



RESOLUTION NO. 41414

1 A RESOLUTION relating to community, economic development, neighborhood, and
2 community services; authorizing the submittal of the 2024 Annual Action
3 Plan to the U.S. Department of Housing and Urban Development;
4 authorizing the execution of agreements with the Tacoma Community
5 Redevelopment Authority, the City of Lakewood, and up to 20 agreements
6 with individual contractors with federal money to support housing, community
7 and economic development, and public service activities; and updating the
8 Participation Plan.

9 WHEREAS submittal of the 2024 Annual Action Plan will ensure that the City
10 receives federal funds to manage its housing, community and economic
11 development, neighborhood improvement, homeless assistance, and social service
12 programs, and

13 WHEREAS the Annual Action Plan outlines the City's use of Community
14 Development Block Grant ("CDBG"), HOME Investment Partnership
15 Program ("HOME"), and Emergency Solutions Grant ("ESG") funds, and

16 WHEREAS the Annual Action Plan is due to the U.S. Department of Housing
17 and Urban Development ("HUD") on or before the deadline of May 15, 2024, and

18 WHEREAS the City anticipates receipt of the following funding amounts for
19 Program Year ("PY") 2024: (1) CDBG, in the amount of \$2,393,848; (2) HOME, in
20 the amount of \$1,458,355; and (3) ESG, in the amount of \$209,987, and

21 WHEREAS the City's share of the HOME program grant funds is estimated
22 to be \$1,117,100, and Lakewood's share is estimated to be \$341,255, and

23 WHEREAS the Tacoma Community Redevelopment Authority ("TCRA") and
24 Human Services Commission reviewed applications for funding and prepared
25 funding recommendations based thereon, and
26



1 WHEREAS funding recommendations were presented to the City Council at
2 the Study Session of April 2, 2024, and

3 WHEREAS a public hearing on the recommendations was held on April 23,
4 2024, and the draft Annual Action Plan was available for public review for a period
5 of 30 days, beginning on March 29, 2024, and ending on April 29, 2024, and
6

7 WHEREAS the City Council is now requested to make its final funding
8 decisions for submittal to HUD, and to authorize the execution of three agreements
9 with the TCRA, and
10

11 WHEREAS one agreement with the TCRA is for HOME funds in the amount
12 of \$1,117,100, for the purpose of funding programs in support of permanent,
13 affordable rental housing, supportive housing, administration, affordable
14 homeownership housing, and down payment assistance; and the second is with the
15 TCRA for CDBG funds in the amount of \$1,734,771, in support of administration
16 and housing activities, and
17

18 WHEREAS the City Council is also requested to authorize a third
19 Subrecipient Agreement under the HOME program with the City of Tacoma, City of
20 Lakewood, and the TCRA to administer and carry out HOME activities under the
21 Tacoma-Lakewood Consortium in the amount of \$341,255, and
22

23 WHEREAS up to 20 agreements will be executed with individual
24 subrecipients and/or contractors, for 2024 CDBG and ESB funds administered by
25 the City, and
26



1 WHEREAS this resolution will approve updating the Citizen Participation
2 Plan to the revised Participation Plan, which includes streamlining the amendment
3 process for HUD-approved plans and clarification on processes related to CDBG,
4 HOME, and ESG programs; Now, Therefore,

5
6 BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

7 Section 1. That the proper officers of the City are hereby authorized to
8 submit, on or before the deadline of May 15, 2024, the 2024 Annual Action Plan to
9 the U.S. Department of Housing and Urban Development ("HUD") for funding for
10 various agencies, said plan to be substantially in the form of the document on file in
11 the office of the City Clerk.
12

13 Section 2. That the proper officers of the City are hereby authorized to
14 execute the following agreements with the Tacoma Community Redevelopment
15 Authority: (1) an agreement for the Community Development Block Grant Program
16 ("CDBG"); and (2) an agreement for the HOME Investment Partnerships Program,
17 for the purpose of funding housing development programs allocated under the
18 City's Annual Action Plan, said agreements to be substantially in the form of the
19 documents on file in the office of the City Clerk.
20


21 Section 3. That the proper officers of the City are hereby authorized to
22 execute up to 20 additional agreements with individual subrecipients and/or
23 contractors for program year 2024 CDBG and Emergency Solutions Grant funds
24 administered by the City.
25
26



