

AGENDA AFFORDABLE HOUSING COMMISSION

June 17, 2020, 4:30 pm

Remote Meeting via Zoom



In-person attendance at public meetings is currently prohibited per the Washington Governor's Proclamation No. 20-28.4 through June 17, 2020.

Members of the public who wish to participate in this meeting may do so by registering in advance for the Zoom meeting at the following link:

<https://us02web.zoom.us/j/81965706590?pwd=TytjbGFiRm52LzkzbVdWTFNIUXAxdz09>

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**AGENDA OF THE REGULAR MEETING OF THE
ELLENSBURG AFFORDABLE HOUSING COMMISSION**

June 17, 2020, 4:30 pm

Remotely Held Meeting (via Zoom)

- 1) CALL TO ORDER AND ROLL CALL OF MEMBERS
- 2) APPROVAL OF THE AGENDA
- 3) APPROVAL OF MINUTES – Regular Meeting of March 4, 2020
- 4) NEW BUSINESS
 - a. Discussion of finances, sales tax reporting and bonding.
Update from finance Director Jerica Pascoe
 - b. Develop an application form for funding applications outside of the formal RFP process.
- 5) OLD BUSINESS

None
- 6) CITIZEN COMMENT
- 7) STAFF UPDATE/DISCUSSION ITEMS
 - a. Monthly Budget Reports (Feb - May)
 - b. Update on Rental Assistance Funds
 - c. 2019 RFP award project updates
 - d. Housing Action Plan Grant Award
- 8) COMMISSION REPRESENTATIVE UPDATE
- 9) ADJOURNMENT



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**COMMUNITY DEVELOPMENT DEPARTMENT
501 North Anderson Street, Ellensburg WA 98926**

MINUTES OF ELLENSBURG CITY AFFORDABLE HOUSING COMMISSION

Date and Time: Affordable Housing Commission meeting, March 4, 2020 - 4:30 p.m.

Place of Meeting: City Council Chambers

Present: Nancy Goodloe, Nathan McQuinn, Hannah Tower, Sarah Bedsaul, John Perrie, Delores Gonzalez, Charli Sorenson

Absent:

Others Present: Planning Manager, Jamey Ayling; Community Development Director Kirsten Sackett

1. CALL TO ORDER

Chairwoman Goodloe called the meeting to order at 4:30 pm.

2. APPROVAL OF THE AGENDA

Commissioner Perrie made a motion to approve the agenda as presented. Commissioner Gonzalez seconded. All in favor, motion passed.

3. APPROVAL OF MINUTES

Commissioner Tower made a motion to approve the minutes of February 5, 2020 as presented. Commissioner Perrie seconded. Sorenson noted some errors on page 2, Gonzalez noted error on page 1 of her spelling and fixing the phrase "Pascoe referred them". Perrie made a motion to approve the minutes as amended. Goodloe felt those were just scrivener's errors. First motion was fine. All in favor, motion passed.

Goodloe asked for the visitors to introduce themselves. Tom Golden, as a developer from Tacoma, was looking to develop affordable housing in Ellensburg. Just here to observe.

Dewan Palmer, board member with Habitat for Humanity. In attendance to collect notes and pass along information.

4. NEW BUSINESS

a. Review Potential types of assistance

Director Sackett introduced new planning manager Jamey Ayling

Ayling talked through his agenda report that included the revenue allocation, and list of priorities from the January meeting. He then provided more detailed information, and talked

through what the City already offers. He noted that the City already offers density bonus incentives. Nobody has taken advantage of those benefits yet, so he suggested that the commission could look at making some tweaks to what we offer.

He also mentioned cottage housing, which would be single-family units that are clustered with a common open space.

The Accessory Dwelling Unit piece is the one that is most taken advantage of. The City recently removed the parking requirement for the ADU. This is an excellent way of getting more people housed.

Another one we already offer is the Multifamily Tax Exemption. If you provide at least 4 units of multifamily you may qualify for a tax exemption for 12 years if they are affordable, and 8 years if they are rented at market rate. In response to questions from Goodloe, Ayling noted that all of the applicants so far have only qualified for the 8 year tax exemption.

In terms of what other communities are doing, he hasn't found any groundbreaking ideas out there. Some cities offer a down payment assistance program for home purchase, with certain criteria. Some of them are tailored to have loan forgiveness if they live in a home for a certain amount of time.

Covering the cost difference between market rate and affordable housing program. It would be similar to Section 8 housing, but covered through City funds.

Currently the MFTE only applies in the C-C zone. The Commission could discuss whether it would be beneficial to offer it in any other zones of the City.

Finally, tiny homes and various iterations, of whether they are smaller lots that allow tiny houses, tiny house villages, tiny houses on wheels (or not). They could consider a target population of who this would serve. Is this college students, elderly, etc.

Ayling noted that the rest of the sheet was just about providing facts.

Goodloe had a question about the tax exemptions and Ayling responded that the suggestion was to consider offering a program to provide tax exemptions to properties that are rented as affordable housing.

Bedsaul asked if this was the time for brainstorming, and Gonzalez asked for clarification on where this request came from. Sackett provided a little more background on this, stating that these options were being explored at the request of the Mayor, in an effort to provide funding outside the RFP process.

Bedsaul thinks that there should be mandatory triggers for affordable housing. She would like to see a required percentage of units have to be offered as affordable housing – inclusionary zoning. When it comes to the money, she likes the idea of “down payment assistance” but with a ceiling that is higher than 5 years. And she wonders how many people could actually be served by that, and also would be interested to find out more about HopeSource's senior assistance program. Goodloe would like to know how much rent the seniors are having to pay. If they have a more affordable place to stay they may not need assistance. Bedsaul said that she is still interested in finding ways to find the groups in the most need – seniors and small families. Also, how do we continue to hold on to the affordable housing that we already have in town? How do we find out about the investors that buy dilapidated units that fix them up, but then raise the rates? Would like to consider a way that prevents this from

happening whether the city could purchase these properties or place restrictions on the purchasers of these properties.

McQuinn agrees with Bedsaul.

Gonzalez asked if we do away with the RFP after the Community Garden Property, how the funding would be distributed. Sackett provided clarity on the idea that the AHC would still have oversight of the program. Gonzalez also asked about staffing and if we would need a new housing department at the city.

There was brief discussion about being more specific with the community garden property. Perrie said that even though he is okay with setting priorities he still wants to keep an open door. Some of the best ideas were not known in advance. He doesn't want to give people the idea that "you do this or do nothing." Bedsaul did not think the RFP process was that cumbersome.

Gonzalez keeps going back to the idea of the representatives from Seattle that spoke to the Commission a couple of years ago. She said they recommended doing one thing, and continuing to do it until you have done it well. She feels that if we haven't finished the contracts of the current projects, we need to get that complete first.

Gonzalez said another idea was to get the calendar of the State's grants and we could piggyback to have money available at the same time.

Bedsaul is still of the mindset that the commission should build up the money with a bond and make that available to the community. Gonzalez thinks that they need to have the money to entice people to apply. The applicants could show that they are trying to layer with the state. They could also put the "open call" on the calendar, and could build the open call document.

Goodloe wants a more flexible system for developers in how they can contribute to the housing stock that is affordable, through more than just an RFP. She suggested that some of the information they used in the RFP application process could be used for funding other types of projects.

The Commission doesn't initiate a project by issuing a RFP. Instead a developer initiates an idea, then proposes it to the Commission.

