement period, or that it wishes to amend the Agreement, by the date set forth by the County in a letter to the city following the review process.

**VI. General Matters and Recording**

- A. No separate legal or administrative entity is created by this Agreement. It is not anticipated that the JRC, the Advisory Committee, nor the RAHP/2060 Planning Group will acquire or to hold any real or personal property pursuant to this Agreement. Any personal property utilized in the normal course of the work of such bodies shall remain the property of the person, entity or city initially offering such personal property for the use of any such body.
- B. The county may terminate this Agreement if at least forty percent (40%) of the jurisdictions in the county representing seventy-five percent (75%) of the population of the county have not signed this Agreement by February 1, 2012, and by February 1st of the first year of successive three-year periods.
- C. The parties to this agreement agree to convene the King County RAHP Consortium as rapidly as possible after a proclamation of a state of emergency by

the King County Executive or when the King County Emergency Coordination Center activates Emergency Services Function 6 (ESF-6), which provides for mass care, emergency assistance, housing and human services. The RAHP Consortium will be convened through a meeting of the Joint Recommendations Committee (JRC) and any representatives of Consortium Cities that desire to attend. The meeting will be convened after the county has been able to gather adequate information regarding housing displacement and potential interim housing needs as a result of the emergency. The purpose of the JRC meeting will be to review the Post-Disaster Interim Housing Annex to the King County Comprehensive Emergency Management Plan, and other available information regarding the emergency, and to begin the process to acquire all federal, state, private or other disaster funding assistance for housing and related needs available to the Consortium. The JRC will also begin the process to determine if the Consortium can commit any RAHP Consortium funds or other Consortium funds (CDBG, Disaster CDBG, HOME or other federal funds that may be available to the King County Consortium through the U.S. Department of Housing and Urban Development) for disaster interim housing efforts.



D. Recording - Pursuant to RCW 39.34.040, this Agreement shall be filed with King County Records.

KING COUNTY, WASHINGTON

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

\_\_\_\_\_  
For King County Executive

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

Jackie MacLean, Director  
Printed Name

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

Department of Community and Human Services

\_\_\_\_\_  
Title

Date

\_\_\_\_\_  
Date

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

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

\_\_\_\_\_  
Michael Sinsky, King County Senior Deputy  
Prosecuting Attorney

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

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

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

## EXHIBIT 1

### King County Regional Affordable Housing Program

#### Administrative Guidelines

##### **I. Introduction**

The provisions of Substitute House Bill (SHB) 2060 became effective in Washington State on June 13, 2002.

SHB 2060 created a document recording fee on certain documents to be utilized for low income housing. Administration of the fund is shared between local governments and the State. The local portion of SHB 2060 funds is to be administered pursuant to a cooperative agreement between the county and the cities and towns within King County.

The work of the Housing Finance Task Force (HFTF), appointed by the King County Growth Management Planning Council in 1994, led to the passage of SHB 2060. In recognition of the recommendations made by the HFTF, a Regional Affordable Housing Program (RAHP)/2060 Planning Group convenes to plan for the use of King County SHB 2060 funds. The King County RAHP/2060 Planning Group<sup>1</sup> is made up of city representatives, county representatives, and representatives from a variety of private housing and services organizations in King County.

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<sup>1</sup> City representatives have included staff from the cities of: Burien, Tukwila, Kent, Federal Way, Redmond, Kirkland, Issaquah, Shoreline, Covington, Seatac, Auburn, Seattle, Bellevue and ARCH

Housing and services organization representatives included staff from the following: Seattle-King County Housing Development Consortium, Impact Capital, South King County Multi-Service Center, Hopelink, Fremont Public Association, Seattle Habitat for Humanity, South King County Habitat for Humanity, Friends of Youth, the Salvation Army, Community Psychiatric Clinic, Lifelong Aids Alliance, St. Andrews Housing Group, Housing Resource Group, EDVP, YWCA, Mental Health Housing Foundation, Rental Housing Association, Highline-West Mental Health, Valley Cities Counseling, Seattle Emergency Housing Service, Common Ground, and Vietnam Veterans Leadership Program, Compass Center, Catholic Community Services, the King County Housing Authority, Seattle Mental Health, and the Committee to End Homelessness

The King County RAHP/2060 Planning Group has designed a regional low income housing fund source, to be administered by the King County Housing and Community Development Program (HCD) in the Department of Community and Human Services.

**II. Duration of the Guidelines**

The RAHP Guidelines shall take effect on January 1, 2007, and shall remain in effect until December 31, 2010.

