INTERLOCAL COOPERATION 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 **Des Moines**, (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 funds, hereinafter referred to as "CDBG", for expenditure during the **2015, 2016 and 2017** 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, the CDBG Regulations require the acceptance of the King County Consortium Consolidated Housing and Community Development Plan ("Consolidated Plan") by participating jurisdictions; and

WHEREAS, King 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, King County and the participating jurisdictions agree that it is mutually desirable and beneficial to enter into a consortium arrangement pursuant to and authorized by the National Affordable Housing Act of 1990, as amended, 42 USC 12701 et. seq. and 24 CFR Part 92 for purposes of the HOME Investment Partnerships Program, hereinafter referred to as "HOME Program", and to cooperate in undertaking HOME Program activities; and

WHEREAS, King County and the participating jurisdictions agree that it is mutually desirable and beneficial to enter into a consortium arrangement pursuant to and authorized by the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, for purposes of the Emergency Solutions Grant Program, hereinafter referred to as "ESG", and to cooperate in undertaking ESG activities; and

WHEREAS, King County shall undertake CDBG, ESG and HOME Program-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, King County and the participating jurisdictions are committed to targeting CDBG, ESG and HOME Program funds to ensure benefit for very low to moderate-income persons as defined by HUD; and

WHEREAS, King County and the participating jurisdictions recognize that needs of very low to moderate-income persons may cross jurisdictional boundaries and therefore can be considered regional and sub-regional needs as well as local needs; and

WHEREAS, King 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 Interlocal Cooperation Agreement, entered into pursuant to and in accordance with the State Interlocal Cooperation Act, RCW Chap. 39.34, is to form an urban county consortium, ("Consortium"), for planning the distribution and administration of CDBG, ESG, HOME Program, 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 community renewal and lower-income housing assistance activities, funded from annual CDBG, ESG and HOME Program funds from federal fiscal years **2015, 2016 and 2017** appropriations, from recaptured funds and from any program income generated from the expenditure of such funds. These activities include the provision of decent housing, homeless assistance, and a suitable living environment and economic development opportunities, principally for persons with very low to moderate incomes.

II. DEFINITIONS

A. "JRC" means the inter-jurisdictional Joint Recommendations Committee as described in Section V of this Agreement.

B. "CDBG Consortium Partners" means jurisdictions that are official HUD-recognized participants in the CDBG Consortium through a signed Interlocal Agreement.

C. "Consolidated Plan" is the King County Consortium Consolidated Housing and Community Development Plan, a HUD-required plan that identifies needs and contains a strategic plan to guide the investment of HUD CDBG, HOME and ESG funds for a multi-year period not to exceed five years.

III. GENERAL DISTRIBUTION OF FUNDS

The distribution of CDBG and HOME Program funds for the King County urban county Consortium shall be governed by the provisions below.

Planning and Administration

A. The Administrative and Planning Set-asides for the CDBG and the HOME Programs, to be reserved by the County to meet the County's responsibility to meet all HUD requirements for planning and administration, shall be the maximum allowable by HUD [currently twenty (20) percent of the CDBG funds available from the annual entitlement and twenty (20) percent of program income, and ten (10) percent of the HOME Program funds available from the annual entitlement and ten (10) percent of program income]. If the current percentages for CDBG and/or HOME administration and planning are changed at the federal level, the Consortium may allow the percentage retained by the County to change, following review and recommendation by the Joint Recommendations Committee ("JRC"), as provided in Section V, and approval by the Metropolitan King County Council, as provided in Section VI.

Public/Human Services

B. The Human Services Set-aside of CDBG shall be the maximum allowable by HUD for human services [currently fifteen (15) percent of the funds available from the CDBG annual entitlement and fifteen (15) percent of program income]. The Human Services Set-aside, including Housing Stability homeless prevention activities and other homeless activities, shall be determined by the CDBG Consortium Partners and approved by the JRC in the Consortium's most current Consolidated Housing and Community Development Plan.