Gonzales thinks it should be on a calendar. Perrie thinks it should not be restricted to a certain time frame. Non-profits work well with schedules. Private developers do not work within those kinds of time frames. Bedsaul thinks if you want this fluid process to allow developers to submit proposals, you need to bond the money. Goodloe says if we go bond for money, how would we know if developers are actually going to come in with requests for affordable housing projects. So the decision has to be made. Bond or not. Gonzalez stated she did not know about the consultant that was working on the contract for affordable housing grant program, and was concerned we don't even have a complete view of what the awarded projects look like.

It's hard to focus on other ways of doing things, when they don't have any money. Bedsaul supports ways to support current affordable housing units. She thinks about offering smaller amounts of money for rehabbing, and potentially a down payment assistance program. On regulations, she wants the mandated inclusionary housing.

Goodloe suggested taking the conversation back to Mayor Tabb+. They don't feel like they

can do the flexibility piece because they don't have the money. They don't want to feel like they won't be in a position to hear new ideas if they don't have money. Goodloe clarified that the City can bond at any time, but that it will take 2-3 months to get the money in hand. Sorenson said that while they are waiting for the bonding to take place, the AHC could be putting together an application package.

They asked Ayling for his thoughts. He said he is absorbing and it sounds like we are going down two tracks. One is to just look at the "sky is the limit" and figure out what options we do want to pursue.

The second track is focusing on what went right, what went wrong. He understands both tracks of thought on why to bond and when is the right timing?

Goodloe said that it sounds like more focus on inclusionary zoning, MFTE affordable housing, answers from Hope Source about the rental assistance program – how many years, what do they subsidize. Is there a partnership with Hope Source possible. Goodloe would like to know if they built affordable housing for seniors would it actually make a difference. She suggested that they have those two conversations before the next meeting. Gonzalez would like us to look at the disabled populations in addition to seniors. Get information on their rental assistance program. Where are they on the AMI scale? Goodloe also said we will get some information on when Council would like to go after the money. The amount of time it would take to get an application together is how much time it would take to get the bond. We can also get the federal grant cycle calendar. She believes the applications are due in October, so we would want to have money available in the summer, so it could be listed as matching funds.

Bedsaul asked if staff could get more details on down payment assistance programs.

b. Review and Select Priorities for 2020

Ayling mentioned in his report a list of the original priorities developed by the Affordable Housing Commission. He went on to list the priorities developed at the January ACH meeting. Ayling suggested the committee focus on two or three of the priorities that were developed and he could focus more energy exploring those specific priorities and provide more detailed information to the commission about ways to achieve the highest priorities.

c. Review Revenue Allocation

Director Sackett reminded the commission of the existing allocations for the sales tax funding - 5% administrative costs, 5% kept in reserve, 40% for operations and maintenance, and 50% used for repayment of general obligation bonds. Sackett asked the commission if they were still satisfied with these allocation figures and reminded the commission that the 50% number was the minimum for repayment of the bonds per state statute. The Commission after discussion thought those percentages didn't need to be altered.

d. RFP for community Garden property.

Goodloe stated that we would put community garden RFP on hold for next time.

5. STAFF UPDATE DISCUSSION ITEMS

- a. Increasing residential building capacity grant application status

Ayling provided the Commission with an update that staff had completed and submitted a grant application to the Department of Commerce and if awarded would allow the city funds to develop a housing action plan that would complement the housing needs assessment. Commissioners asked when we know if we were awarded any funding? Ayling stated it wasn't known when they would award the funding but once they do he would make the commission aware.

b. Monthly Budget Report

Director Sackett explained the one page financial report that was developed by finance director Pascoe. She offered to provide the report on a monthly basis to the Commission.

c. ACH work plan Jan thru June 2020

Director Sackett reminded the commission that the work plan was a fluid document and subject to change. The work plan provides a general outline to help the commission stay on track with their objectives.

6. CITIZEN COMMENT

Goodloe asked if Mr. Golden had any thoughts to share on this meeting. He stated that the most detailed information is given to the bank. What the City should be requesting is a summary. It is not so much about exactly what you are paying the subs. Sackett said part of the challenge with developing the contract with the awardees is that it also involves certain proforma that must be detailed out after grant project selection.

Golden said that if Ellensburg has the capacity to bond, what he would do as a developer is still consider that and put it into the application to the bank or HUD. The funders don't need to see the money, they just need to know the pot that you are going after.

Palmer with Habitat offered some follow-up on the idea of a flexible RFP. He said there were some great ideas. If there was a bigger pot of money out there, and if they could partner, Habitat would be completely open to flexible timelines and guidelines. Would need to provide separate guidelines for private developers and non-profit organizations.

For any non-profit that has an open timeline, knowing that it would take at least 3 months to bond the money is valuable information for anyone coming in. There should be guidelines and categories. The same goes for non-profits and for private developers. As soon as you open the door, you are going to get all sorts of information, so you need some concise clarity on what you need submitted so you have a way to compare grants.

He would suggest including abandoned property, like the Knight's Inn property. All open for flexible ideas, but it needs categories – new construction, rehabbing, etc.

Goodloe said they would have some more conversations about bonding before the next meeting.

7. ADJOURNMENT

Goodloe adjourned the meeting at 5:53 pm.

CITY OF ELLENSBURG
February Monthly Budget Update Report

For the Two Months Ending Saturday, February 29, 2020

16.67% of year complete
 12.5% of payrolls complete

Please be aware 2019 fiscal year-end is being processed. Figures don't include actual YTD "Beginning Fund Balance" or cash accounts. Ending Fund Balance accounts in the YTD column only display the fund balance impact of 2020 activity, rather than the balance at 2/29.

	Budget	February	Monthly % Rev/Exp	YTD	Budget Remaining	YTD % Rev/Exp
Dept 172- Housing & Related Services						
Beg. Fund Balance:						
100-172-282-00-00-000-000 Restricted Fund Balance	\$609,457		0.00%		\$609,457	0.00%
Total Beg. Fund Balance	\$609,457		0.00%		\$609,457	0.00%
Revenues:						
100-172-313-25-00-000-000 Sales Tax- Housing & Related Services	\$659,410	\$53,900.30	8.17%	\$101,515	\$557,895	15.39%
100-172-313-27-00-000-000 Affordable & Supportive Housing Sales & Use Tax		\$7,853.92	0.00%	\$7,941	-\$7,941	0.00%
100-172-361-11-00-000-000 Interest Income		\$1,147.72	0.00%	\$2,383	-\$2,383	0.00%
Total Revenues	\$659,410	\$62,901.94	9.54%	\$111,838	\$547,572	16.96%
Expenditures:						
100-172-551-00-00-000-000 Affordable Housing - Placeholder account	\$1,165,000		0.00%		\$1,165,000	0.00%
100-172-551-00-31-000-000 Housing Services- Supplies	\$17,500		0.00%		\$17,500	0.00%
100-172-551-00-48-000-000 Housing Services- Repairs & Maintenance	\$140,000		0.00%		\$140,000	0.00%
100-172-591-51-71-000-000 Housing Services- Debt Service - Principal	\$175,000		0.00%		\$175,000	0.00%
Total Expenditures	\$1,497,500		0.00%		\$1,497,500	0.00%
Fund Balance	-\$228,633	\$62,901.94	-27.51%	\$111,838	-\$340,471	-48.92%

25.00% of year complete
20.83% of payrolls complete

Please be aware 2019 fiscal year-end is being processed.
Figures don't include actual YTD "Beginning Fund Balance" or
cash accounts. Ending Fund Balance accounts in the YTD
column only display the fund balance impact of 2020 activity,
rather than the balance at 2/29.

