

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Authorization to participate in the King County Community Development Block Grant Consortium for the Federal Fiscal years 2006- 2006
DEPARTMENT:	City Manager. Office of Human Services
PRESENTED BY:	Julie Modrzejewski, Assistant City Manager Rob Beem, Human Services Manager

PROBLEM/ISSUE STATEMENT:

Shoreline participates with other cities in King County and with the County as a member of the Block Grant Consortium (Consortium). Shoreline's membership in this Consortium is subject to renewal every three years. By August 1st the City must decide whether or not to continue as a member of the Consortium for the years 2006-2008, enter the appropriate contract to do so, or cease to be a member of the Consortium and develop a separate and direct relationship with HUD. The Consortium has proven to be an effective and efficient way for the City to receive and program its CDBG funds.

The overall funding for the CDBG is declining while the requirements and cost of the program are increasing. With this in mind the Consortium partners, cities and King County; have worked to restructure the Consortium so that it is less costly to operate. There are minimal changes proposed for the Entitlement Communities of Shoreline, Federal Way and Renton. Overall funding for the Community Development Program coming from the Federal Government will be smaller; the operation of the program will remain largely unchanged from current practice.

ALTERNATIVES ANALYZED:

Staff considered:

1. Remain as a member of the King County Block Grant Consortium, or
2. Become a separate entitlement community and receive funding directly from HUD.

FINANCIAL IMPACT:

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The largest financial impact on the Community Development Block Grant Program will come from changes in the federal appropriations. Current estimates call for reduction in the range of 10%, or \$35,000.

RECOMMENDATION

Staff recommends that the City Council adopt a motion authorizing the City Manager to enter an Interlocal Cooperation Agreement with King County governing the City's participation as a member of the Community Development Block Grant Consortium for the Federal Fiscal Years 2006-2008 in substantially the same form as the proposed agreement in Attachment A.

Approved By:

City Manager 

City Attorney 

INTRODUCTION

The City receives its share of the Federal Community Development Block Grant as a member of the King County Community Development Block Grant Consortium. For 2005 this amounted to a grant \$359,500 and income from home loans of \$94,000. Every three years the City must affirm its choice to participate in the Consortium. This year the County has initiated a review and renegotiation of the agreement governing the operation of the Consortium.

BACKGROUND

The City has participated in this Consortium since 1997. Every three years the City has the option of leaving the Consortium and receiving the funding directly from the Department of Housing and Urban Development. Managing and administering the whole Community Development Block Grant (CDBG) program ourselves would grant the City slightly higher amounts of funding and require significantly greater levels of administrative responsibility and cost.

The Community Development Block Grant Program has been under severe budgetary pressure from the Administration and from some in Congress. The CDBG was targeted for a 40% reduction and wholesale revamping in the President's 2006 Budget. Following a concerted effort by local elected officials this reduction was limited to 10% overall in the 2006 Fiscal Year. For 2005, the City's share of the CDBG is \$359,500. The reduction in overall funding combined with other potential policy changes at the federal level is estimated to result in roughly a \$36,000- \$45,000 decrease in CDBG funding for Shoreline in 2006. These estimates are based on the current Federal authorizations and will change based on the final Federal appropriations.

The City consistently has found that it is more cost effective to remain a member of the Consortium. Staff recommends that the City continue its participation as a member of this Consortium.

City staff is currently working with King County and the cities of Renton and Federal Way to renegotiate the three-year Interlocal Cooperation Agreement that governs our participation in the Consortium. A Final Draft Version is found as Attachment A. This new agreement is being developed with an eye toward the potential for significant policy changes at the federal level, decreases in total CDBG funding and the continued increase in the County's costs to administer the program. We are seeking to streamline and reduce costly provisions of the agreement wherever possible.

DISCUSSION

The City has two options for receiving its Community Development Block Grant: remain a member of the Consortium or become a separate entitlement jurisdiction. If the City chooses to remain a partner in the Consortium, Council must the relevant Interlocal Agreement that governs the Consortium.