1 Section 4. That the proper officers of the City are hereby authorized to
2 execute the HOME Consortium Subrecipient Agreement with the City of Lakewood
3 and the Tacoma Community Redevelopment Authority for the purpose of carrying
4 out HOME activities under the Tacoma-Lakewood Consortium, said agreement to
5 be substantially in the form of the document on file in the office of the City Clerk.
6

7 Section 5. That the proper officers of the City are hereby authorized to
8 update the Citizen Participation Plan to the revised Participation Plan, which
9 includes streamlining the amendment process for HUD-approved plans and
10 clarification on processes related to CDBG, HOME, and ESG programs.
11

12 Adopted April 30, 2024

13
14 
15 Mayor

16 Attest:

17 
18 City Clerk

19 Approved as to form:

20 
21 Deputy City Attorney
22
23
24
25
26



TO: Elizabeth Pauli, City Manager
FROM: Felicia Medlen, Housing Division Manager, Community and Economic Development
Jeff Robinson, Director, Community and Economic Development
Allyson Griffith, Director, Neighborhood and Community Services
COPY: City Council and City Clerk
SUBJECT: Resolution Authorizing Submittal of the Tacoma-Lakewood HOME Consortium 2024 Annual Action Plan to the US Department of Housing and Urban Development by May 15, 2024
DATE: April 30, 2024

SUMMARY AND PURPOSE:

The purpose of this resolution is threefold. First, it is to provide the City Council (Council) an opportunity to review and comment on funding recommendations and planned activities for the upcoming program year (PY), beginning July 1, 2024, and for submittal of the Annual Action Plan to the US Department of Housing and Urban Development. Funding recommendations and/or planned activities for the City of Tacoma's (City) Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), and Emergency Solutions Grant (ESG) are included in this memo. Second, this resolution also serves to request approval from Council for City staff to execute three categories of agreements: 1) two subrecipient agreements (one CDBG and one HOME) between the City of Tacoma and the Tacoma Community Redevelopment Authority (TCRA), 2) a third subrecipient agreement between the City, the TCRA, and the City of Lakewood for HOME activities, and 3) up to twenty agreements with individual subrecipients and/or contractors for program year 2024 CDBG and ESG funds administered by the City. Third, this resolution will approve updating the Citizen Participation Plan to the revised Participation Plan, which includes streamlining the amendment process for HUD-approved plans and clarification on processes related to CDBG, HOME, and ESG programs.

The City estimates allocations in the following funding amounts for program year 2024:

- CDBG: \$2,393,848
- ESG: \$209,987
- HOME: \$1,458,355

Funding recommendations for the allocations stated above are incorporated into the PY 2024 Annual Action Plan (Plan). This Plan is required by the Department of Housing and Urban Development (HUD) in order for the City to receive its entitlement funding. Recommendations for CDBG Community and Economic Development projects are made by the TCRA. Recommendations for CDBG Public Services and ESG projects are made by Neighborhood & Community Services (NCS) staff with input from the Human Services Commission and the Tacoma - Lakewood - Pierce County Continuum of Care.

The Plan also allocates HOME funds to be administered by the TCRA in support of Affordable Housing projects. Projects are identified in early spring during a competitive notice of funding availability (NOFA) led by the TCRA.

On April 30, 2024, staff will present the Plan to Council and seek final action on its submittal to HUD.



BACKGROUND:

CONSOLIDATED PLANNING

As a participating jurisdiction in HUD Community Planning and Development entitlement programs, the City of Tacoma implements the Consolidated Planning process for the Tacoma-Lakewood HOME Consortium. The five-year cycle begins with the development of a Consolidated Plan. The 2020-2024 Consolidated Plan provides the current framework for addressing housing, public services, and community and economic development needs in Tacoma. Yearly Annual Action Plans serve as administrative plans to ensure that annual spending decisions are furthering progress towards meeting the needs and goals identified in the Consolidated Plan. Progress is measured and submitted to HUD at the end of the program year in the Consolidated Annual Evaluation and Performance Report (CAPER).

As part of the Annual Action Planning process, the City is tasked by HUD with determining local funding allocations and service delivery activities for the CDBG, HOME and ESG programs for the upcoming program year, which occurs between July 1st and June 30th.

ANNUAL FUNDING RECOMMENDATIONS:

HOME funds.