CITY OF ELLENSBURG
March Monthly Budget Status Report
For the Three Months Ending Tuesday, March 31, 2020

	Budget	March	Monthly % Rev/Exp	YTD	Budget Remaining	YTD % Rev/Exp
Dept 172- Housing & Related Services						
Beg. Fund Balance:						
100-172-282-00-00-000-000 Restricted Fund Balance	\$939,353		0.00%		\$939,353	0.00%
Total Beg. Fund Balance	\$939,353		0.00%		\$939,353	0.00%
Revenues:						
100-172-313-25-00-000-000 Sales Tax- Housing & Related Services	\$659,410	\$42,184.15	6.40%	\$143,699	\$515,711	21.79%
100-172-313-27-00-000-000 Affordable & Supportive Housing Sales & Use Tax		\$6,142.15	0.00%	\$14,083	-\$14,083	0.00%
100-172-361-11-00-000-000 Interest Income		\$1,023.31	0.00%	\$3,406	-\$3,406	0.00%
Total Revenues	\$659,410	\$49,349.61	7.48%	\$161,188	\$498,222	24.44%
Expenditures:						
100-172-551-00-00-000-000 Affordable Housing - Placeholder account	\$1,165,000		0.00%		\$1,165,000	0.00%
100-172-551-00-31-000-000 Housing Services- Supplies	\$17,500		0.00%		\$17,500	0.00%
100-172-551-00-48-000-000 Housing Services- Repairs & Maintenance	\$140,000		0.00%		\$140,000	0.00%
100-172-591-51-71-000-000 Housing Services- Debt Service - Principal	\$175,000		0.00%		\$175,000	0.00%
Total Expenditures	\$1,497,500		0.00%		\$1,497,500	0.00%
Fund Balance	\$101,263	\$49,349.61	48.73%	\$161,188	-\$59,925	159.18%

CITY OF ELLENSBURG
April 2020 Monthly Budget Update Report
 For the Four Months Ending Thursday, April 30, 2020

33.3% of year complete
 21.97% of payrolls complete

	Budget	April	Monthly % Rev/Exp	YTD	Budget Remaining	YTD % Rev/Exp
Dept 172- Housing & Related Services						
Beg. Fund Balance:						
100-172-282-00-00-000-000 Restricted Fund Balance	\$939,353		0.00%		\$939,353	0.00%
100-172-308-10-01-000-000 Reserved Fund Balance			0.00%	\$924,446	-\$924,446	0.00%
100-172-308-80-01-000-000 Unreserved Fund Balance			0.00%	\$14,907	-\$14,907	0.00%
Total Beg. Fund Balance	\$939,353		0.00%	\$939,353	\$0	37.59%
Revenues:						
100-172-308-10-01-000-000 Reserved Fund Balance				\$0		
100-172-308-80-01-000-000 Unreserved Fund Balance				\$0		
100-172-313-25-00-000-000 Sales Tax- Housing & Related Services	\$659,410	\$41,329.89	6.27%	\$185,029	\$474,381	28.06%
100-172-313-27-00-000-000 Affordable & Supportive Housing Sales & Use Tax		\$6,065.83	0.00%	\$20,149	-\$20,149	0.00%
100-172-361-11-00-000-000 Interest Income		\$636.75	0.00%	\$4,043	-\$4,043	0.00%
100-172-381-10-00-531-000 Interfund Loan from Shop		\$35,917.00	0.00%	\$35,917	-\$35,917	0.00%
Total Revenues	\$659,410	\$83,949.47	12.73%	\$245,137	\$414,273	37.18%
Expenditures:						
100-172-551-00-00-000-000 Affordable Housing - Placeholder account	\$1,165,000		0.00%		\$1,165,000	0.00%
100-172-551-00-31-000-000 Housing Services- Supplies	\$17,500		0.00%		\$17,500	0.00%
100-172-551-00-41-001-000 Affordable & Supportive Housing- Prof. Services		\$50,000.00	0.00%	\$50,000	-\$50,000	0.00%
100-172-551-00-48-000-000 Housing Services- Repairs & Maintenance	\$140,000		0.00%		\$140,000	0.00%
100-172-591-51-71-000-000 Housing Services- Debt Service - Principal	\$175,000		0.00%		\$175,000	0.00%
Total Expenditures	\$1,497,500	\$50,000.00	3.34%	\$50,000	\$1,447,500	3.34%
Fund Balance	\$101,263	\$33,949.47	33.53%	\$1,134,490	-\$1,033,227	541.40%
Cash Balance:						
100-172-111-10-00-000-000 Cash - Housing & Related Services		-\$1,967.53	0.00%	\$1,098,573	-\$1,098,573	0.00%
100-172-111-10-00-001-000 Cash - Affordable & Supportive Housing		\$35,917.00	0.00%	\$35,917	-\$35,917	0.00%
Total Cash Balance		\$33,949.47	0.00%	\$1,134,490	-\$1,134,490	0.00%

CITY OF ELLENSBURG
May 2020 Budget Update Report
 For the Five Months Ending Sunday, May 31, 2020

41.67% of year complete
 37.5% of payrolls complete

	Budget	May	Monthly % Rev/Exp	YTD	Budget Remaining	YTD % Rev/Exp
Dept 172- Housing & Related Services						
Beg. Fund Balance:						
100-172-282-00-00-000-000 Restricted Fund Balance	\$939,353		0.00%		\$939,353	0.00%
100-172-308-10-01-000-000 Reserved Fund Balance			0.00%	\$924,446	-\$924,446	0.00%
100-172-308-80-01-000-000 Unreserved Fund Balance			0.00%	\$14,907	-\$14,907	0.00%
Total Beg. Fund Balance	\$939,353		0.00%	\$939,353	\$0	100.00%
Revenues:						
100-172-308-10-01-000-000 Reserved Fund Balance				\$0		
100-172-308-80-01-000-000 Unreserved Fund Balance				\$0		
100-172-313-25-00-000-000 Sales Tax- Housing & Related Services	\$659,410	\$40,071.39	6.08%	\$225,100	\$434,310	34.14%
100-172-313-27-00-000-000 Affordable & Supportive Housing Sales & Use Tax		\$5,861.43	0.00%	\$26,010	-\$26,010	0.00%
100-172-361-11-00-000-000 Interest Income		\$407.10	0.00%	\$4,450	-\$4,450	0.00%
100-172-381-10-00-531-000 Interfund Loan from Shop			0.00%	\$35,917	-\$35,917	0.00%
Total Revenues	\$659,410	\$46,339.92	7.03%	\$291,477	\$367,933	44.20%
Expenditures:						
100-172-551-00-00-000-000 Affordable Housing - Placeholder account	\$1,165,000		0.00%		\$1,165,000	0.00%
100-172-551-00-31-000-000 Housing Services- Supplies	\$17,500		0.00%		\$17,500	0.00%
100-172-551-00-41-001-000 Affordable & Supportive Housing- Prof. Services			0.00%	\$50,000	-\$50,000	0.00%
100-172-551-00-48-000-000 Housing Services- Repairs & Maintenance	\$140,000		0.00%		\$140,000	0.00%
100-172-591-51-71-000-000 Housing Services- Debt Service - Principal	\$175,000		0.00%		\$175,000	0.00%
Total Expenditures	\$1,497,500		0.00%	\$50,000	\$1,447,500	3.34%
Fund Balance	\$101,263	\$46,339.92	45.76%	\$1,180,830	-\$1,079,567	1166.10%
Cash Balance:						
100-172-111-10-00-000-000 Cash - Housing & Related Services		\$46,339.92	0.00%	\$1,144,913	-\$1,144,913	0.00%
100-172-111-10-00-001-000 Cash - Affordable & Supportive Housing			0.00%	\$35,917	-\$35,917	0.00%
Total Cash Balance		\$46,339.92	0.00%	\$1,180,830	-\$1,180,830	0.00%



CITY COUNCIL AGENDA REPORT

City Council Meeting Date: April 20, 2020

Item Title/Agenda Subject: Resolution to authorize a Professional Services Agreement For Emergency Rental Assistance Between the City of Ellensburg and HopeSource and also authorize an interfund to support the rental assistance program

Submitted by: John Akers City Manager Department

Recommended Action or Motion: Approve Resolution 2020-10 to authorize the Professional Services Agreement For Emergency Rental Assistance Between the City of Ellensburg and HopeSource.