**III. Review and Update of the Guidelines**

Beginning in 2010, the Guidelines will be updated through the interjurisdictional Joint Recommendations Committee (JRC) pursuant to the RAHP Interlocal Cooperation Agreement, hereinafter “RAHP Agreement.” The RAHP/2060 Planning Group will convene in the first half of 2010 to review the program and the RAHP Guidelines and to recommend any proposed changes to the JRC for adoption prior to the expiration date.

**IV. Decision-Making Structure and Regional Allocation Method**

A. Approving Body – Joint Recommendations Committee.

The interjurisdictional JRC, as defined in the RAHP Agreement, shall be the body that reviews and updates the RAHP Guidelines beginning in 2010, and reviews and adopts annual RAHP funding allocations and related allocation policies. The JRC will be expanded, pursuant to the RAHP Agreement, to include representation from the City of Seattle on RAHP matters.

Allocations and related policies adopted by the JRC must be consistent with these RAHP Guidelines, the Consolidated Plans of the King County Consortium and the City of Seattle, other local housing plans, as applicable, and the Ten Year Plan to End Homelessness in King County.

1. Appeal Process for JRC Decisions

a. Cities – Adoption of Guidelines

Pursuant to the RAHP Interlocal Agreement, a participating jurisdiction may appeal a JRC decision concerning the update of RAHP Guidelines. The jurisdiction must inform the Chair of the JRC, and the JRC chair will schedule time on the JRC agenda to discuss the appeal issue.

b. Applicants – Annual Fund Allocations

Applicants for RAHP funds may appeal a JRC allocation decision if they have grounds based on substantial violation of a fair allocation process, such as bias, discrimination, conflict of interest, or failure to follow the RAHP Guidelines. Appeals by applicants will receive initial review for adequate grounds by the Director of the King County DCHS. If adequate grounds for an appeal are found, the DCHS director will put the appeal on the JRC agenda for review.

B. Annual Fund Allocation Recommendations

An interjurisdictional advisory committee to the JRC, made up representatives from participating jurisdictions in the RAHP Consortium, will work with the King County Housing Finance Program (HFP) staff of King County HCD to make RAHP allocation recommendations and related program policy recommendations to the JRC. While the advisory committee may make recommendations concerning several fund sources for affordable housing in the King County Consortium, the City of Seattle staff will participate on the committee solely for the purpose of making RAHP recommendations.

The review process for RAHP allocations will proceed as follows:

- King County HCD staff will review all RAHP applications and make preliminary funding recommendations.

- Cities’ staff will review applications for projects in their jurisdiction and make preliminary recommendations on those applications.
- Cities’ staff will receive information on all RAHP applications to review prior to the advisory committee meeting at which final funding recommendations are formulated for transmittal to the JRC.
- Advisory committee participants will meet together at least annually to decide upon RAHP funding recommendations to the JRC, and may meet at other times during the year, as necessary, to discuss RAHP issues and make recommendations to the JRC.

C. Subregional Allocation Targets

The RAHP Fund will be a flexible fund that can address regional and subregional housing needs. The fund will use subregional allocation targets as a means to achieve geographic equity in the distribution of SHB 2060 funds by December 31, 2010, the date that these guidelines expire.

1. Subregional Areas:

- a. City of Seattle Subregion
- b. North/East Subregion – north and east urban and rural areas, including 34 percent of unincorporated King County<sup>2</sup>
- c. South Subregion – south urban and rural areas, including 66 percent of unincorporated King County

2. Formula for Subregional Allocation Targets

Each subregion will have a targeted percentage of the RAHP funds, including the interest on the RAHP funds, allocated to projects within the subregion over the period of

time that the RAHP Guidelines are in effect. Each subregion will receive allocations to projects within the subregion that are equal to or greater than 95 percent, of the subregions' allocation target by December 31, 2010.

The formula for allocating RAHP funds to the subregions is as follows:

- One half of the RAHP funds shall be targeted for allocation among the three subregions based on each subregion's relative share of total existing need for affordable housing. Existing need shall be determined by the percentage of low-income households paying more than 30 percent of their income for housing in the subregion, according to the 2000 U.S. Census data.
- One half of the RAHP funds shall be targeted for allocation amongst the three subregions based on the subregions' growth targets for future need, as established through the Growth Management Planning Council. Future need shall be determined by the subregions' relative share of total future need for affordable housing in the County. A subregion's relative share of future need is the percentage of the subregion's affordable housing target for low-income households relative to the cumulative affordable housing target for low-income households of all jurisdictions in the county, including unincorporated King County<sup>3</sup>. Based upon the RAHP formula, the sub-regional allocation targets are as follows:

City of Seattle: 37.9 percent

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<sup>2</sup> Percent of unincorporated King County attributed to the North/East and South Subregions is based on the 2000 census data for households in the unincorporated portions of the King County Community Planning Areas, as listed in the 2002 Annual Growth Report.

