



MEMO TO: Parks and Human Services Committee of the Whole

FROM: Alaric Bien, Senior Planner

DATE: August 4, 2020

SUBJECT: King County Community Development Block Grant (CDBG) 2021 Funding Allocation Plan Recommendation

I. PURPOSE ☐ For Info Only ☐ Potential Agenda Item ☒ Scheduled for Council Action

II. RECOMMENDATION

Place on August 18, 2020 consent agenda for approval of allocation of 2021 Community Development Block Grant funds as recommended.

III. DEPARTMENT CONTACTS

Carol Helland, Director	425-556-2107
Beverly Mesa-Zendt, Planning Manager	425-556-2423
Alaric Bien, Senior Human Services Planner	425-556-2458

Department of Planning and Community Development

IV. DESCRIPTION/BACKGROUND
BACKGROUND DISCUSSION:

The primary objective of the federal Community Development Block Grant (CDBG) program is to support the development of viable urban communities by providing decent housing, a suitable living environment via community facilities and public infrastructure, and expanded economic opportunities, principally for persons of low and moderate income. Funds are distributed to communities nationwide on a formula basis. The three areas where CDBG funds can be used are:

- **Capital projects** serving low- and moderate-income residents;
- **Public service programs** serving low- and moderate-income residents; and
- **Planning and administration** in support of the above-referenced activities.

The City currently receives its CDBG funds through an agreement with King County as part of a CDBG Consortium of 34 cities and towns. A Joint Recommendations Committee (JRC), comprised of officials representing the participating cities, the Sound Cities Association, and King County, advises the County on CDBG funding and program decisions.

As part of the Interlocal Cooperation Agreement between the Joint Agreement Cities and King County, each year Redmond must develop a plan for allocating its Community Development Block Grant (CDBG) entitlement funds. The maximum proportion of funds

available for each type of activity is determined by the interlocal agreement and federal regulations. Funds may be used in three categories: Capital, Public Service and Administration as described below.

The City's plan must be submitted to King County for incorporation into the County's CDBG allocation plan. Projects eligible to receive CDBG funds are limited due to federal requirements. Funds may be used for public services (i.e. human services programs) and capital projects that demonstrate a direct benefit to Redmond residents that meet the low to moderate income requirements.

Recommendations

Staff is recommending the following plan for allocation consistent with prior year recommendations more fully described below. This allocation allows for:

- Maximum utilization of funding for projects and services with a minimum funding for administration;
- Utilization of CDBG funds for the purpose of supporting shelter services in accordance with CDBG requirements; and
- Utilization of CDBG funding to maximize impact and efficiency and advance housing affordability at the lowest levels by leveraging city funding with other jurisdictional funds.

Capital Funding Process and Recommendation: Although, CDBG may support certain Public Improvement and/or Parks projects, there are a number of constraints related to use of these funds. Support for affordable housing is an allowed use, and staff is recommending that the 2021 CDBG capital funds continue to be allocated to A Regional Coalition for Housing (ARCH), as they have been for several years.

Public Service Funding Process and Recommendation: Programs that may be considered for public service funding are dedicated to human service activities that must also meet strict CDBG eligibility and reporting requirements. The Human Services Commission is reviewing applications that were received as part of the regular 2021-2022 Human Services allocation process. Only proposals for new or expanded services may be considered for CDBG funding, though continuing programs that have been supported using CDBG are eligible to continue receiving those funds. Based on these criteria, staff is recommending that Redmond allocate its 2021 CDBG Public Services funds to Congregations for the Homeless to continue supporting the services and operation of an emergency shelter for homeless men on the Eastside.

Planning & Administration Funding Recommendation: CDBG allows up to 20 percent of the grant for planning and administration purposes, however in accordance with the interlocal agreement, 10 percent of the eligible amount goes to King County. While planning and administration funding may be waived and applied to capital projects, our experience has been that the amount of staff time spent on eligible activities consistently exceeds the maximum allowed. Staff is recommending the full 10 percent be allocated to planning and administration of this grant.

NOTE: All dollar amounts are estimates until the County is officially notified by the Department of Housing and Urban Development (HUD).

The proposed plan for Council approval is summarized here:

2021 Redmond CDBG Allocation Plan

Capital Projects		
1	ARCH	\$141,670
Public Services		
1	Congregations for the Homeless-Homeless Services	\$37,282
Planning & Administration		
1	Admin	\$37,282
Contingency Projects		
1	Since the CDBG funds are an estimate from the federal government, Redmond must also adopt a contingency plan. Accordingly, the above projects will receive proportionate increases/decreases to CDBG funding.	

A public hearing on this plan was held at the July 27, 2020 Human Services Commission meeting, with 15-day public notice given as required by the County. No public comment was received.

A. Analysis

Approval of this funding plan keeps the City in compliance with county requirements governing pending distribution of 2021 CDBG funds to the City.

Should the Council decline to approve the funding allocation plan, the City would need to restart the public comment and internal approval process, potentially extending the timeline beyond the county deadline for plan submittal.

V. TIME CONSTRAINTS

The City's allocation plan must be submitted to King County by October 9, 2020 in order to be incorporated into their process for submission to the federal government. Council is requested to approve the plan at its earliest convenience.

VI. LIST OF ATTACHMENTS

None.