Background/Summary: The current COVID-19 pandemic outbreak has created significant economic distress for many Ellensburg residents. Among a variety of impacts, low-income residents are in need of rental assistance. However, the 2019 state legislature passed HB 1406, which authorizes qualifying jurisdictions, like Ellensburg, to impose a local sales and use tax credited against the existing sales and use tax collected in the City. The City adopted Ordinance 4836 in October 2019 to implement the sales tax credit program, which became effective December 1, 2019. Those funds from this tax credit can be used for rental assistance relief.

Previous Council Action: None.

Analysis: The proceeds from the tax credit can be used for reasons set forth in RCW 82.14.540, including providing rental assistance to those persons earning 60% or less of the area median income. The City does not have the staffing resources to administer a rental assistance program at this time. However, the City already contracts with HopeSource to screen and qualify low-income utility customers, and HopeSource has agreed to provide similar services for the distribution of rental assistance payments to landlords on behalf of qualifying tenants. The attached agreement budgets \$50,000 for the program in 2020, including HopeSource's 5% fee for administering the program.

The amount of the sales tax credit is 0.0146%, and the City has received \$14,083 thus far, reflecting sales tax revenue in December 2019 and January 2020. There will undoubtedly be an overall reduction in the City's annual sales tax revenue this year compared to 2019 as a result of the pandemic. As a result, staff is requesting authority for an interfund loan from the City's Shop Fund to supplement the amount already collected in the Affordable Housing Fund in an amount up to \$50,0000. The resolution includes repayment terms over a three-year period, with interest-only payments for the first two years, and authorizes a 5% administrative fee, as well.

The program budget would allow a maximum payment of up to \$625 per renter per month for up to three months, for a total maximum of \$1,875 per applicant.

Financial Impact: N/A

Attachments:

[Resolution re Interfund Loan to Affordable Housing Fund for Rental Assistance with Ex. A](#)

RESOLUTION NO. 2020-11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELLENSBURG, WASHINGTON authorizing an Interfund Loan of up to \$50,000 from the Shop Fund to the Affordable Housing Fund of the City of Ellensburg for a period not to exceed three (3) years.

WHEREAS, Governor Inslee issued Proclamation 20-05 on February 29, 2020, which declared a State of Emergency for all counties throughout Washington state as a result of the coronavirus disease 2019 (COVID-19); and

WHEREAS, Proclamation 20-05 was amended on March 23, 2020 to prohibit all people in Washington State from leaving their homes or participating in social, spiritual and recreational gatherings of any kind regardless of the number of participants, and all non-essential businesses in Washington State from conducting business, within the limitations therein, through April 6, 2020; and

WHEREAS, as a result of the aforementioned Proclamations and the economic impacts being experienced by residents of the City of Ellensburg, there is an acute need to provide economic and other assistance to those suffering these impacts, particularly low-income residents of the City who are unable to pay their rent in whole or in part; and

WHEREAS, RCW 82.14.540 (HB 1406) and City of Ellensburg 4836 allow the City to utilize sales and use tax credit revenue ("HB 1406 funds") for, among other purposes, providing rental assistance to persons whose income is at or below 60% of the area median income for the City; and

WHEREAS, although the City has begun to receive the HB 1406 funds on a monthly basis, the current balance is insufficient to provide adequate funding to meet the need for rental assistance to be provided to Ellensburg residents; and

WHEREAS, Ordinance 2558 created the City Shop and Warehouse Fund ("Shop Fund"), codified in Ellensburg City Code ("ECC") 2.16.100; and

WHEREAS, it is the direction of the City Council of the City of Ellensburg ("City Council") that HB 1406 funds received, and to be received, in 2020 by the City be used for rental assistance payments on behalf of qualifying applicants in light of the current COVID-19 pandemic outbreak, and that the City contract with HopeSource, a community action agency, to process applications for rental assistance and disburse HB 1406 funds accordingly; and

WHEREAS, the City Council has determined that 5% of the HB 1406 funds received by the City is a reasonable amount to utilize to pay the administrative costs associated with qualifying, documenting and distributing the rental assistance funds for applicants; and

WHEREAS, the Washington State Auditor's office recognizes that interfund loans are a legal and fiscally prudent means of investing municipal funds that are inactive or in excess of current needs; and

WHEREAS, the Washington State Auditor's Budgeting, Accounting and Reporting System ("BARS") manual specifically allows for the use of interfund loans and defines the acceptable procedures for both the loaning and borrowing fund; and

WHEREAS, the City Council recognizes that interfund loans are repaid with interest and the City Council finds that use of an interfund loan is preferable to issuing external debt; and

WHEREAS, the City's Shop Fund has adequate funds set aside for equipment replacement that is being invested in the State Local Government Investment Pool (LGIP) at the current gross earnings rate of .918039% (April 7 2020 daily rate) pending equipment replacement; and

WHEREAS, the Shop Fund will earn in excess of 1.089 times more from an interfund loan than the City currently earns in the State pool;

NOW THEREFORE, BE IT RESOLVED, by the City Council for the City of Ellensburg, Washington as follows:

Section 1. The "Whereas" provisions set forth above are hereby incorporated in this Resolution as findings in support of the actions authorized in this Resolution.

Section 2. Authorization and Approval. The City Council hereby authorizes and approves an interfund loan in an amount up to \$50,000 dollars (\$50,000) from the City's Shop Fund to the Affordable Housing Fund for the purpose of providing rental assistance to qualifying renters through HopeSource, as provided in the Professional Services Agreement for Emergency Rental Assistance between the City of Ellensburg and HopeSource, attached as Exhibit A hereto and which is hereby approved for signature by the City Manager.

Section 3. Terms and Conditions. The term of the loan shall be for a period not to exceed three years from the day of first advance at 1.0% (current Washington State Local Government Investment Pool's gross earnings rate is approximately .92%). Repayment due dates will begin 12 months following the date of the first advance with interest only payments of \$500.00 the first two years and the remaining interest and all principal due by May 1, 2023. The Affordable Housing Fund may pay off the loan or make extra payments any time during the life of the loan.

Section 4. Finance Director as Administrator. The Finance Director is designated on behalf of the City to process and administer a temporary loan in the sum of up to \$50,000 from available cash of the Shop Fund, where money deposited therein is not immediately needed for the purposes of that fund, to the Affordable Housing Fund.

Section 5. Effective Date. This resolution shall take effect and be in force immediately following its adoption.

ADOPTED by the City Council of the City of Ellensburg this 20th day of April, 2020.

Mayor

Attest:

City Clerk

EXHIBIT A

**Professional Services Agreement
For Emergency Rental Assistance
Between the City of Ellensburg and HopeSource**

This professional services agreement (“Agreement”) dated as of April ____, 2020 (“Effective Date”), is entered into by and between HopeSource, a Washington non-profit corporation and community action agency (“Contractor”), and the City of Ellensburg, a Washington municipal corporation (hereafter the “City”).