HOME funds and a portion of CDBG funds are allocated by the City through two annual competitive funding opportunities managed by the Housing Division of the Community and Economic Development Department. The CDBG Community and Economic Development Notice of Funding Availability (NOFA) process, which allocates a portion of CDBG funds to minor capital projects, home repair, and microenterprise assistance, coincides with the Annual Action Planning process. An Affordable Housing NOFA process in the spring is focused on larger scale housing projects and activities that are incorporated into the Plan at that time.

The TCRA is an independent, non-profit public development authority and advisory group. TCRA members are appointed by the City Council and have the responsibility for reviewing and recommending and approving programs and projects that meet the CDBG and HOME Investment Partnership priorities related to housing, community and economic development initiatives. Individual service provider recommendations are based on the examination of each application received, review of past performance, availability of funding and applicable interviews conducted.

The HOME allocation is administered within a HUD approved consortium whose members include the cities of Tacoma and Lakewood. Oversight of all HOME activities for the consortium is conducted by the TCRA. The HOME funds are used primarily for development and preservation of permanent affordable rental housing, supportive housing, and affordable homeownership, a down payment assistance program, and required administration and planning for the HOME program. These projects are coordinated through a network of non-profit and for-profit developers and local service providers.



ESG and CDBG funds.

The Neighborhood and Community Services Department developed the spending plan for ESG and CDBG Public Services funds. Funding recommendations were reviewed and approved by the HSC and were presented to the Tacoma Lakewood Pierce County Continuum of Care (CoC). Recommended activities are aligned with Council priorities as well as HUD-eligible services. Specifically, ESG funds can be used for the following program components: street outreach, emergency shelter, homelessness prevention, and rapid re-housing. There is a cap on street outreach and emergency shelter; no more than 60% of the total annual HUD allocation may be used for any combination of these two categories. A portion of the funds are also dedicated to administration and planning, and to support operations of the Homeless Management Information System (HMIS). These activities are coordinated through a network of subcontractors and/or subrecipients and oversight is provided by the Neighborhood and Community Services Department.

PROPOSED SPENDING PLAN FOR 2023 CDBG, ESG, AND HOME PROGRAMS

CDBG

Of the anticipated CDBG grant allocation of \$2,393,848, 20% (\$478,769 is set aside for administrative purposes correlating with the management of the City’s CDBG program. Over 52% (\$1,256,002) is proposed for housing assistance and about 13% (\$300,000) is to be allocated to fund economic development activities. Recommended allocations are presented in Table 1. Allocations are consistent with Council priorities and HUD eligibility requirements.

TABLE 1: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Total Available 2024	\$2,393,848
Uses:	
Administration (20% cap)	\$478,769
Public Service Grants (15% cap)	\$359,077
Housing Assistance Programs	\$1,256,002
Economic Development	\$300,000
Total Uses	\$2,393,848

CDBG Community and Economic Development NOFA

The CDBG Community and Economic Development (CED) NOFA for PY 2024 was released on October 18, 2023, to identify projects that will receive funds allocated for Housing Assistance and Economic Development. The application period closed on November 30, 2023. In total, ten (10) applications were received. Three (3) applicants proposed housing assistance activities, and seven (7) applicants proposed economic development microenterprise assistance activities. Staff screened each application to confirm its general eligibility under federal program requirements.

Additionally, staff reviewers independently rated all ten (10) applications. Ratings are based on each project’s alignment with City Council funding priorities and other considerations such as cost effectiveness, program need,



the project’s ability to leverage CDBG funds, past performance, collaboration efforts, staff capacity, fiscal responsibility, and completeness of the application.

TCRA Funding Recommendations

Following staff review, eligible applications and staff ratings are presented to the TCRA. Based on anticipated funding levels, a total of \$936,000 in CDBG funds are being made available for award to Community and Economic Development programs. Of this amount, the TCRA recommends \$636,000 for housing assistance projects and \$300,000 for economic development activities. If the allocation approved in the upcoming Congressional budget differs from anticipated funding levels, the amounts will be adjusted as described in Table 2. If approved through the Plan, the projects and amounts in Table 2 will be funded beginning July 1, 2024.

