



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 5722
July 21, 2020
Consent Calendar

AGENDA BILL INFORMATION

TITLE:	AB 5722: Renew Interlocal Agreement with King County for the CDBG and HOME Consortiums	<input type="checkbox"/> Discussion Only
RECOMMENDED ACTION:	Authorize the automatic renewal of the interlocal agreement with King County for the CDBG and HOME Consortiums	<input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

DEPARTMENT:	Community Planning and Development
STAFF:	Alison Van Gorp, Deputy Director
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Interlocal Agreement 2. Letter from King County Department of Community and Human Services
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

SUMMARY

The purpose of this agenda bill is to provide the City Council with an opportunity to review the Interlocal Agreement ("ILA") with King County related to the Community Development Block Grant ("CDBG") consortium and the HOME Investment Partnerships Program ("HOME") consortium. The ILA is set to automatically renew unless the City Council decides not to participate.

BACKGROUND

CDBG is a program of the U.S. Department of Housing and Urban Development (HUD) that funds local community development activities with the goal of providing affordable housing, anti-poverty programs, and infrastructure development. The funds are distributed on a formula basis to states and local governments. The HOME Program, likewise, provides formula grants to States and localities that communities use, often in partnership with local nonprofit groups, to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people.

CDBG and HOME funds are dispersed annually by HUD. States, counties, and large cities receive funds directly. Smaller cities in urban areas, like Mercer Island, participate through an Urban County Consortium coordinated by King County. King County and the cities in King County, including Mercer Island, jointly

cooperate in an urban county consortium to further the broad goals of the federal programs. To carry out these activities, King County and the Consortium have agreed to a decision-making structure.

The King County Housing, Homelessness and Community Development Division manages Consortia funds on behalf of the participating city members and staffs the Joint Recommendations Committee (JRC) of the consortia. The JRC is an inter-jurisdictional body that provides funding recommendations and advice on guidelines and procedures for King County and its consortia city partners on a wide range of housing and community development issues. The JRC is comprised of three King County representatives appointed by the King County Executive, and eight representatives of consortia cities. Sub-regional inter-jurisdictional committees have also been established to advise the JRC in its review and recommendation of projects and programs funded with federal grants. The sub-regional committees are made up of one representative from each participating jurisdiction in a sub-region of King County. There are currently North/East and South County sub-regional advisory committees. Mercer Island participates in the North/East sub-regional committee.

CURRENT ACTION

The CDBG and HOME consortium is established through an ILA, which is reviewed and if needed, modified every three years to coincide with the federal program cycle. The ILA for the CDBG Consortium and HOME Consortium initially covered the years 2015-2017 and was renewed with no changes for years 2018-2020 (Exhibit 1). The ILA will be automatically renewed again for the years 2021-2023 unless the City notifies King County and HUD that Mercer Island has decided **not** to participate in one or both during the 2021-2023 term. This notification must be made by July 25, 2020.

Continued participation in the CDBG and HOME consortiums has benefits for the City and for low- and moderate-income residents. Benefits include access to home repair and emergency assistance grants and loans, as well as funding for affordable housing construction and preservation. These benefits are further detailed in the June 24 letter to Mayor Wong from Leo Flor, Director of King County's Department of Community and Human Services (see Exhibit 2).

It is also important to note that 40% of the CDBG funds allocated to the North/East sub-region are contributed to ARCH (A Regional Coalition for Housing) and are awarded to eligible affordable housing projects that are selected by the ARCH Executive Board through a competitive process. These funds assist Mercer Island in meeting its affordable housing goals. The remaining 60% of funds allocated to this sub-region are designated for local infrastructure and park projects and are awarded through a competitive process by the JRC.

RECOMMENDATION

Authorize the automatic renewal of the interlocal agreement with King County for the Community Development Block Grant consortium and the HOME Investment Partnerships Program consortium.