WHEREAS, Governor Inslee issued Proclamation 20-05 on February 29, 2020, which declared a State of Emergency for all counties throughout Washington state as a result of the coronavirus disease 2019 (COVID-19); and

WHEREAS, the City has determined there is a need to assist low income persons with emergency assistance rental and lease payments as a result of the economic distress caused by the COVID-19 pandemic; and

WHEREAS, the City desires to have the Contractor perform screening, application and payment coordination activities for the rental assistance program, as set forth in this Agreement; and

WHEREAS, RCW 82.14.540 and City of Ellensburg 4836 allow the City to utilize sales and use tax credit revenue (“HB 1406 funds”) for, among other purposes, providing rental assistance to persons whose income is at or below 60% of the area median income of the City; and

WHEREAS, this Agreement is entered into by the parties pursuant to the emergency powers authorized under Chapter 38.52 RCW and Ellensburg City Council Resolution 2020-05. The purpose of this Agreement is to allow HopeSource to distribute emergency rental assistance funds provided by the City to qualified recipients per the Scope of Work below (“the program”).

NOW, THEREFORE, in consideration of the mutual benefits and conditions set forth below, the parties hereto agree as follows:

1. **Scope of Services to be Performed by Contractor.** The Contractor shall perform those services described in Exhibit “A,” attached hereto and incorporated by this reference as if fully set forth herein. In performing such services, the Contractor shall at all times comply with all federal, state, and local statutes, rules, and ordinances applicable to the performance of such services and the handling of any funds used in connection therewith.

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2. **Program Budget.** The program budget shall be as follows:

HB 1406 Funds	\$50,000		
Admin Fee to HopeSource	\$ 2,500	5%	
Funds for Distribution	\$47,500	\$625	Max Monthly Assistance per Applicant
		3	Max No. of Payments for Assistance per Applicant
	25	\$1,875	Total Assistance Payments

3. **Duration of Agreement.** This Agreement shall be in full force and effect through December 31, 2020, commencing from the effective date of the Agreement, unless sooner terminated under the provisions hereinafter specified.

4. **Independent Contractor.** The Contractor and the City agree that the Contractor is an independent contractor with respect to the services provided pursuant to this Agreement. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the parties hereto. Neither the Contractor nor any employee of the Contractor shall be entitled to any benefits accorded City employees by virtue of the services provided under this Agreement. The City shall not be responsible for paying, withholding, or otherwise deducting any customary state or federal payroll deductions, including but not limited to FICA, state industrial insurance, state workers compensation, or otherwise assuming the duties of an employer with respect to the Contractor or any employee of the Contractor.

5. **Indemnification.** The parties agree to each mutually indemnify, defend, and hold harmless the other party, its officers, employees and agents, from and against any and all liability and damages arising from the other party's actions through its officers, employees or agents, including injury or death to persons or damage to property resulting in whole or in part from negligent acts or omissions of the Contractor or the City, as the case may be, and its officers, employees or agents. In the event that the City shall elect to defend itself against any claim or suit arising from such injury, death, or damage, the Contractor shall, in addition to indemnifying and holding the City harmless from any liability and damages, indemnify the City for any and all expenses incurred by the City in defending such claim or suit, including reasonable attorneys' and expert witness fees, if such action was caused, directly or indirectly, by the Contractor's acts or omissions. It is further specifically and expressly understood that the indemnification provided herein constitutes the Contractor's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this contract.

6. **Insurance.**

A. The Contractor shall procure and maintain in full force throughout the duration of the Agreement comprehensive general liability insurance with a minimum coverage of \$1,000,000 per occurrence/aggregate for personal injury and property damage. Said policy shall name the City of Ellensburg as an additional named insured

and shall include a provision prohibiting cancellation or reduction in the amount of said policy except upon thirty (30) days prior written notice to the City. Cancellation of the required insurance shall automatically result in termination of this Agreement.

B. Certificates of coverage as required by Paragraph A above shall be delivered to the City within fifteen (15) days of execution of this Agreement.

7. Record Keeping and Reporting.

A. The Contractor shall maintain accounts and records, including personnel, property, financial, and programmatic records, which sufficiently and properly reflect all direct and indirect costs of any nature expended and services performed pursuant to this Agreement. The Contractor shall also maintain such other records as may be deemed necessary by the City to ensure proper accounting of all funds contributed by the City to the performance of this Agreement and compliance with this Agreement.

B. These records shall be maintained for a period of seven (7) years after termination hereof unless permission to destroy them is granted by the Office of the Archivist in accordance with RCW Chapter 40.14 and by the City.

8. Audits and Inspections. The records and documents with respect to all matters covered by this Agreement shall be subject at all times to inspection, review, or audit by law during the performance of this Agreement. The City shall have the right to conduct an audit of the Contractor's financial statement and condition and to a copy of the results of any such audit or other examination performed by or on behalf of the Contractor.

9. Termination. This Agreement may at any time be terminated by either party upon giving to the other party thirty (30) days' written notice of their intention to terminate the same. If the Contractor's insurance coverage is canceled for any reason, the City shall have the right to terminate this Agreement immediately.

10. Discrimination Prohibited. The Contractor shall not discriminate against any employee, applicant for employment, or any person seeking the services of the Contractor under this Agreement on the basis of race, color, religion, creed, sex, age, national origin, sexual orientation, marital status, or presence of any sensory, mental, or physical handicap.

11. Assignment and Subcontract. The Contractor shall not assign or subcontract any portion of the services contemplated by this Agreement without the prior written consent of the City.

12. Entire Agreement. This Agreement contains the entire agreement between the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or bind any of the parties hereto. Either party may request changes to the Agreement. Proposed changes which are mutually agreed upon shall be incorporated by written amendments to this Agreement.

13. **Notices.** Notices to the City of Ellensburg shall be sent to the following address:

City Manager
City of Ellensburg
501 N. Anderson St.
Ellensburg, WA 98926
Phone: (509) 962-7221

Notices to the Contractor shall be sent to the following address:

Susan Grindle, CEO
HopeSource
700 E. Mountain View, Suite 501
Ellensburg, WA 98926
Phone: (509) 925-1448

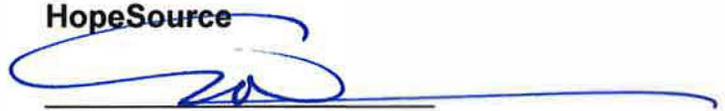
14. **Applicable Law; Venue; Attorneys' Fees.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event any suit, arbitration, or other proceeding is instituted to enforce any term of this Agreement, the parties specifically understand and agree that venue shall be exclusively in Kittitas County, Washington. The prevailing party in any such action shall be entitled to its attorneys' fees, expert witness fees, and costs of suit.

City of Ellensburg

John Akers, City Manager

Date: _____

HopeSource



Susan Grindle, CEO

Date: 4/9/20

Exhibit A
Scope of Work

HopeSource will provide services necessary to implement the Professional Services Agreement for Emergency Rental Assistance program, including, but not limited to the following:

A. Identifying eligible low income persons (defined as any person residing within the corporate limits of the City of Ellensburg whose combined gross household income, including that of his or her spouse or co-tenant(s), is at or below sixty (60) percent of the City's median income level, and who is responsible for his or her household's rent or lease payments.

B. Ensure that applications for rental assistance are processed as follows:

(1) Applications for rental assistance will be accepted on a first-come, first served basis, which may be made for no more than for three (3) rental monthly rental periods per applicant or residential address.

