AM No. 13-160 (C11)

MEMO TO: City Council

FROM: John Marchione, Mayor

DATE: September 17, 2013

SUBJECT: **APPROVAL OF PROPOSED KING COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 2014 FUNDING ALLOCATION PLAN**

I. RECOMMENDED ACTION

Approve the proposed 2014 Community Development Block Grant (CDBG) funding allocation plan as detailed below.

II. DEPARTMENT CONTACT PERSONS

Rob Odle, Director, Planning and Community Development, 425-556-2417
Colleen Kelly, Assistant Director, Community Planning, 425-556-2423
Alaric Bien, Human Services Planner, 425-556-2458

III. DESCRIPTION/BACKGROUND

As part of the Interlocal Agreement with King County, each year Redmond must develop a plan for allocating its Community Development Block Grant (CDBG entitlement funds. Projects eligible to receive CDBG funds are limited due to various 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 and that meet the low to moderate income requirements. The proportion of funds available for each type of activity is determined by formula.

Capital Funding Process and Recommendation: CDBG may support certain Public Improvement and Parks projects and there are a number of constraints related to use of these funds. Staff is recommending that the 2014 CDBG capital funds be allocated to A Regional Coalition for Affordable Housing (ARCH), as they were in 2013.

Public Service Funding Process and Recommendation: Human service programs that may be considered for public service funding must also be able to meet strict CDBG eligibility and reporting requirements. Staff reviewed applications that were received as part of the regular 2013-2014 Human Services Allocation process. Only proposals for new or expanded services may be considered for CDBG funding, although 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 2014

CDBG Public Services funds to Congregations for the Homeless Eastside Winter Shelter and The Sophia Way Eastside Winter Shelter.

Planning and Administration Funding Recommendation: CDBG allows up to 20 percent of the grant for planning and administration purposes. While this may be waived and applied to capital projects, our experience has been that the amount of time required to administer CDBG funding has exceeded the maximum amount allowed. The rest has been supported by City funds. Staff is recommending the full 20 percent be allocated to planning and administration of this grant.

To meet the King County requirement for a 14-day public comment period, notice of the City's intent was published on July 25, 2013, and a public hearing will be held as part of the August 12, 2013, Human Services Commission meeting.

The full plan for which approval is needed is summarized as follows:

2014 Redmond CDBG Allocation Plan

Planning & Administration		
1	Admin	$23,098
Public Services		
1	Congregations for the Homeless Winter Shelter	$11,549
2	The Sophia Way Winter Shelter	$11,549
Capital Projects		
1	ARCH	$87,827
Contingency Projects		
1	Since the CDBG funds are an estimate from the federal government, Redmond must also adopt a contingency plan. Accordingly, the above project will receive proportionate increases/decreases to CDBG funding.	

IV. IMPACT

Approval of this funding plan keeps the City in compliance with King County requirements governing pending distribution of 2014 CDBG funds to the City.

V. ALTERNATIVES

Should the Council decline to approve the funding allocation plan, the City would be out of compliance, potentially jeopardizing the 2014 CDBG entitlement.

VI. TIME CONSTRAINTS

The City's allocation plan must be submitted to King County by September 20, 2013, in order to be incorporated into their process for submission to the federal government.

/s/ 9/9/2013
Robert G. Odle, Director, Planning and Community Development Date

Approved for Council Agenda: /s/ 9/9/2013
John Marchione, Mayor Date