Housing Repair

C. The Housing Repair Program Set-aside shall be twenty (20) percent of the funds available from the CDBG entitlement and twenty (20) percent of program income (this percentage is discretionary and not required or limited by HUD). 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 need for housing repair that justifies an increase or decrease.

Remaining Capital Funding

D. The remaining entitlement and program income funds, as well as any recaptured or prior year funds, shall be divided into two separate funds for the two sub-regions of the county: 1) north/east sub-region; and 2) south sub-region. The percentage split between the two funds shall be equal to the percentage of low to moderate-income population represented by each sub-region. Each sub-region may propose funding priorities and allocate portions of the sub-region's funds to such priorities for separate competitive processes. Such competitive processes must be for eligible activities that are consistent with the King County Consortium Consolidated Housing and Community Development Plan. A sub-region may also

elect to allocate additional funds to the Consortium's Housing Repair Program for the benefit of residents of the sub-region.

1. The north/east sub-region shall include those cities in the north and east and those portions of unincorporated King County that lie north of Interstate 90. The cities of Mercer Island, Newcastle, Issaquah, and North Bend, which are at or near the Interstate 90 border, along with their designated potential annexation areas, also shall be included in the north/east sub-region.

2. The south sub-region shall include those cities south of Interstate 90 and those portions of unincorporated King County that lie south of Interstate 90, except for the cities of Mercer Island, Newcastle, Issaquah, and North Bend and their potential annexation areas, which are part of the north/east sub-region.

3. The formula for dividing the funds between the two sub-regions shall be based on each sub-region's share of the Consortium's low to moderate-income population.

CDBG Guidelines to Address Programmatic Details:

E. The CDBG Consortium Partners may propose King County Consortium CDBG, ESG and HOME Guidelines, for approval by the JRC, to guide the Consortium regarding details of program implementation, including, but not limited to, funding guidelines, frequency of application processes, Consortium procedures and goals for geographic equity in the distribution of funds over time.

IV. USE OF FUNDS: GENERAL PROVISIONS

A. Funds shall be used to support the goals, objectives and strategies of the King County Consortium Consolidated Housing and Community Development Plan.

B. Funds shall be used in accordance with the CDBG regulations at 24 CFR Part 570, ESG regulations at 24 CFR Part 576, Home Program regulations at 24 CFR Part 92, and all other applicable federal regulations.

V. JOINT RECOMMENDATIONS COMMITTEE

An inter-jurisdictional Joint Recommendations Committee ("JRC") was established through the 2009 – 2011 CDBG/HOME Consortium Interlocal Cooperation Agreement and through King County Code Chapter 24.13, and is hereby adopted as part of this Agreement.

A. Composition—The JRC for the CDBG/ESG/HOME Consortium 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 persons from meeting to meeting.

2. Four of the cities representatives shall be from those cities signing this interlocal cooperation agreement, two from each sub-region.

3. The remaining four cities representatives shall be from cities that qualify to receive CDBG entitlement funds directly from HUD and that are not signing this agreement, but are signing either Joint Agreements or HOME Program-only agreements. These latter four representatives shall have no vote on matters specific to the jurisdictions that are parties to this Agreement.

4. 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 of the entire body of eleven members of the JRC for the CDBG/HOME Consortium shall constitute a quorum for voting matters in which all members of the JRC are eligible to vote. For voting items of the Regular CDBG Consortium, in which only seven members may vote (those identified in sub-sections 1 and 2 of this section), four members shall constitute a quorum, made up of two King County representatives and two city representatives.

B. Appointments—The King County Executive shall appoint the three county representatives. The participating cities shall provide for the appointment of their shared representatives in a manner to be determined by those cities through the Sound Cities Association or other agreed-upon mechanism for the execution of shared appointing authority. The Sound 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, ESG 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, ESG funds and HOME Program funds, including the Administrative Set-aside.

3. Monitor and ensure that all geographic areas and actively participating jurisdictions benefit from CDBG, ESG and HOME Program funded activities over time, so far as is feasible considering eligible applications submitted within the goals, objectives and strategies of the Consolidated Plan: 1) there is equity in distribution of funds pursuant to proportion of

the region's low to moderate-income population; and, 2) equity is achieved over time pursuant to Consortium Guidelines adopted by the JRC to the extent feasible.