(2) Proof of eligibility of the applicant's combined gross household income, including pay stubs for the three (3) months preceding the application or any other proof of income or extenuating circumstances that may be requested by the City or the Contractor; and

(3) Proof that the applicant is the renter or lessee of a residential dwelling unit located within the corporate limits of the City of Ellensburg, which is his or her primary place of residence; and

(3) Any other information reasonably requested by the City to ensure compliance with the provisions of RCW 82.14.540.

C. Upon verifying that the applicant qualifies for rental assistance, processing and documenting payment to the low-income applicant's landlord of the rent for the period of the payment. Notwithstanding the foregoing, rental assistance shall not be available for the following:

(1) Any person who resides in federally subsidized housing; or

(2) More than one person per household, three months per calendar year; or

(3) To any person who attempts to or has in the past misrepresented his or her income, residency, or any other issue of fact or law on an application for assistance or during the application process; or

(4) In the event that the City of Ellensburg does not have adequate funding to provide such assistance.

D. Provide to the City Finance Director, on a regular monthly basis and/or as requested by the Finance Director or City Manager: receipts and/or invoices for payments made pursuant to this Agreement; documentation to verify that the low-income persons for which payment was made qualified for payment under the above criteria; and any other documents the City may reasonably request to account for the services provided under this Agreement.



Washington State
Department of
Commerce

Interagency Agreement with

City of Ellensburg

through

Growth Management Services

For

E2SHB 1923 Grant to Adopt a Housing Action Plan

Start date:

Date of Execution

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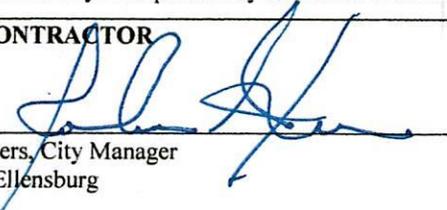
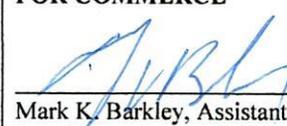
Attachment A, Scope of Work

Attachment B, Budget

FACE SHEET

Contract Number: 20-63314-054

**Washington State Department of Commerce
Local Government Division
Growth Management Services
E2SHB 1923 Grant**

1. Contractor City of Ellensburg 501 North Anderson Street Ellensburg, WA 98926		2. Contractor Doing Business As (optional) N/A	
3. Contractor Representative Kirsten Sackett Community Development Director (509) 962-7232 sackettk@ci.ellensburg.wa.us		4. COMMERCE Representative Scott Kuhta Senior Planner (509) 795-6884 Scott.kuhta@commerce.wa.gov	
5. Contract Amount \$50,000	6. Funding Source State of Washington	7. Start Date Date of Execution	8. End Date June 30, 2021
9. SWV # SWV0008367-00		10. UBI # 192-000-016	
11. Contract Purpose E2SHB 1923 (2019) grant funding to address housing affordability.			
12. Signing Statement COMMERCE, defined as the Department of Commerce, and the Contractor, as defined above, acknowledge and accept the terms of this Contract and Attachments and have executed this Contract on the date below and warrant they are authorized to bind their respective agencies. The rights and obligations of both parties to this Contract are governed by this Contract and the following documents hereby incorporated by reference: Attachment "A" – Scope of Work and Attachment "B" – Budget.			
FOR CONTRACTOR  _____ John Akers, City Manager City of Ellensburg 5-19-2020 _____ Date		FOR COMMERCE  _____ Mark K. Barkley, Assistant Director Local Government Division 5/19/2020 _____ Date	
APPROVED AS TO FORM ONLY BY ASSISTANT ATTORNEY GENERAL 08/22/2019. APPROVAL ON FILE.			

**SPECIAL TERMS AND CONDITIONS
INTERAGENCY AGREEMENT
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1. AUTHORITY

COMMERCE and Contractor enter into this Contract pursuant to the authority granted by Chapter 39.34 RCW.

2. CONTRACT MANAGEMENT

The Representative for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Contract.

The Representative for COMMERCE and their contact information are identified on the Face Sheet of this Contract.

The Representative for the Contractor and their contact information are identified on the Face Sheet of this Contract.

3. COMPENSATION

COMMERCE shall pay an amount not to exceed **fifty thousand dollars (\$50,000)** for the performance of all things necessary for or incidental to the performance of work under this Contract as set forth in the Scope of Work (Attachment A).

Actions selected from the menu of twelve actions must be adopted by April 1, 2021 to receive full funding. Budget managers should be aware that the final thirty percent (30%) of the grant award is contingent upon adoption of the selected Action(s).

The final due date for deliverables must be no later than June 15, 2021.

4. EXPENSES

Contractor shall receive reimbursement for travel and other expenses as identified below or as authorized in advance by COMMERCE as reimbursable.

Such expenses may include airfare (economy or coach class only), other transportation expenses, and lodging and subsistence necessary during periods of required travel. Contractor shall receive compensation for travel expenses at current state travel reimbursement rates.

5. BILLING PROCEDURES AND PAYMENT

COMMERCE will pay Contractor upon acceptance of services and deliverables provided and receipt of properly completed invoices, which shall be submitted to the Representative for COMMERCE not more often than quarterly.

The parties agree this is a performance-based contract intended to produce the deliverables identified in Scope of Work (Attachment A). Payment of any invoice shall be dependent upon COMMERCE'S acceptance of Contractor's performance and/or deliverable. The invoices shall describe and document, to COMMERCE's satisfaction, a description of the work performed, the progress of the project, and fees. The invoice shall include the Contract Number 20-63314-054. If expenses are invoiced, provide a detailed breakdown of each type. A receipt must accompany any single expenses in the amount of \$50.00 or more in order to receive reimbursement.

Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Contractor.

COMMERCE may, in its sole discretion, terminate the Contract or withhold payments claimed by the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this Contract.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COMMERCE.

COMMERCE will pay Contractor for costs incurred prior to the start date of this Agreement, if such costs would have been allowable on or after July 28, 2019, the effective date of Engrossed Second Substitute

**SPECIAL TERMS AND CONDITIONS
INTERAGENCY AGREEMENT
STATE FUNDS**

House Bill 1923 (2019). To be allowable, such costs must be limited to the completion of tasks and deliverables outlined in the Scope of Work (Attachment A).

Duplication of Billed Costs

The Contractor shall not bill COMMERCE for services performed under this Agreement, and COMMERCE shall not pay the Contractor, if the Contractor is entitled to payment or has been or will be paid by any other source, including grants, for that service.

Disallowed Costs

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

Line Item Transfers

The total amount of transfers of funds between line item budget categories shall not exceed ten percent (10%) of the total budget. If the cumulative amount of these transfers exceeds or is expected to exceed ten percent, the total budget shall be subject to justification and negotiation of a contracts amendment by the Contractor and COMMERCE.

Ineligible Costs

Only eligible project-related costs will be reimbursed. Ineligible costs include, but are not necessarily limited to: capital expenses, such as land acquisition or construction costs; purchase of machinery; hosting expenses, such as meals, lodging, or transportation incurred by persons other than staff and volunteers working directly on the project; lobbying or political influencing; and other costs which are not directly related to the project.

6. INSURANCE

Each party certifies that it is self-insured under the State's or local government self-insurance liability program, and shall be responsible for losses for which it is found liable.

7. SUBCONTRACTOR DATA COLLECTION

Contractor will submit reports, in a form and format to be provided by Commerce and at intervals as agreed by the parties, regarding work under this Agreement performed by subcontractors and the portion of funds expended for work performed by subcontractors, including but not necessarily limited to minority-owned, woman-owned, and veteran-owned business subcontractors. "Subcontractors" shall mean subcontractors of any tier.