TABLE 2: TCRA FUNDING RECOMMENDATIONS FOR CED NOFA

Organization	Program	Estimated Amount
Rebuilding Together South Sound (RTSS)	Community Revitalization Partnership	\$572,000
Associated Ministries of Tacoma-Pierce County	Paint Tacoma Beautiful	\$64,000
Revby LLC	Digital Marketing & Digital Capacity Building Program Financial and Operational Capacity Building Program	\$99,000
Tacoma-Pierce County Chamber	Spaceworks Tacoma Incubator	\$150,000
Mi Centro	Small Business Navigator Program	\$51,000
	Total	\$936,000
Once the CDBG allocation for PY2024 is released by HUD, the following adjustments will be made if needed: <ul style="list-style-type: none">• If the award is greater than the estimated amount- Add additional funds to the RTSS project up to their full funding request of \$636,000, after updating the Administration (20%) and Public Services (15%) allocations. Any remaining funds will be added to the City/TCRA SFR Program.• If the award given is less than the estimated amount- TCRA will reduce funds from the City’s SFR program, after updating the Administration (20%) and Public Services (15%) allocations. Any remaining reductions needed will be made from the City/TCRA SFR Program.		

CDBG Public Services

Fifteen percent (\$359,077) of CDBG funds are allocated for public service programs, which represents the maximum percentage of CDBG funds allowed by HUD for this use. Recommendations are reviewed and approved by the HSC and reviewed by the CoC before they are presented to City Council for final action and submitted to HUD as part of the 2024 Annual Action Plan. Programs to be funded are outlined in Table 3.

**TABLE 3: HSC RECOMMENDATIONS FOR CDBG PUBLIC SERVICES FUNDS**

Organization	Program	Estimated Amount
TBD	Temporary and/or Inclement Weather Shelter	\$359,077
	Total	\$359,077
Once the CDBG allocation for PY2024 is released by HUD, the following adjustments will be made if needed: <ul style="list-style-type: none">• If the award is greater than the estimated amount: The difference will be added to Temporary and/or Inclement Weather Shelter.• If the award given is less than the estimated amount: The difference will be taken from Temporary and/or Inclement Weather Shelter.		

ESG

Of the \$209,987 ESG grant allocation, an Administration cap (for City staff costs) is set at 7.5% (\$15,749). 2.5% (\$5,248) is proposed for staff oversight of the Homeless Management Information System (HMIS), a localized information system used to collect client-level data and service provision activities. The remaining funds (\$188,990) are to be allocated for external contracts as shown in Table 5. Recommendations are reviewed and approved by the HSC and the CoC before they are presented to City Council for final action and submitted to HUD as part of the 2023 Annual Action Plan. Recommended activities are consistent with Council priorities and HUD-eligible activities.

TABLE 4: EMERGENCY SOLUTIONS GRANT (ESG)

Total Available 2024	\$209,987
Uses:	
Administration (7.5% cap)	\$15,749
HMIS Operations (2.5% cap)	\$5,248
External Contracts	\$188,990
Total Uses 2024	\$209,987
Once the ESG allocation for PY2024 is released by HUD, the following adjustments will be made if needed: <ul style="list-style-type: none">• If the award is greater than the estimated amount: The difference will be split proportionately based on current allocation percentages between shelter and rapid re-housing (keeping in mind the 60% cap for shelter).• If the award given is less than the estimated amount: The difference will be absorbed equally across all uses (keeping in mind the 60% cap for shelter).	



TABLE 5: HSC RECOMMENDATIONS FOR ESG FUNDING (EXTERNAL CONTRACTS)

Organization	Program	Estimated Amount
TBD	Temporary and/or Inclement Weather Shelter	\$125,990
TBD	Rapid Re-Housing	\$63,000
	Total	\$188,990

HOME

Of the HOME grant allocation of \$1,458,355, an Administration cap is set at 10% (\$145,835). The remaining 90% (\$1,312,520) is proposed for Housing Programs and the City of Lakewood. Recommended allocations are presented in Table 6.

TABLE 6: HOME INVESTMENT PARTNERSHIP (HOME)

Total Available 2024	\$1,458,355
Uses:	
Administration (10% cap)	\$145,835
Housing Programs in Tacoma	\$971,265
City of Lakewood	\$341,255
Total Uses	\$1,458,355
Once the HOME allocation for PY2024 is released by HUD, the following adjustments will be made if needed: 10% will be set-aside for Admin, the consortium percent will be set-aside for Lakewood based on published contribution and the remainder will be allocated to Housing Programs in Tacoma.	

Through the Annual Action Plan process, HOME funds are allocated by the City Council to the TCRA for oversight. Each program year, the TCRA leads a competitive process to identify HOME-funded programs in support of permanent affordable rental housing, affordable homeownership housing, and down payment assistance.