<sup>3</sup> The percentage of a subregion's target relative to the cumulative target is derived by averaging the target percentages of the jurisdictions within that subregion. For each jurisdiction, the target percentage is calculated in the following manner: the number of households that a jurisdiction must anticipate, per the 2002-2022 Countywide Planning Policy (CPP) Growth Target, is multiplied by .24 or .20 (depending on the ratio of low wage jobs to low cost housing for the jurisdiction in Appendix 3 of the CPPs); that number is divided by the cumulative affordable housing target for low income households of all King County jurisdictions, including unincorporated King County.

South: 32.7 percent

North/East: 29.4 percent

3. Interjurisdictional Advisory Committee to Monitor Subregional Allocation Targets

The advisory committee will monitor the subregional distribution of RAHP funds every year, determining if any subregion(s) received allocations below 95 percent of the subregion's allocation target.

If any subregion received allocations under 95 percent of the target allocation after several funding cycles, the HCD staff will work with the advisory committee to adjust the allocation targets of such subregion(s) in the subsequent funding cycles, as needed. In addition, the advisory committee may propose strategies and actions, for review by the JRC, that are designed to increase the percentage of RAHP funds spent in those subregion(s). Staff of the jurisdictions that are parties to the RAHP Agreement will assist in implementing actions that will aid in achieving geographic equity in RAHP allocations by December 31, 2010.

**V. Use of the RAHP Funds in King County**

A. RAHP Priorities

1. Top Priority:

- Capital funds for the acquisition, rehabilitation and/or new construction of units of eligible housing types. New construction is not eligible if the low-income housing vacancy rate for all of King County exceeds 10 percent<sup>4</sup>.

2. Second Priority:

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<sup>4</sup> The low income housing vacancy rate for each county will be established by the state, pursuant to the SHB 2060 legislation.

- Operations & Maintenance (“O&M”) fund program for existing homeless housing<sup>5</sup>. This program provides O&M funding for existing<sup>6</sup> transitional housing and transition in place<sup>7</sup> units. The housing units must be eligible for the Washington State Housing Trust Fund, and must show that they require RAHP O&M funds in order to cover ongoing building operating expenses.
- 3. Third Priority:
  - O& M funds for existing emergency shelters and licensed overnight youth shelters.
- 4. Last priority:
  - Rental assistance vouchers to be administered by a local housing authority in conformity with the Section 8 program.

B. RAHP Eligibility

1. Eligible Housing Types

a. Capital Funds

- Permanent rental housing units
- Transition in place and transitional housing units; units that are not time-limited are encouraged.
- Emergency shelter and licensed overnight youth shelter<sup>8</sup>
- Ownership housing

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<sup>5</sup> The O&M fund for the 2007-2010 guidelines is set at approximately 22 percent of \$3,222,000 (the average of the RAHP collections in 2004 and 2005), which is \$700,000 per year for the four year period of the guidelines.

<sup>6</sup> Existing housing is defined as housing that exists as of the date of an application for RAHP funds.

<sup>7</sup> Transition in place units are permanent rental units where supportive services are provided for a period of time, as needed by a household. Households do not need to move when the supportive services are phased out.

<sup>8</sup> RAHP funds are limited to 50 percent of the development cost of any project; consequently, if a shelter project cannot secure adequate funding for the entire cost of development, the RAHP cannot prioritize the project.



b. O&M Funds:

- Existing transitional and transition in place housing units
- Existing emergency shelters and licensed overnight youth shelters

2. Eligible Populations Served by Housing Units

- All units funded with RAHP funds must serve households at or below 50 percent of area median income. Projects that include units for households at or below 30 percent of area median income are encouraged.
- Homeless households<sup>9</sup>, including youth.
- Households at risk of homelessness.<sup>10</sup>
- Disabled households or households with a disabled member.
- Families.
- Special needs populations, including seniors.

3. Eligible Applicants

- Nonprofit organizations
- Housing Authorities
- Local governments
- For-profit entities are only eligible for capital funds in the top priority.