8. ORDER OF PRECEDENCE

In the event of an inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations
- Special Terms and Conditions
- General Terms and Conditions
- Attachment A – Scope of Work
- Attachment B – Budget

**GENERAL TERMS AND CONDITIONS
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1. DEFINITIONS

As used throughout this Contract, the following terms shall have the meaning set forth below:

- A. "Authorized Representative" shall mean the Director and/or the designee authorized in writing to act on the Director's behalf.
- B. "COMMERCE" shall mean the Department of Commerce.
- C. "Contract" or "Agreement" means the entire written agreement between COMMERCE and the Contractor, including any attachments, documents, or materials incorporated by reference. E-mail or facsimile transmission of a signed copy of this contract shall be the same as delivery of an original.
- D. "Contractor" shall mean the entity identified on the face sheet performing service(s) under this Contract, and shall include all employees and agents of the Contractor.
- E. "Personal Information" shall mean information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers.
- F. "State" shall mean the state of Washington.
- G. "Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those services under this Contract under a separate contract with the Contractor. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.

2. ALL WRITINGS CONTAINED HEREIN

This Contract contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind any of the parties hereto.

3. AMENDMENTS

This Contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

4. ASSIGNMENT

Neither this Contract, work thereunder, nor any claim arising under this Contract, shall be transferred or assigned by the Contractor without prior written consent of COMMERCE.

5. CONFIDENTIALITY AND SAFEGUARDING OF INFORMATION

- A. "Confidential Information" as used in this section includes:
 - i. All material provided to the Contractor by COMMERCE that is designated as "confidential" by COMMERCE;
 - ii. All material produced by the Contractor that is designated as "confidential" by COMMERCE; and
 - iii. All personal information in the possession of the Contractor that may not be disclosed under state or federal law.
- B. The Contractor shall comply with all state and federal laws related to the use, sharing, transfer, sale, or disclosure of Confidential Information. The Contractor shall use Confidential Information solely for the purposes of this Contract and shall not use, share, transfer, sell or disclose any Confidential Information to any third party except with the prior written consent of COMMERCE or as may be required by law. The Contractor shall take all necessary steps to assure that Confidential Information is safeguarded to prevent unauthorized use, sharing, transfer, sale or disclosure of Confidential Information or violation of any state or federal laws related thereto. Upon request, the Contractor shall provide COMMERCE with its policies and procedures on confidentiality.

**GENERAL TERMS AND CONDITIONS
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COMMERCE may require changes to such policies and procedures as they apply to this Contract whenever COMMERCE reasonably determines that changes are necessary to prevent unauthorized disclosures. The Contractor shall make the changes within the time period specified by COMMERCE. Upon request, the Contractor shall immediately return to COMMERCE any Confidential Information that COMMERCE reasonably determines has not been adequately protected by the Contractor against unauthorized disclosure.

- C. Unauthorized Use or Disclosure. The Contractor shall notify COMMERCE within five (5) working days of any unauthorized use or disclosure of any confidential information, and shall take necessary steps to mitigate the harmful effects of such use or disclosure.

6. COPYRIGHT

Unless otherwise provided, all Materials produced under this Contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by COMMERCE. COMMERCE shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, the Contractor hereby irrevocably assigns all right, title, and interest in all Materials, including all intellectual property rights, moral rights, and rights of publicity to COMMERCE effective from the moment of creation of such Materials.

"Materials" means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. "Ownership" includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the Contract, but that incorporate pre-existing materials not produced under the Contract, the Contractor hereby grants to COMMERCE a nonexclusive, royalty-free, irrevocable license (with rights to sublicense to others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Contractor warrants and represents that the Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to COMMERCE.

The Contractor shall exert all reasonable effort to advise COMMERCE, at the time of delivery of Materials furnished under this Contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Contract. The Contractor shall provide COMMERCE with prompt written notice of each notice or claim of infringement received by the Contractor with respect to any Materials delivered under this Contract. COMMERCE shall have the right to modify or remove any restrictive markings placed upon the Materials by the Contractor.

7. DISPUTES

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, Agreement terms and applicable statutes and rules and make a determination of the dispute. The Dispute Board shall thereafter decide the dispute with the majority prevailing. The determination of the Dispute Board shall be final and binding on the parties hereto. As an alternative to this process, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control.

8. GOVERNING LAW AND VENUE

This Contract shall be construed and interpreted in accordance with the laws of the state of Washington, and any applicable federal laws, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

**GENERAL TERMS AND CONDITIONS
INTERAGENCY AGREEMENT
STATE FUNDS**

9. INDEMNIFICATION

Each party shall be solely responsible for the acts of its employees, officers, and agents.

10. LICENSING, ACCREDITATION AND REGISTRATION

The Contractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements or standards necessary for the performance of this Contract.

11. RECAPTURE

In the event that the Contractor fails to perform this Contract in accordance with state laws, federal laws, and/or the provisions of this Contract, COMMERCE reserves the right to recapture funds in an amount to compensate COMMERCE for the noncompliance in addition to any other remedies available at law or in equity.

Repayment by the Contractor of funds under this recapture provision shall occur within the time period specified by COMMERCE. In the alternative, COMMERCE may recapture such funds from payments due under this Contract.

12. RECORDS MAINTENANCE

The Contractor shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

The Contractor shall retain such records for a period of six (6) years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by COMMERCE, personnel duly authorized by COMMERCE, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

13. SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Contract and prior to normal completion, COMMERCE may suspend or terminate the Contract under the "Termination for Convenience" clause, without the ten calendar day notice requirement. In lieu of termination, the Contract may be amended to reflect the new funding limitations and conditions.

14. SEVERABILITY

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

15. SUBCONTRACTING

The Contractor may only subcontract work contemplated under this Contract if it obtains the prior written approval of COMMERCE.

If COMMERCE approves subcontracting, the Contractor shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, COMMERCE in writing may: (a) require the Contractor to amend its subcontracting procedures as they relate to this Contract; (b) prohibit the Contractor from subcontracting with a particular person or entity; or (c) require the Contractor to rescind or amend a subcontract.

Every subcontract shall bind the Subcontractor to follow all applicable terms of this Contract. The Contractor is responsible to COMMERCE if the Subcontractor fails to comply with any applicable term or condition of this Contract. The Contractor shall appropriately monitor the activities of the

**GENERAL TERMS AND CONDITIONS
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Subcontractor to assure fiscal conditions of this Contract. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to COMMERCE for any breach in the performance of the Contractor's duties.

Every subcontract shall include a term that COMMERCE and the State of Washington are not liable for claims or damages arising from a Subcontractor's performance of the subcontract.

16. SURVIVAL

The terms, conditions, and warranties contained in this Contract that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Contract shall so survive.

17. TERMINATION FOR CAUSE

In the event COMMERCE determines the Contractor has failed to comply with the conditions of this contract in a timely manner, COMMERCE has the right to suspend or terminate this contract. Before suspending or terminating the contract, COMMERCE shall notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

COMMERCE reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by COMMERCE to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the Contractor: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of COMMERCE provided in this contract are not exclusive and are in addition to any other rights and remedies provided by law.

18. TERMINATION FOR CONVENIENCE

Except as otherwise provided in this Contract, COMMERCE may, by ten (10) business days written notice, beginning on the second day after the mailing, terminate this Contract, in whole or in part. If this Contract is so terminated, COMMERCE shall be liable only for payment required under the terms of this Contract for services rendered or goods delivered prior to the effective date of termination.

