



Memorandum

DATE: June 1, 2023

TO: Bristol Ellington, City Manager
John Norris, Assistant City Manager

FROM: Bethany Wolbrecht-Dunn, Community Services Manager

RE: King County Community Development Block Grant Consortium

CC: Mary Reidy, Recreation, Cultural & Community Services Director

Shoreline participates with Redmond, Renton, Kirkland, Burien and King County in a consortium to receive and expend funds from the Department of Housing and Urban Development (HUD) under the Community Development Block Grant Program (CDBG) and the HOME Investment Partnerships Program (HOME). This is formally called the CDBG/HOME Consortium.

Previously, the City Council would take action to enter into a new Interlocal Cooperation Agreement (ICA) every three years (last doing so on [June 9, 2014](#)). However, the agreement signed in 2014 added an [automatic renewal clause as allowed by HUD](#).

The Consortium has proven to be an effective and efficient way for the City to receive and program its federal Community Development Block Grant (CDBG) funds. Within the Consortium, King County operates the overall CDBG/HOME program. The ICA outlines the process for the administration and management of the City's CDBG grant. While the City is large enough to be a HUD defined "Metropolitan City" and receive CDBG funds directly from HUD, membership in the consortium provides Shoreline with local project control but allows King County to manage the HUD overall planning, programmatic and reporting requirements.

Annually, the City is eligible to receive approximately \$315,000 in CDBG funds. This agreement calls for the City's annual CDBG Plan to allocate 48% of the available revenues to local projects. The balance of the CDBG funds are allocated to the delivery of regional programs which serve Shoreline residents, and to program planning and administration of the grant funding. Regional programs include a homeless prevention program (5%) and the King County Major Home Repair program (25%). Planning and administrative costs are agreed to be 10% for the City and 12% for the County.

In terms of the HOME program, there would be no direct financial assistance to the City if we did not participate. In fact, this would mean that KC HOME funds would not be eligible for use in Shoreline. HOME funds in King County are used for a variety of uses, including multi-family rental rehabilitation, affordable housing development, and home buyer assistance.

Each fall, Shoreline Council reviews and approves a slate of Shoreline specific CDBG programs. We have found in the past 8-10 years that the CDBG capital funds can be a challenge to allocate on a yearly basis - as the amount remaining after funding the [Sound Generations Minor Home Repair Program](#) is generally not enough to effectively use (in the \$40,000-60,000 range/year). CDBG funds require the use of Davis Bacon wage rates, have very specific eligibility, need to serve primarily low-mod income populations, complete an environmental review - among other federal requirements. Because of this, we have "reserved" these unallocated funds and then either run a small RFP or make funds available for urgent needs. Council then has the ability to fund affordable housing projects or emergency human services capital needs as needed.

I recommend taking no formal action and to remain in the Consortium. If you have any questions, please let me know.