



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

**AB 6313
July 28, 2023
Special Business**

AGENDA BILL INFORMATION

TITLE:	AB 6313: First Amendment to the Interlocal Cooperation Agreement Regarding the Community Development Block Grant (CDBG) Between the City of Mercer Island and King County	<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:	Approve the First Amendment to the Interlocal Cooperation Agreement Regarding the Community Development Block Grant (CDBG) Between the City of Mercer Island and King County.	

DEPARTMENT:	Community Planning and Development
STAFF:	Jeff Thomas, CPD Director Alison Van Gorp, Deputy CPD Director
COUNCIL LIAISON:	n/a
EXHIBITS:	1. First Amendment to the Interlocal Cooperation Agreement Regarding the Community Development Block Grant (CDBG) Between the City of Mercer Island and King County
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 first amendment to the Interlocal Cooperation Agreement (“ICA”) Regarding the Community Development Block Grant (CDBG) Program Between the City of Mercer Island and King County.

- CDBG is federal funding that the US. Department of Housing and Urban Development (HUD) sends to the King County Consortium for capital projects and human services programs in the County.
- The City Council originally approved the 2015-2017 Interlocal Cooperation Agreement Regarding the Community Development Block Grant (CDBG) Program in July 2014.
- The ICA has renewed for 3-year terms since then.
- On June 20, 2023, the 2024-2026 automatic renewal of the ICA was brought to the City Council for review and approval ([AB 6286](#)).

- On the afternoon of July 21, 2023, King County notified the City, along with 28 other local jurisdictions, that HUD is requiring an amendment to the ICA to include language related to fair housing and civil rights obligations.
- The City must sign the amendment by August 11, 2023 or King County will no longer be considered an Urban County and HUD funds will not be available to Mercer Island and potentially the entire King County Consortium for 2024-2026.

BACKGROUND

In July 2014, Mercer Island entered into an [interlocal cooperation agreement](#) (pursuant to RCW Ch. 39.34) with King County to allow Mercer Island to apply through King County for federal Community Development Block Grant (“CBDG”) funding for public infrastructure and park projects that serve moderate to low-income neighborhoods. In addition, the interlocal consortium provides community members and non-profits options to apply for home repair grants or loans, support homelessness, human service funding, among others.

ISSUE/DISCUSSION

King County has informed the City that a technical, non-substantive amendment to the ICA is required prior to August 21, 2023 in order to maintain federal funding. King County has been notified by the US Department of Housing and Urban Development (HUD) that since King County is responsible to the federal government for all activities undertaken with CBDG funds and is responsible for all certifications and reporting to HUD that all agreements for CBDG funds must have language incorporating fair housing and civil rights obligations or the King County Consortium will lose HUD funding. The proposed first amendment restates existing ILA Section 1 with the addition of such language (Exhibit 1).

If the amendment is not approved, King County’s status as an “Urban County” would be void and HUD funds will not be available to Mercer Island and potentially the entire King County Consortium in 2024-2026.

RECOMMENDED ACTION

Authorize the City Manager to sign the First Amendment to the Interlocal Cooperation Agreement as substantially the same form in Exhibit 1 regarding the Community Development Block Grant (CDBG) Program between the City of Mercer Island and King County.