19. TERMINATION PROCEDURES

Upon termination of this contract, COMMERCE, in addition to any other rights provided in this contract, may require the Contractor to deliver to COMMERCE any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

COMMERCE shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by COMMERCE, and the amount agreed upon by the Contractor and COMMERCE for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by COMMERCE, and (iv) the protection and preservation of property, unless the termination is for default, in which case the Authorized Representative shall determine the extent of the liability of COMMERCE. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. COMMERCE may withhold from any amounts due the Contractor such sum as the Authorized Representative determines to be necessary to protect COMMERCE against potential loss or liability.

The rights and remedies of COMMERCE provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

**GENERAL TERMS AND CONDITIONS
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After receipt of a notice of termination, and except as otherwise directed by the Authorized Representative, the Contractor shall:

- A. Stop work under the contract on the date, and to the extent specified, in the notice;
- B. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
- C. Assign to COMMERCE, in the manner, at the times, and to the extent directed by the Authorized Representative, all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case COMMERCE has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- D. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Authorized Representative to the extent the Authorized Representative may require, which approval or ratification shall be final for all the purposes of this clause;
- E. Transfer title to COMMERCE and deliver in the manner, at the times, and to the extent directed by the Authorized Representative any property which, if the contract had been completed, would have been required to be furnished to COMMERCE;
- F. Complete performance of such part of the work as shall not have been terminated by the Authorized Representative; and
- G. Take such action as may be necessary, or as the Authorized Representative may direct, for the protection and preservation of the property related to this contract, which is in the possession of the Contractor and in which the Authorized Representative has or may acquire an interest.

20. TREATMENT OF ASSETS

Title to all property furnished by COMMERCE shall remain in COMMERCE. Title to all property furnished by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in COMMERCE upon delivery of such property by the Contractor. Title to other property, the cost of which is reimbursable to the Contractor under this contract, shall pass to and vest in COMMERCE upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by COMMERCE in whole or in part, whichever first occurs.

- A. Any property of COMMERCE furnished to the Contractor shall, unless otherwise provided herein or approved by COMMERCE, be used only for the performance of this contract.
- B. The Contractor shall be responsible for any loss or damage to property of COMMERCE that results from the negligence of the Contractor or which results from the failure on the part of the Contractor to maintain and administer that property in accordance with sound management practices.
- C. If any COMMERCE property is lost, destroyed or damaged, the Contractor shall immediately notify COMMERCE and shall take all reasonable steps to protect the property from further damage.
- D. The Contractor shall surrender to COMMERCE all property of COMMERCE prior to settlement upon completion, termination or cancellation of this contract

All reference to the Contractor under this clause shall also include Contractor's employees, agents or Subcontractors.

**GENERAL TERMS AND CONDITIONS
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21. WAIVER

Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing and signed by Authorized Representative of COMMERCE.

Scope of Work

Housing Action Plan RCW 36.70A.600(2)

The goal of any such housing plan must be to encourage construction of additional affordable and market rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes, including strategies aimed at the for-profit single-family home market. The housing action plan should:

- (a) *Quantify existing and projected housing needs for all income levels, including extremely low-income households, with documentation of housing and household characteristics, and cost-burdened households;*
- (b) *Develop strategies to increase the supply of housing, and variety of housing types, needed to serve the housing needs identified in (a) of this subsection;*
- (c) *Analyze population and employment trends, with documentation of projections;*
- (d) *Consider strategies to minimize displacement of low-income residents resulting from redevelopment;*
- (e) *Review and evaluate the current housing element adopted pursuant to RCW 36.70A.070, including an evaluation of success in attaining planned housing types and units, achievement of goals and policies, and implementation of the schedule of programs and actions;*
- (f) *Provide for participation and input from community members, community groups, local builders, local realtors, nonprofit housing advocates, and local religious groups; and*
- (g) *Include a schedule of programs and actions to implement the recommendations of the housing action plan.*

Commerce will be monitoring the contracts in May and November of 2020 to review progress in meeting milestones, deliverables and invoicing.

Action: <i>As listed in RCW 36.70A.600</i> To encourage construction of additional affordable and market rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes, including strategies aimed at the for-profit single-family home market.			
Steps/ Deliverables	Description	Start Date	End Date
Action 1	Existing Conditions Review & Needs Analysis Review	May 2020	July 2020
Step 1.1	Analyze population and employment trends, with documentation of projections	May 2020	July 2020

Step 1.2	Update current Housing Needs Assessment data to quantify existing and projected housing needs for all income levels, including extremely low-income households, with documentation of housing and household characteristics, and cost-burdened households.	July 2020	September 2020
Step 1.3	Review and update existing data from Housing Needs Assessment on type, size, and cost of housing in the city. Collect data on rental properties (e.g. type, size, and cost) and percentage of housing stock.	July 2020	September 2020
Step 1.4	Review and evaluate the current housing element and other policies regarding housing, including an evaluation of success in attaining planned housing types and units, achievement of goals and policies, and implementation of the schedule of programs and actions.	July 2020	September 2020
Step 1.5	Update existing land capacity analysis and review ability of existing zoning to provide for housing needs.	May 2020	September 2020
Step 1.6	Review the effectiveness of current programs, development regulations and permitting processes related to housing development.	May 2020	September 2020
Deliverable 1	Existing Conditions and Needs Analysis Report		September 30, 2020
Action 2	Provide for participation and input from community members, community groups, local builders, local realtors, nonprofit housing advocates, and local religious groups	September 2020	April 2021
Step 2.1	Identify groups that should be included in outreach.	September 2020	October 2020
Step 2.2	Analyze input from previous stakeholder groups including housing builders and developers.	September 2020	November 2020
Step 2.3	Conduct public outreach to develop goals and objectives.	September 2020	January 2021

Step 2.4	Conduct community survey to identify demand for housing types among current population.	September 2020	January 2021
Deliverable 2	Public Engagement Plan and Summary of Results		January 29, 2021
Action 3	Evaluation of Policies and Tools for Increasing Housing Diversity	August 2020	January 2021
Step 3.1	Develop strategies to increase the supply of housing, and variety of housing types, needed to serve the housing needs identified above.	October 2020	December 2020
Step 3.2	Consider strategies to minimize displacement of low-income residents resulting from redevelopment.	October 2020	December 2020
Step 3.3	Develop a schedule of programs and actions to implement the recommendations of the housing action plan.	December 2020	January 2021
Deliverable 3	Draft Housing Action Plan		February 15, 2021
Action 4	Project Adoption	January 2021	April 2021
Step 4.1	Public Hearings. (Staff reports, compile outreach summaries and supporting data.) Public hearings before Affordable Housing Commission, Planning Commission and City Council	January 2021	February 2021
Step 4.2	Make changes to amendments per Affordable Housing Commission, Planning Commission and City Council recommendations.	February 2021	March 2021
Step 4.3	Prepare ordinance and/or resolution for Council adoption	March 2021	April 2021
Deliverable 4	Adopted Housing Action Plan to Commerce		June 15, 2021

Budget

Action / Deliverables	Commerce Funds	Other Funds [If applicable]
Deliverable 1. Existing Conditions and Needs Analysis Report	\$15,000	\$2,000
Deliverable 2. Public Engagement Plan and Summary of results	\$5,000	\$3,000
Deliverable 3. Draft Housing Action Plan	\$15,000	\$2,000
Deliverable 4. Adopted Housing Action Plan	\$15,000	\$5,000
Total:	\$50,000	\$12,000

NOTE: The final deliverable for this grant represents thirty percent (30%) of the total grant award and payment is contingent upon submittal of a copy of the final, adopted local action (ordinance).