Remain a member of the Consortium:

As a member of the Consortium the City continues the current practice of contracting with King County to manage the overall relationship with HUD and certain aspects of the CDBG Program's administration. The Consortium sets some parameters as to how the CDBG Funds will be used such as total number of and size of projects. As a practical matter this has not hampered the City's ability to make use of the CDBG funds. The City retains the ability to determine how the CDBG funds will be used.

Advantages:

- ◆ Shoreline retains local control of public service projects and capital projects with some limitations.
- ◆ Projects and programs that benefit Shoreline residents can also be supported by funding from other cities in the Consortium.
- ◆ King County manages the relationship with HUD and retains responsibility to the federal government for all activities undertaken with CDBG funds.
- ◆ King County has the staff and infrastructure in place to operate the CDBG program and implement a variety of projects and programs.
- ◆ Shoreline has representation from Council Members on the Joint Recommendation Committee that adopts policies of the Consortium and at the staff level in a variety of working groups.
- ◆ The City retains the ability to support in-house staffing that is needed to plan for and to implement the CDBG program.

Disadvantages:

- ◆ Shoreline will be limited in the number of stand alone capital project per year reducing the City's ability to allocate smaller amounts of funding to a number of projects.
- ◆ The City must abide by Consortium wide decisions on funding levels of the Housing Stability Project (Eviction prevention) and Home Repair.

Become a Stand Alone Entitlement Jurisdiction

Leaving the Consortium would establish Shoreline as a direct entitlement jurisdiction for the 2005-2008 period.

Advantages:

- ◆ The City has full control over its CDBG program within the federal guidelines.
- ◆ Greater flexibility in decisions about allocation of CDBG revenues.

Disadvantages:

- ◆ Shoreline is directly responsible to HUD the federal government for all activities undertaken with CDBG funds.
- ◆ The City will need to recruit and train additional staff and set up administrative systems to administer the program including impacts on finance, legal staff and planning.
- ◆ Reductions to CDBG funding over the 2006-2008 period may require that the City increase the general fund subsidy to the program and/or reduce staff and programs.
- ◆ Projects funded would be limited by staff capacity to implement projects.
- ◆ No access to Consortium's funding from other cities and for economic development activities

Staff recommends that the City remain a member of the Consortium as a cost effective way in which to administer this fund source.

New Interlocal Agreement

As noted above, the new Interlocal is being negotiated in anticipation of significant program change and potential reductions in overall funding. The County is particularly interested in reducing the complexity of program administration in order to reduce operational costs. This results in minor reductions in flexibility for Shoreline. These changes do not fundamentally affect the program or Shoreline's ability to determine how CDBG funds are utilized.

Since its creation over 20 years ago, the Community Development Block Grant Consortium has supported almost all King County cities' participation in the CDBG program. Seattle, Bellevue, Auburn and Kent are the only cities that are not members of the Consortium. The cities of Shoreline, Federal Way and Renton are considered entitlement cities and have the option of going it alone. All three continue to find it advantageous to remain in the Consortium. Other cities such as Lake Forest Park, Kenmore and Sea Tac, are required by HUD to participate in the Consortium in order receive CDBG funding.

Up to this point in time the Consortium has provided all participating cities with maximum flexibility to decide how to allocate their share of the overall CDBG. In

essence each city was able to operate their CDBG program as though they were separate entitlement communities. This has proven to be an increasingly costly system to for the County to operate. As a result funds available to cities for planning and administration have declined. Shoreline's planning and administration funding has dropped from a high of \$54,500 in 2003 to \$38,800 in 2005. To address these issues, the non-entitlement cities have significantly revised how they operate as members of the Consortium. Their new agreement is administratively simpler and requires less work on the part of the participating cities. To achieve these efficiencies these cities have opted to pool their CDBG funding and to make decisions on a sub-regional basis. That is all cities from Lake Forest Park to North Bend, the North and East Sub-Region, will allocate CDBG funds as one single area. Cities in the South County will do the same. The effects on the three entitlement cities are much less drastic.

