

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; 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-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 City 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 City 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 Chapter 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. 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 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 include more than one subcontract as long as only one HUD IDIS activity number is required and the City submits all information, reports and invoices to the County as one project.
- 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 Entitlement plus program income each year for administration and fund management. The remaining 10% of the City's 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 Entitlement plus program income each year for eligible project management related costs for the implementation of projects funded by the City.
- 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). 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 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 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 sub-regional fund.
- D. Public Service funds:
 - 1. There will be a one-year extension through 2006 to those public service projects awarded funds in 2005. Should the City cancel and/or amend one of those projects, they may reallocate the funds to another project funded in 2005.
 - 2. The City agrees to a maximum of four stand-alone public service projects per year commencing in program year 2007. 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 Consortium sub-regional funding shall not be binding on the Joint Agreement cities.

V. **JOINT RECOMMENDATIONS COMMITTEE**

An inter-jurisdictional Joint Recommendations Committee ("JRC") shall be established through the 2006 - 2008 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 for the Community Development Block Grant Program.
 - 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 Joint agreements or HOME-only agreements. These latter four representatives shall have no vote on matters specific to the jurisdictions of the King County Consortium Interlocal Cooperation Agreement for the Community Development Block Grant Program.
 - 4. Two of the eight cities representatives shall be rotated among the CDBG Joint Agreement cities of Federal Way, Shoreline and Renton. The two

representatives will vote on issues affecting Joint Agreement Cities that are specific to this agreement

5. For all the rotating positions, each city will serve two years on and one year off. Each City will select its representative and notify the County.
 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 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 funds, including the Administrative Set-aside.
 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 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 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 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; and
 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 Set-aside and appropriation of all CDBG funds.
- 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. King 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 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. 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, 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 timeline; 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 and/or their funded agency 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 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 ensure 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 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. 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. 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 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.
3. 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:

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 to the County 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). County will be monitored by HUD, the State Auditor, and by the HUD Inspector General.
 3. County staff will meet with City staff quarterly to monitor, provide technical assistance, and discuss capital project status.
- 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 may participate in other Consortium-wide planning activities envisioned in the Consolidated Plan such as the HOME Working Group and monitoring the Housing Stability Program, THOR funding, and other sub-regional 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 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 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 HUD. 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, Director
Printed Name

Printed Name

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

Michael Sinsky, King County Senior Deputy
Prosecuting Attorney

City Attorney

ATTEST:
CITY OF _____

City Clerk