SUBRECIPIENT AND SUBCONTRACTOR AGREEMENTS

City staff will request authority from the City Council to enter into three (3) subrecipient agreements with the TCRA: one (1) agreement being for PY24 HOME funds in the amount of \$1,117,100 in support of permanent affordable rental housing, administration, affordable homeownership housing, and down payment assistance; one (1) being for PY24 CDBG funds in the amount of \$1,734,771 in support of administration and housing activities; and one (1) subrecipient agreement with the TCRA and the City of Lakewood in the amount of \$341,255 to administer and carry out PY24 HOME activities under the Tacoma-Lakewood HOME Consortium.

City staff will also request authority from the City Council to execute up to twenty (20) agreements with subrecipients and/or contractors for PY24 CDBG funds up to the total amount of \$659,077 for CDBG economic



development and public service activities; and PY24 ESG funds up to a total amount of \$209,987 for ESG administration, emergency shelter, HMIS, and rapid re-housing.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

During a 30-day period, beginning on March 29, 2024 and ending on April 29, 2024, the public was invited to make written comment on the Plan. A public hearing was held during a regular City Council meeting on April 23, 2024. To notify the public, the City published a legal ad in The News Tribune summarizing the contents of the Plan and outlining the opportunity to make written or verbal comment. In addition, the information was distributed via email, and published in the Tacoma Daily Index.

As a HUD grantee, the City is required to provide a summary of comments received and why the comments were accepted or rejected when submitting the Plan. The City's requirements for seeking public input on the plan are outlined in the City's Participation Plan.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility: (*Mandatory*)

Eligibility criteria for CDBG, HOME, and ESG grant activities are set by HUD. Households and small business owners earning 80% or less of Tacoma/Pierce County Area Median Income (AMI) must benefit from recommended projects included in the Plan. ESG funds are used for projects providing services to those who are at risk of, or are currently, experiencing homelessness. Efforts will be made to ensure that historically underrepresented populations are aware of program requirements and benefits. The City allocates its funds citywide. The Equity Index score for the following indicators reflect the citywide score.

Economy/Workforce: *Equity Index Score:* Moderate Opportunity

Increase the number of Tacoma households that have livable wage jobs within proximity to the city.
Increase the number of diverse livable wage jobs.

Livability: *Equity Index Score:* Moderate Opportunity

Improve health outcomes and reduce disparities, in alignment with the community health needs assessment and CHIP, for all Tacoma residents

Decrease the percentage of individuals who are spending more than 45% of income on housing and transportation costs.

Increase positive public perception of safety and overall quality of life.

Explain how your legislation will affect the selected indicator(s).

The recommended projects outlined in the Plan have been selected for their ability to address needs and goals outlined in the 2020-2024 Consolidated Plan for housing, community and economic development, homeless assistance, and social services. The City of Tacoma will aim to accomplish the following goals through implementation of the Plan:

- Stabilize existing residents – Through funds for critical and minor home repairs, home beautification projects, workforce development, and business support services and technical assistance for local small businesses and entrepreneurs.



- Increase diverse rental and homeownership opportunities – These funds contribute directly to the development of affordable rental and homeownership housing units. These funds also contribute to a down payment assistance program which helps eligible households purchase a home and build equity.
- Prevent and reduce homelessness – Through funds for a wide range of services and facilities intended to prevent residents from becoming homeless and serving those experiencing homelessness.
- Increase availability of accessible, culturally competent services- Utilization of these funds will contribute to improving the cultural competence of services provide directly or indirectly by the City of Tacoma through subrecipients.
- Support high-quality public infrastructure improvements – Through funds for high quality infrastructure improvements that improve accessibility in conjunction with other housing and economic development investments.

ALTERNATIVES:

The alternatives presented in this report are based on review and analysis of each application for funding and staff’s best judgement of program activities that will lead to the preferred outcome as established in the PY 2024 Annual Action Plan, which will be submitted to HUD for review and approval on or before May 15, 2024. Other options could include, but are not limited to, changing the funding mix between activities or between individual service providers. Further alternatives might include revamping the way these services are procured and the types of activities the City wishes to pursue. Changes of this nature would require intensive staff review and would likely jeopardize the HUD-imposed May 15, 2024, Annual Action Plan submittal deadline. It is suggested that any alternatives such as these be pursued after the May 15th date and rolled into a current year plan amendment or addressed in future years’ program activities.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Not approve the plan as presented and change funding mix between activities or between individual service providers	Further customize federal program funding to meet local needs	Jeopardize the HUD-imposed deadline for submittal of the Plan
2. Not approve the plan as presented and revamp the way services are procured and the types of activities the City wishes to pursue	Further customize federal program funding to meet local needs	Jeopardize the HUD-imposed deadline for submittal of the Plan
3. Address the above alternatives in future years’ program activities	Further customize federal program funding to meet local needs	No negative impacts are anticipated from this alternative



EVALUATION AND FOLLOW UP:

Progress towards the annual goals will be reported in the City’s 2024 Consolidated Annual Performance and Evaluation Report following the close of the program year on June 30, 2025.