Changes in the Interlocal for Shoreline: Minimal Impact

Currently Shoreline contracts with King County to operate the overall CDBG program. The County annually sets aside its administrative costs and an amount to operate a county wide eviction prevention program. Shoreline determines how the balance of funds are to be allocated using HUD program guidelines that define which types of activities – capital, housing or direct services- can be funded. The new proposed agreement modifies this arrangement in some modest ways in order to hold down administrative costs and to preserve key housing programs.

The following chart summarizes the key components of the current and proposed Interlocal Cooperation Agreement.

Item	New Proposed ICA	Current ICA
Human Services	City determines agencies funded and administers contracts. Funding level 15% of Total CDBG Program	City determines agencies funded and administers contracts. Funding level 15% of Total CDBG Program.
Home Repair	Funding set at 25% of annual. CDBG Program Total. All Consortium cities participate. (\$100,500)	City determines allocation annually. Not all cities in Consortium contribute to HRP Funding.(City has historically allocated over 35% of its annual grant for this activity and currently carries a fund balance) (\$175,000)
Housing	Fund at 5% of total CDBG	Fund at 5% or \$300,000 total

Stability Program	<p>Program</p> <p>Shoreline's share \$20,000</p>	<p>for Consortium which ever is higher.</p> <p>Shoreline's Share \$20,000</p>
Administration	<p>Caps County and City revenue for administration at a fixed 10% for each.</p> <p>County can charge up to 2% of overall grant amount to cover costs of implementation of capital projects.</p> <p>County - \$40,000 up to <u>\$8,000</u> \$48,000</p> <p>Shoreline - \$40,000</p>	<p>County covers costs and city gets the balance.</p> <p>County - \$86,000</p> <p>Shoreline - \$38,800</p>
Capital	<p>City determines activities funded provided that:</p> <ul style="list-style-type: none"> • Projects are at least \$30,000 • No more than two "stand alone" projects are funded • Unlimited number of allocations to activities funded by others in the Consortium. <p>City has increased responsibility to screen projects for eligibility.</p> <p>City and/or sub-grantees responsible for any unforeseen relocation expenses.</p> <p>County responsible for project management and compliance with Federal regulations. County can charge up to a 2% of the total CDBG Program for project implementation.</p>	<p>City determines activities funded.</p> <p>County determines project eligibility.</p> <p>County responsible for project management and compliance with Federal regulations.</p> <p>County covers cost of implementation in "Administrative Set-aside"</p>

This proposed agreement provides the City and its residents with the same benefits from using CDBG funds in the future as they receive today at the same or lower costs. King County's charge for program administration declines and is set as a percentage. Assuming a 10% reduction in CDBG funding the City's direct revenues for planning and administration remain essentially level. Shoreline continues to have the flexibility to allocate funds to activities that deliver services to Shoreline residents. The City's economic development activities retain access to the large Consortium-Wide pool of loan and loan guarantee funds. The City continues to be able to partner with other Consortium communities in activities that support Shoreline residents' needs whether or not those activities are physically located in Shoreline.

RECOMMENDATION

Staff recommends that the City Council adopt a motion authorizing the City Manager to enter an Interlocal Cooperation Agreement with King County governing the City's participation as a member of the Community Development Block Grant Consortium for the Federal Fiscal Years 2006-2008 in substantially the same form as the proposed agreement in Attachment A.

Attachment A: Proposed Interlocal Cooperation Agreement

**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 (CDBG) funds, for expenditure during the 2006-2008 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.

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 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 are committed to targeting CDBG funds to ensure benefit to low- and moderate-income persons as defined by HUD; and

WHEREAS, the County and the participating jurisdictions recognize that needs of low- and 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 Chap. 39.34, is for planning the distribution and administration of CDBG, HOME Investment Partnership, 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 funds from federal Fiscal Years 2006, 2007, and 2008 appropriations, from recaptured funds and from any program income generated from the expenditure of such funds.