D. Advisory Committees to JRC—In fulfilling its duty to review and recommend projects and programs to be undertaken with the CDBG, ESG and HOME Program funds, the JRC shall consider the advice of sub-regional 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, ESG and HOME Program funds has responsibility for and assumes all obligations in the execution of the CDBG, ESG and HOME Programs, including final responsibility for selecting and executing activities, and submitting to HUD the Consolidated Plan, Annual Action Plans, and related plans and reports, including the Analysis of Impediments to Fair Housing Choice and the Fair Housing Action Plan. Nothing contained in this Agreement shall be construed as an abdication of those responsibilities and obligations.

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, ESG and HOME Program Administrative Set-asides and appropriation of all CDBG, ESG and HOME Program funds.

D. The King County Executive, as administrator of the CDBG, ESG and HOME Programs, 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 in IV. C., above.

G. King County Executive staff shall have the authority and responsibility to communicate and consult with participating jurisdictions on CDBG, ESG and HOME Program policy and program matters in a timely manner.

H. King County Executive staff shall have the authority and responsibility to convene sub-regional advisory committees made up of representatives from participating jurisdictions in the sub-region to advise the JRC on the allocation of the sub-regional funds.

I. 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, ESG and HOME Program funded projects and make them available to all participating jurisdictions and the JRC.

J. King County Executive staff shall solicit proposals, administer contracts, and provide for technical assistance, both in the development of viable CDBG, ESG and HOME Program proposals and in complying with CDBG, ESG and HOME Program contractual requirements.

K. King County 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 in determining whether an Environmental Impact Statement is required.

L. King County, as the official applicant, shall have the authority and responsibility to ensure that any property acquired or assisted with CDBG funds or HOME Program funds is disposed of or used in accordance with federal regulations.

VII. RESPONSIBILITIES OF THE PARTICIPATING CITIES

A. All participating cities shall cooperate in the development of the Consolidated Plan and related plans.

B. All participating cities shall assign a staff person to be the primary contact for the County on CDBG, ESG and HOME Program issues. The assigned CDBG, ESG and HOME Program contact person is responsible for communicating relevant information to others at the participating city, including any representative the city may choose to send to the sub-regional advisory committee, if that representative is not the CDBG, ESG and HOME Program contact person.

C. At its discretion, a participating city may assign a representative to attend meetings of the sub-regional advisory committee. This representative may or may not be the City's CDBG, ESG and HOME Program contact person. It may be the CDBG, ESG and HOME Program contact person, a different staff member, an elected official, or a citizen.

D. If and when a participating city deems necessary or advisable, it may prepare applications for CDBG or HOME Program funds to address the needs of its residents, consistent with the Consolidated Plan.

E. Each participating city shall obtain its council's authorization for any CDBG or HOME Program application submitted.

F. All participating cities shall carry out CDBG or HOME Program funded projects in a manner that is timely and consistent with contractual requirements.

G. All participating cities owning community facilities or other real property acquired or improved in whole or in part with CDBG or HOME Program 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 participating cities shall notify King County prior to any modification or change in the use of real property acquired or improved in whole or in part with CDBG or HOME Program 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 property acquired or improved with CDBG or HOME Program funds is sold or transferred for a use which does not qualify under the applicable regulations, the participating city shall reimburse King County in an amount equal to the current fair market value (less any portion thereof attributable to expenditures of funds other than CDBG or HOME Program funds).

VIII. RESPONSIBILITIES OF ALL PARTICIPATING JURISDICTIONS

A. All participating jurisdictions shall be considered to be those jurisdictions that have signed this Agreement.

B. All participating jurisdiction 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 in Section VIII below.

C. Each participating jurisdiction or cooperating unit of general local government 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.

D. Pursuant to 24 CFR 570.501(b), all participating units of local governments are subject to the same requirements applicable to sub-recipients 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 not limited 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.

E. All participating units of local government understand that they may not apply for grants from appropriations under the federal Small Cities or State CDBG Programs during the period in which they participate in this Agreement.

