# 2021 CDBG Funding Round Subregion Priorities

The Joint Recommendations Committee (JRC) provides guidance and dictates the use of King County Consortium Community Development Block Grant (CDBG) funds through the creation of funding priorities. Following discussions held at the January Consortium Wide meeting, the following CDBG priorities for the North/East and South subregions were established:

## North/East Subregion

The North/East Subregion's use of CDBG funds will continue to adhere to existing standards/ set-asides unless an exception is made based on the revised exception criteria. In addition, the N/E Subregion recommends reviewing these set-asides every three years to align with the ICA renewal cycle.

- **40%** of N/E allocation set-aside for A Regional Coalition for Housing (ARCH) capital.
- **60%** of N/E allocation set-aside for non-housing capital projects.
  - No specific project priorities, *best project rises to the top.*

## South Subregion

The South Subregion's use of CDBG funds will continue to adhere to existing standards/set-asides with an emphasis on equity and social justice.

- **100%** of South allocation set-aside for non-housing capital projects.
  - No specific project priorities, *best project rises to the top.*
  - Continue emphasis on equity and social justice when making award recommendations.

# North/East Subregion Exception Criteria

*(percent split between ARCH and non-housing capital)*

During the Consortium -wide meeting in January, staff presented a recommendation to move discussion about the N/E split between ARCH and non-housing capital projects to coincide with renewal of the 3-year ICA. The group agreed but wished to have a subcommittee discussion about the exception criteria developed in 2013. Both the recommendation related to discussions about the split and the exception criteria will be reviewed by the JRC in March 2021.

King County staff met with representatives from North Bend, Kenmore, ARCH and the Blue Line Group (representing North Bend and Duvall) on February 24th. The group discussed the pros and cons of each exception criteria. King County staff confirmed that these exceptions have never been used to change the amount of set aside between the housing capital and non-housing capital programs.

The group recommends keeping three of the exceptions: numbers 1, 2, and 5 below. The work group recommends moving conversation about #3 into the larger subregional ARCH set-aside discussion prior to the next Interlocal Cooperation Agreement for 2024-2027. The work group recommends deleting #4, as all agree it is confusing and nobody understands what it really means.

## Recommended N/E Exception Criteria:

1) A viable project(s) that has submitted an eligible and fundable application(s) which implicates an emergency health and safety issue (an emergency project that is not in a six year
   CIP pipeline), such as a caved in roof in a community center, or a potable water issue;
2) A previously funded public benefit project(s) that needs gap funding to be completed;
3) ~~A project(s) that has leveraged a high percentage of other funding sources and has a remaining gap;~~
4) ~~A project(s) that could apply for housing capital funding, instead of capital funding as a "facility".~~
5) Heavy versus light pipeline on the housing capital side, and heavy versus light applications on the other capital needs side.

## North/East Subregion & ARCH - Percentage Split of Available Funds

King County staff received a request to determine if the ARCH set aside had to be discussed and voted on annually at the Consortium-wide meeting. After extensive research, staff determined:

- In 2013 the JRC agreed with the recommendation to continue the N/E 60%/40% split between non-housing capital and ARCH housing capital projects, respectively. The JRC further approved five exception criteria that could alter the split of funding annually. There was an expectation that this would be looked at again during the Interlocal Cooperation Agreement (ICA) discussions in 2015. To our knowledge this never happened.

- In 2019 there was a robust discussion about changing the percentage split in the N/E subregion prompted by a letter from the Snoqualmie Valley Cities raising concerns about the 40% portion to ARCH . A sub-work group discussed several options, but no agreement resulted from those conversations. In the May 2019 JRC meeting the JRC agreed to keep the percentage splits the same, requesting a workplan be created and presented to the JRC for approval by the end of 2019. Given staff departures soon after the May meeting, the workplan never happened and the Cities that raised the concern initially did not resurface the issue.

### Staff proposal:

- Continue the 60%/40% split and exception criteria (included below) for the 3-year ICA period, 2021-2023
- From now forward review this agreement every three years (with the ICA cycle)
- If the N/E agrees with proposal, make recommendation to JRC in March. If N/E members want to make changes to the current exceptions, ask for a workgroup to discuss and draft changes, with goal of making recommendation to JRC in March.