II. GENERAL DISTRIBUTION OF FUNDS

- A. The County will retain an amount equal to 10% of the City's Entitlement plus Program Income each year for administration and fund management.
- B. The County will reserve an amount equal to 2% of the City's Entitlement plus Program Income each year for eligible project management related costs for the implementation of projects funded by the City. Following close-out of all projects for a given fund year, any balance remaining at the completion of project management will be recaptured and returned to the City for reallocation in the following program year while this Agreement is in effect.
- C. Five percent of the funds available from the City's 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).
- D. Twenty-five percent of the funds available from the City's 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.

- 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 III below.
- F. Entitlement amount means the amount of funds which a metropolitan city is entitled to receive under the Entitlement Grant Program as determined by formula set forth in section 106 of the Act.
- G. 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 income generated from float loan activity. Pro rata calculations will use the amount in II (F) above.
- H. Recaptured funds means a fund balance 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.

III. 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 570 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 annually. Capital funds not used for these projects may be allocated to sub-regional projects by the city unless returned by city to the subregional fund.
- D. New capital projects mean a project that requires the establishment of a new HUD IDIS activity number as opposed to a project that exists and supplemental funding is being added to the existing project.

IV. JOINT RECOMMENDATIONS COMMITTEE

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

- A. Composition. The Committee 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 person from meeting to meeting.

2. Four of the cities' representatives will be from non-entitlement consortium cities as provided in the Interlocal Cooperation Agreement Regarding the Community Development Block Grant Program.
3. Two of the cities representatives shall be rotated among the CDBG "Joint Agreement" cities of Federal Way, Shoreline and Renton.
 - a. For the rotating positions, each city will serve two years on and one year off. Each city will select its representative and notify the County.
 - b. The chart below sets forth the rotation schedule for the two rotating city representatives. The third city shall act as an alternate to the representative cities:

Joint Agreement	2006	2007	2008
Federal Way		X	X
Shoreline	X	X	
Renton	X		X

- c. If any city, in accordance with HUD instructions, notifies the County of its intent to change its status at the end of the three-year qualification period and as a result the number of CDBG "Joint Agreement" cities changes, County staff shall initiate a timely process to revisit the cities representation on the JRC.
 - d. The two representatives will vote on issues affecting Joint Agreement Cities and that are specific to this agreement.
4. Two of the cities' representatives will be from those entitlement cities signing HOME-only agreement. .
5. The chairperson and vice-chairperson of the Committee shall be chosen from among the members of the Committee by a majority vote of the members for a term of one year beginning the first meeting of the calendar year. Attendance of five members will constitute a quorum.

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

1. Review and recommend to the King County Executive all policy matters concerning the Consortium's CDBG and HOME Program, including but not limited to the Consolidated Housing and Community Development Plan and related plans and policies.

2. Review and recommend to the King County Executive the projects and programs to be undertaken with the CDBG funds and HOME funds, including the administrative setaside.
 3. Monitor and ensure that all geographic areas and participating jurisdictions benefit fairly from CDBG- and HOME-funded activities over the three-year agreement period, so far as it is feasible and within the goals and objectives of the Consolidated Plan.
- C. Advisory Committees to JRC. In fulfilling its duty to review and recommend projects and programs to be undertaken with the CDBG and HOME funds, the JRC shall consider the advice of inter-jurisdictional advisory committees. Sub-regional advisory committees, made up of one representative from any and all participating jurisdictions in a sub-region, 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.

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 funds has responsibility for and assumes all obligations in the execution of this CDBG Program, including final responsibility for selecting and executing activities 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.

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.)
- 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 Administrative Setaside and appropriation of all CDBG funds upon review and recommendation by the JRC.
- D. The King County Executive, as administrator of this CDBG Program, shall have authority and responsibility for all administrative requirements for which the County is responsible to the federal government.
- E. The King County Executive shall have authority and responsibility for all fund control and disbursements.
- F. 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. County Executive staff shall have the authority and responsibility to communicate and consult with Joint Agreement City on CDBG 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-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, both in the development of viable CDBG proposals and in complying with CDBG 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 the County's review and assessment in determining whether King County must prepare an Environmental Impact Statement. 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.

VI. **RESPONSIBILITIES OF THE JOINT AGREEMENT CITY**

- A. City shall cooperate in the development of the Consolidated Housing and Community Development Plan and related plans.