This is due to the language of the SHB 2060 legislation, which restricts building operations and maintenance funds to projects “eligible for the

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<sup>9</sup> Homeless households include: households that lack a fixed, regular and adequate residence; households that reside in a publicly or privately operated shelter designed to provide temporary living accommodations; households that reside in time-limited housing; and households that currently reside in an institution and will be exiting the institution without a fixed, regular and adequate residence.

<sup>10</sup> Households at risk of homelessness include: households paying 50 percent or more of their income for rent, households that have a history of homelessness and are currently unstable, households living in overcrowded or substandard housing, households that are substantially behind on their monthly housing payment or have a pending eviction, households with a disability whose housing is at risk due to aging relatives or other factors.

Washington State Housing Trust Fund.” For-profit entities are not eligible for the Washington State Housing Trust Fund.

4. Eligible use of RAHP Funds by Priority

a. Capital funds:

- Acquisition of land for eligible housing.
- New construction of eligible housing.
- Acquisition of building(s) for eligible housing.
- Rehabilitation of units of eligible housing or to create new units of eligible housing.
- Capitalization of a replacement reserve in connection with a capital investment for new or existing eligible housing units.
- Capitalization of O&M rent buy-down reserves for new eligible housing units to serve households below 50 percent of AMI that are primarily homeless<sup>11</sup>, or at risk of homelessness<sup>12</sup>. Capitalized O&M reserves may only be used to write down rents to very affordable rent levels, below 30 percent of AMI and below 50 percent of AMI (i.e. between 30 percent and 50 percent of AMI,) for units that do not have debt service. Capitalized O&M reserves must be used for expenses directly related to running the building and may not be used for services to the tenants or to cover debt

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<sup>11</sup> See Note 6.

<sup>12</sup> See Note 7.

service<sup>13</sup>. This eligible use may not exceed 20 percent of the RAHP capital funds in any funding cycle.

b. O&M Funds:

- Existing transition in place or transitional housing units are eligible for O&M for ongoing building operations and maintenance expenses that cannot be covered by the rental income of the project, and may not include the cost of services to tenants or debt service.
- Existing emergency shelters and licensed, overnight youth shelters are eligible for O&M for general operating expenses, including services.

c. Vouchers:

- Rental assistance vouchers must be administered by a local housing authority in conformity with the Section 8 program.

**VI. RAHP Administration**

The RAHP funds shall be administered as a regional fund by the King County HCD Program.

A. RAHP Capital Funds

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<sup>13</sup> Other requirements for capitalized O&M reserves include: 1) projects will not be eligible for these funds unless they have either applied first to CTED for O&M and been denied, or have not received Housing Trust Fund capital dollars and are, therefore, not eligible for O&M from CTED; 2) funds will be awarded only in appropriate amounts as needed pursuant to review by the Housing Finance Program, and will be subject to negotiated modifications; and 3) capitalized reserves will be committed for a maximum of five years' rent buy-down subsidy.

RAHP capital funds, including capitalized O&M reserves for new projects and maintenance reserves, will be administered by HFP in conjunction with other fund sources administered by HFP.

The HFP will staff the interjurisdictional advisory committee and will work with the committee to develop RAHP funding allocation recommendations and related policy recommendations for JRC review and adoption.

The HFP will distribute RAHP funds through contracts pursuant to the allocations adopted by the JRC, and will generate an annual RAHP report that provides information about the projects that received funding in the current year, as well as the status of projects awarded RAHP funds in prior year(s).

The terms of the King County Housing Opportunity Fund (HOF) will apply to RAHP contracts, with the exception of the following:

- To the extent that there are differences between the HOF guidelines and RAHP guidelines, the RAHP guidelines will apply.
- A financial match by the local government where a housing project is to be located is not required, but is encouraged.
- RAHP funds will have no maximum subsidy per unit, but the development portion of the award (not including O&M rent buy-down reserves) will be limited to 50 percent of the total development cost of a project.

B. RAHP Operating and Maintenance Funds

The RAHP O&M funds will be administered through the King County HCD Program's Homeless Housing Programs (HHP) Section.

The priority for RAHP O&M funds is existing projects that have been unsuccessful in receiving State 2060 O&M funds or ESAP funds.

HHP will work with the Committee to End Homelessness to ensure that the uses of RAHP O&M funds are consistent with the priorities of the Ten Year Plan to End Homelessness.

HHP will invite city staff and other stakeholders to participate in updating the RFP parameters for O&M funds, if and when updates are necessary, and will invite the same to participate on the panel to review applications for the RAHP O&M funds. The review panel will recommend O&M fund awards to the JRC for final adoption.