STAFF/SPONSOR RECOMMENDATION:

Staff recommends approving the Plan as presented.

FISCAL IMPACT:

Please provide a short summary of the fiscal impacts associated with the grant, agreement, policy action, or other action.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1195- CED Federal Grants	730100 – CED Economic Grants	4331281 –Dir Fed HUD CDBG	\$2,393,848
	730100 – CED Economic Grants	4331280 – Dir Fed HUD Home	\$1,458,355
	730100 – CED Economic Grants	4331282- Dir Fed HUD ESG	\$209,987
TOTAL			\$4,062,190

Are the expenditures and revenues planned and budgeted in this biennium’s current budget?

YES

These grant funds are budgeted in the 2023-2024 biennium.

Are there financial costs or other impacts of not implementing the legislation?

YES

Failing to approve the Plan, and as a result, failing to submit the Plan to HUD, will result in the delay or loss of the City’s CDBG, HOME, and ESG funds, and prevent implementation of programs and projects that will provide considerable benefits to the community.

Will the legislation have an ongoing/recurring fiscal impact?

YES

Will the legislation change the City’s FTE/personnel counts?

No

ATTACHMENTS:

- Draft Tacoma-Lakewood HOME Consortium 2024 Annual Action Plan
- City of Tacoma Participation Plan for HUD Grants
- Form of City-TCRA HOME subrecipient Agreement
- Form of City- TCRA CDBG subrecipient Agreement
- Form of City, TCRA, and Lakewood Subrecipient Agreement

Form of AMENDMENT NO. 4 TO CONTRACT CW2240538

THIS AMENDMENT is made and entered into effective as of the 1st day of July, 2024 ("Effective Date"), by and between the CITY OF TACOMA, a municipal corporation of the State of Washington (hereinafter called the "CITY") and TACOMA COMMUNITY REDEVELOPMENT AUTHORITY (herein called "TCRA" or the "Subrecipient").

WHEREAS, the City has applied for and received funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383; and

WHEREAS, the City wishes to engage the Subrecipient to assist the City in utilizing such funds;

WHEREAS, the original Agreement with the subrecipient was executed on January 26, 2021 and effective July 1, 2020 for the 2020 program year

WHEREAS, the first amendment to the Agreement was completed for the 2021 program year on August 27, 2021 and effective starting July 1, 2021

WHEREAS, the second amendment to the Agreement was completed for the 2022 program year on effective starting July 1, 2022

WHEREAS, the third amendment to the Agreement was completed for the 2032 program year on effective starting July 1, 2023

NOW, THEREFORE, in consideration of the mutual promises and obligations hereinafter set forth, the parties agree as follows:

1. Section 1.A. Scope of Service- Activities on Pg. 1 of the contract is hereby amended to read as follows:

"Activities. The Subrecipient will be responsible for administering a Community Development Block Grant (CDBG) Program Year consisting of an Affordable Housing Fund, Economic Development Fund, Single Family Rehabilitation Loan Program, and funds for Public Facilities and/or Public Improvements in support of housing in a manner satisfactory to the Grantee and consistent with any standards required as a condition of managing these funds during the Program Year. This will include the following activities eligible under CDBG:

- 1) Program Delivery. The intent of this Agreement is to enhance Tacoma's housing and economic development climate by providing (1) loans, grants, and technical assistance to low-income qualified homeowners, homebuyers, and to organizations that develop, own and/or sponsor affordable housing, including shelters, group homes, special needs and transitional housing, opportunities for low-income homebuyers; (2) loans and grants to businesses that create or retain employment opportunities for low-income individuals; and (3) direct acquisition of real properties in support of (1) and (2) above. Additional details on program delivery are provided on Exhibit A to this agreement.
- 2) General Administration. The City will provide appropriate staff to manage and disburse grant funds, issue, administer and closeout all contracts, direct the services of consultants, sub-recipients, contractors and sub-contractors and execute payments (checks or electronic transfers) disbursing funds on behalf of the Subrecipient."