- B. City shall assign a staff person to be the primary contact for the County on CDBG/HOME issues. The assigned CDBG/HOME 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, (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 5th day of the month will be effective on the 1st day of the next month.
- D. The Joint Agreement city 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 the 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 CDBG 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 non-CDBG funds).
 - 3. The City will assure County receipt of all required security documents related to funded capital project activities (this includes non-profit agencies which have been awarded funds) prior to the execution of a contract between the awarded agency and the County in order to incorporate said documents into the contractual agreement.

- 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. 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. 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. 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), 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. City understands that it may not apply for CDBG grant entitlement funds from HUD for the period of participation in this Agreement.
- L. The Joint Agreement 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 may participate in a HOME program only through the CDBG urban county.

- M. Joint Agreement City 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.
- N. Joint Agreement City retains responsibility in fulfilling the requirements of the State Environmental Policy Act under which King County has review responsibility only.

VII. SHARED RESPONSIBILITY

A. Federal Labor Standards:

1. 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. County will be responsible for reviewing and approving weekly certified contractor payrolls (wage rates, benefits, proper apprentice-journey ratios, etc. County will complete a review of initial payrolls submitted to County Staff within 10 working business days of receipt from the contractor or city before payment will be made by the contracting agency.
3. 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 City pays before the County approves, City will be responsible for any compliance problems.
4. County will be responsible for submitting information for the semi-annual contractor/subcontractor report and the Section 3 report to HUD
5. County will provide technical assistance to identify Davis-Bacon issues during the application process.
6. County will handle non-compliance issues provided the above requirements are met.

B. Uniform Relocation Act/Barney Frank:

1. City/Agency 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. County will provide advice and technical assistance if consulted ahead of time and will handle any necessary relocation processes.

C. Financial/Fund Management:

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. City will report accomplishments on each of their public service and stand alone projects.
2. County will prepare all reports to HUD: CAPER; semi-annual reports on contracting/subcontracting, Section 3, and labor standards; quarterly Federal Cash Transaction Reports.
3. County will report quarterly on capital project status and on housing repair activity. The Housing Stability program report will continue to be submitted annually with updates provided on the geographic location of clients served.

E. Monitoring:

1. 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. County will monitor the City (and may monitor selected subcontracting agencies).
3. County staff will meet with City staff quarterly to monitor, provide technical assistance, and discuss capital project status.
4. County will be monitored by HUD, the State Auditor, and by the HUD Inspector General.

F. 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 shall participate in other Consortium-wide planning activities envisioned in the Consolidated Plan such as the HOME Working Group, monitoring the Housing Stability Program, THOR funding, and other subregional processes.

VIII. GENERAL TERMS

- A. This Agreement shall extend through the 2006, 2007, and 2008 program years, and shall remain in effect until the CDBG funds and program income received with respect to activities carried out during the three-year qualification period are expended and the funded activities completed. This Agreement shall be automatically renewed for participation in successive three-year qualification periods, unless the County or the City provides written notice that it wishes to amend this agreement or elects not to participate in the new qualification period by the date set forth by the United States Department of Housing and Urban Development in subsequent Urban County Qualification Notices. 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 funds shall be expended for activities that do not affirmatively further fair housing within its jurisdiction or that impedes the County's actions to comply with its fair housing certification.
- 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. It is recognized that amendment to the provisions of this Agreement may be appropriate, and such amendment shall take place when the parties to this Agreement have executed a written amendment to this Agreement. The City and the County also agree to adopt any amendments to the Agreement incorporating changes necessary to meet the requirements for cooperation agreements set forth in an Urban County Qualification Notice applicable for a subsequent three-year qualification period, and to submit such amendment to the United States Department of Housing and Urban Development. Failure to adopt such required amendment shall void the automatic renewal of the Agreement for the subsequent qualification period.

KING COUNTY, WASHINGTON

CITY OF _____

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 _____

Michael Sinsky, King County Senior
Deputy
Prosecuting Attorney

_____, City Attorney

ATTEST:
CITY OF _____

_____, City Clerk