



**BUSINESS OF THE CITY COUNCIL
CITY OF MERCER ISLAND**

**AB 6286
June 20, 2023
Consent Agenda**

AGENDA BILL INFORMATION

TITLE:	AB 6286: Renew 2024-2026 Interlocal Cooperation Agreement with King County Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) Program Consortiums	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Authorize the automatic renewal of the interlocal agreement with King County for the CDBG and HOME Consortiums.	

DEPARTMENT:	Community Planning and Development
STAFF:	Jeff Thomas, CPD Director Alison Van Gorp, Deputy CPD Director
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Interlocal Cooperation 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

EXECUTIVE SUMMARY

The purpose of this agenda bill is to provide the City Council with an opportunity to review the Interlocal Cooperation Agreement (“ICA”) renewal regarding continued participation by the City of Mercer Island in the King County Community Development Block Grant (CDBG) Consortium and the King County HOME Investment Partnerships (HOME) Program Consortium.

- The ICA for the CDBG Consortium and HOME Consortium (Exhibit 1) was signed in 2014 ([AB 4979](#)) and covered the years 2015-2017.
- The ICA was renewed without changes for the years 2018-2020 and 2021-2023 ([AB 5722](#)), and will automatically renew for the years 2024-2026 unless the City of Mercer Island decides to not participate in one or both.

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. Small cities, with a population under 50,000, do not receive funds directly. Rather, funds are allocated either to the state, or in urban areas, to the county for distribution. Smaller cities in urban areas, like Mercer Island, can collaborate to receive funds through an Urban County Consortium. Cities that choose not to participate in an Urban County Consortium are eligible to apply for grant funds through the state.

King County and the smaller cities in King County, including Mercer Island, jointly cooperate in an Urban County Consortium to further the broad goals of the federal programs. Funds are distributed to the Consortium via King County and are then allocated to projects. To carry out these activities, King County and the Consortium have agreed to a decision-making structure through the ICA.

The King County Housing, Homelessness and Community Development Division manages consortium funds on behalf of the participating city members and staffs the Joint Recommendations Committee (JRC) of the consortium. 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.

The North/East subregion has elected to split CDBG funds into separate tracks for distributing 1) affordable housing funding, and 2) non-housing funding. Forty percent of the CDBG funds are managed by 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 sixty percent 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. Mercer Island can apply for these funds through the competitive process each year. The chart below summarizes the CDBG funds available to the North/East subregion over the last four years.

	Affordable Housing Projects	Non-Housing Capital Projects
2019	\$113,797	\$170,694
2020	\$126,455	\$189,682
2021	\$178,570	\$639,174
2022	\$164,737	\$524,519

ISSUE/DISCUSSION

The CDBG and HOME Consortiums are established through an interlocal cooperation agreement (ICA), which is reviewed and if needed, modified every three years to coincide with the federal program cycle. The ICA for the CDBG Consortium and HOME Consortium (Exhibit 1) was signed in 2014 ([AB 4979](#)) and initially covered the years 2015-2017. It was renewed with no changes for years 2018-2020 and 2021-2023 ([AB 5722](#)). The ICA will be automatically renewed again for the years 2024-2026 unless the City notifies King County and HUD that Mercer Island has decided not to participate in one or both during the 2024-2026 term. This notification must be made by June 24, 2023.

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/preservation and for capital projects including parks and infrastructure improvements. These benefits are further detailed in the May 24 letter to Mayor Nice from Simon Foster, Division Director of King County's Housing, Homelessness and Community Development Division (Exhibit 2).

NEXT STEPS

It is recommended that the City continue to participate in the CDBG and HOME Consortiums by allowing the ICA to automatically renew. While no formal action is required for continued participation, a motion to renew the ICA is requested to affirm the City's position. Alternatively, if the City Council would like to withdraw from the CDBG or HOME consortia, action must be taken to notify King County and HUD by June 24, 2023.

RECOMMENDED ACTION

Authorize the automatic 2024-2026 renewal of the Interlocal Cooperation Agreement with King County for the Community Development Block Grant Consortium and the HOME Investment Partnerships Program Consortium.