2. Section 1.C. Levels of Accomplishment- Goals and Performance Measures on Pg. 2 of the contract is hereby amended to read as follows.

The levels of accomplishment may include such measures as number of units rehabilitated, persons or households assisted, or employment opportunities created, and should also include timeframes for performance.

The Subrecipient agrees to provide the following levels of programs services:

Activity	Activity type/Year				
	2020	2021	2022	2023	2024
Homeowner Rehabilitation	16 Homeowner Rehabs	15 Homeowner Rehabs	16 Homeowner Rehabs	12 Homeowner Rehabs	12 Homeowner Rehabs
Affordable Housing Fund Activity(ies)	TBD- Affordable Housing Projects will be solicited via a notice of funding availability (NOFA)				
Public Improvements	TBD				
Economic Development Fund	TBD				

3. Section 2. Time of Performance is hereby amended to read as follows:

“Services of the Subrecipient shall start on the 1st day of July, 2020 and end on the 30th day of June of 2023 for the 2020 Program year. Services of the Subrecipient shall start on the 1st day of July, 2021 and end on the 30th day of June of 2024 for the 2021 Program year. Services of the Subrecipient shall start on the 1st day of July, 2022 and end on the 30th day of June of 2025 for the 2022 Program year. Services of the Subrecipient shall start on the 1st day of July, 2023 and end on the 30th day of June of 2026 for the 2023 Program year. Services of the Subrecipient shall start on the 1st day of July, 2024 and end on the 30th day of June of 2027 for the 2024 Program year.

The term of this Agreement and the provisions herein shall be extended to cover any additional time period during which the Subrecipient remains in control of CDBG funds or other CDBG assets, including program income.”

4. Sections 3. Budget and Section 4. Payment on Pg. 3 are hereby amended to read as follows:

“III. BUDGET

The City agrees to provide CDBG funds in the amount of **\$9,535,989** (Nine Million, Five Hundred Thirty Five Thousand, Nine Hundred Eighty-Nine Dollars and 00/100) to accomplish the scope of services described in Exhibit A. The funds are to be used solely for program delivery and program costs. A more detailed budget breakdown is contained in Exhibit B: Compensation of Financial Requirements.

IV. PAYMENT

It is expressly agreed and understood that the total amount to be paid by the Grantee under this Agreement shall not exceed **\$9,535,989** (Nine Million, Five Hundred Thirty Five Thousand, Nine Hundred Eighty-Nine Dollars and 00/100). Drawdowns for the payment of eligible expenses shall be made against the line items budgets specified in Paragraph III herein and in accordance with performance.

Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in 2 CFR 200, Subpart D."

5. The Scope of Work, authorized under Exhibit "A" of the Contract, is hereby amended to include changes to Sections 1 and 3.C. Exhibit "A" attached to this Amendment and incorporated herein.
6. The Budget, authorized under Exhibit "B" of the Contract, is hereby amended to add the program year 2023 budget under Section 1, Exhibit "B" attached to this Amendment and incorporated herein.
7. All other terms of the Contract, together with all Exhibits and previous amendments, are hereby ratified and shall remain in full force and effect, unaltered by this Amendment.

Should this Amendment be executed after the 1st day of July, 2024 noted above, all terms and conditions herein shall operate retroactively to 1st day of July, 2024.

IN WITNESS WHEREOF, the Parties hereto have accepted and executed this Amendment, as of the 1st day of July, 2024 stated above, which shall be 1st day of July, 2024 for bonding purposes as applicable. The undersigned TCRA representative, by signature below, represents and warrants they are duly authorized to execute this legally binding Amendment for and on behalf of the TCRA.

CITY OF TACOMA

**TACOMA COMMUNITY
REDEVELOPMENT AUTHORITY**

Elizabeth Pauli
City Manager

TCRA Authorized Officer

Print Name: _____

Title: _____

Jeff Robinson, Director
Community & Economic Dev. Dept.