F. All participating units of local government understand that they may not sell, trade or otherwise transfer all or any portion of the urban county consortium CDBG funds to another metropolitan city, urban county unit of general local government, Indian tribe, or insular area that directly or indirectly receives CDBG funds in exchange for any other funds, credits or non-Federal considerations, but must use such funds for activities eligible under Title I of the Act.

G. All units of local government participating in the CDBG urban county consortium through this interlocal cooperation agreement understand that they are also part of the urban county for the HOME Program and that they may not participate in a HOME Program consortium except through the urban county, regardless of whether the urban county receives a HOME formula allocation; and also understand that they are part of the urban county for the ESG Program and may only receive a formula allocation for ESG through the urban county consortium.

H. All participating units of local government hereby agree to affirmatively further fair housing and to ensure that no CDBG or HOME Program funds shall be expended for activities that do not affirmatively further fair housing within its jurisdiction or that impede the County's actions to comply with its fair housing certification. For purposes of this section, "affirmatively furthering fair housing" includes participation in the process of developing an Analysis of Impediments to Fair Housing Choice and a Fair Housing Action Plan. While King County has the primary responsibility for the development of these reports to HUD pursuant to Section VI.A. of this Agreement, upon request, the City shall provide assistance to the County in preparing such reports. All participating units of local government acknowledge that the urban county consortium is prohibited from funding activities in, or in support of, any cooperating unit of general local government that does not affirmatively further fair housing within its own jurisdiction or that impedes the county's actions to comply with the county's fair housing certification.

I. Participating jurisdictions 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.

J. Participating jurisdictions retain responsibility in fulfilling the requirements of the State Environmental Policy Act under which King County has review responsibility only.

IX. GENERAL TERMS

A. This Agreement shall extend through the **2015, 2016 and 2017** program years, and shall remain in effect until the CDBG funds, ESG funds, Home Program 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 (HUD) in subsequent Urban County Qualification Notices. By the date specified in HUD's Urban County Qualification Notice for the next qualification period, King County will notify each participating city in writing of its right not to participate, and a copy of King County's written notification will be sent to HUD by the date specified in the urban county qualification schedule. Each party to this Agreement must adopt amendments necessary to meet the requirements for cooperation agreements as set forth in the Urban County Qualification Notice applicable for a subsequent three-year county qualification period, and to submit such amendment to HUD, as provided in the notice. Failure to comply with the notice will void the automatic renewal for such qualification period.

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 agree to comply with the policies, goals, objectives and strategies of the King County Consortium Consolidated Housing and Community Development Plan.

D. Parties to this Agreement must take all required actions necessary to assure compliance with King County's certification under Section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended, regarding Title VI of the Civil Rights Act of 1964, (Title III of the Civil Rights Act), the Fair Housing Act as amended, affirmatively furthering fair housing, Section 109 of Title I of the Housing and Community Development Act of 1974, as amended, which incorporates Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and other applicable laws.

E. This Agreement shall be executed in three counterparts, each of which shall be deemed an original, by the chief executive officers of the County and the City, pursuant to the authority granted them by their respective governing bodies. One of the signed Agreements shall be filed by the County with the Region X office of HUD, one shall be filed with the City and one shall be filed with the County. Prior to its taking effect, the fully executed Agreement shall be filed with the County Auditor, or, alternatively, listed by subject on a public agency's web site or other electronically retrievable public source.

F. 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.

G. This Agreement is made and entered into for the sole protection and benefit of the parties hereto and their successors and assigns. No other person shall have any right of action based on any provision of this Agreement.

KING COUNTY, WASHINGTON

for King County Executive

Adrienne Quinn
Printed Name

Director, Department of Community and Human Services
Title

8/15/14
Date

Approved as to Form:
OFFICE OF THE KING COUNTY PROSECUTING ATTORNEY

CITY OF Des Moines

By: Signature

Anthony A. Piasecki
Printed Name

City Manager
Title

8-15-14
Date

Approved as to Form:
CITY OF
CITY ATTORNEY

City Attorney

ATTEST:
CITY OF Des Moines

City Clerk