

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 20<sup>th</sup> day of April, 2020.

Bruce Tabb  
Bruce Tabb (Apr 22, 2020)

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Mayor

Attest:

Beth Leader  
Beth Leader (Apr 22, 2020)

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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 20, 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  
John Akers (Apr 21, 2020)

John Akers, City Manager

Date: Apr 21, 2020

**HopeSource**

Susan Grindle  
Susan Grindle (Apr 21, 2020)

Susan Grindle, CEO

Date: Apr 21, 2020



**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) Ensure that applicants are not also recipients of any rental assistance program provided or administered by HopeSource;

(4) 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

(5) 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.