EIN: 91-1061825

Andrew Cherullo, Finance Director

Unique Entity ID (UEI):
YUWKM2N6N4G4

Approved as to form:

Debra Casparian, Deputy City Attorney

Attest:

Doris Sorum, City Clerk

EXHIBIT A

Scope of Work

1. Intention and Deadlines.

Intent: The intent of this Agreement is to enhance Tacoma's housing and economic development climate by providing (1) loans and technical assistance to income qualified homeowners, homebuyers, and to organizations that develop, own and/or sponsor affordable housing, including shelters, group homes, special needs and transitional housing, opportunities for low-income homebuyers; (2) loans to businesses that create or retain employment opportunities for low-income individuals; (3) job training and placement opportunities for low-income individuals; and (4) acquisition of real property in support of (1) and (2) above.

Geographical Limits: Loans, technical assistance, and real property acquisitions are limited to housing and businesses located within the Tacoma city limits.

Terms: The Agreement for Program Year 2020 shall be effective July 1, 2020.

The Agreement for Program Year 2021 shall be effective July 1, 2021.

The Agreement for Program Year 2022 shall be effective July 1, 2022.

The Agreement for Program Year 2023 shall be effective July 1, 2023.

The Agreement for Program Year 2024 shall be effective July 1, 2024.

The Agreement shall be effective from the before mentioned dates and terminate at the end of the period of maturity or affordability or any subsequent enforcement actions arising during the period of affordability, whichever is later.

Commitment Deadline: Program year 2020 funding must be committed to projects no later than December 31, 2022.

Funding for program year 2021 must be committed to projects no later than December 31, 2023.

Funding for program year 2022 must be committed to projects no later than December 31, 2024.

Funding for program year 2023 must be committed to projects no later than December 31, 2025.

Funding for program year 2024 must be committed to projects no later than December 31, 2026.

Disbursement Deadline: Funding under this Agreement must be disbursed for committed projects no later than December 31, 2027.

2. Scope for Lending

A. To accomplish this intent the Subrecipient shall fully comply with all noted regulations, requirements, and conditions as set forth in this Agreement and serve low income households residing in the City of Tacoma through their Economic Development and Housing loan programs. All activities will be provided in accordance with established CDBG regulations 24 CFR Part 570 (Subparts A – K) and guidelines to include:

1. Providing owner-occupied single family housing rehabilitation loans not to exceed \$60,000.00 per unit unless prior approval is granted;
2. Providing loans to borrowers for the development of affordable rental or ownership housing. Development includes acquisition, rehabilitation, and/or new construction;
3. Providing loan programs for low-income, first-time homebuyers, including down-payment assistance and closing costs;
4. Providing loans to businesses that will retain or create employment opportunities for low-income individuals;
5. Acquiring real properties directly in support of affordable housing, employment, and economic development opportunities supporting low-income individuals;
6. Reviewing and approving all loans for compliance with TCRA policies and regulations;
7. CDBG program loan repayments and interest (Program Income) from previous loans will be used before CDBG grant funds are obligated as Exhibit C, Section C 2F of this Agreement;
8. Completing reports and providing information as required by the City to demonstrate compliance with regulations, client eligibility, goals, and objectives to support the U.S. Department of Housing & Urban Development (HUD) the 5-year Consolidated Plan, the Annual Action Plan, and the Consolidated Annual Performance and Evaluation Report (CAPER) and other reports as may be required; and
9. Servicing the portfolio of loans extended, including tracking of timely payments, maturity, maintaining insurance coverage, monitoring occupancy, current tax status, foreclosure, and title issues.

- B. Clients may request services at 747 Market Street, Tacoma, WA, Monday through Friday during regular business hours between 8:30 AM and 4:00 PM.
- C. Significant deviation from the Scope of Work or Compensation and Financial Requirements requires written concurrence by the City as an amendment to this Agreement. The Subrecipient must submit their request in writing prior to making changes to this Agreement.

3. Client Eligibility

- A. The Subrecipient shall screen all clients served with funds provided under this Agreement and maintain records documenting that one hundred percent (100%) of the total number of clients served do not have a gross annual household income in excess of the limits specified in the below in Paragraph C, Income Definitions, for Low-Income Households with the applicable number of persons per household.
- B. A household is defined as all persons living in the same household who are related or unrelated persons that reside in the same dwelling unit as their permanent residence. This does not include live-in aides and/or unrelated persons paying rent for a room.
- C. Subrecipient agrees to use the most current CDBG program income limit guidelines as issued by HUD. The limits in effect as of the date of this agreement are listed in the table below. This limits are to be used until HUD releases updated CDBG limits for the Tacoma/Pierce County Metro-Statistical Area;

Income Limits Summary – 2022 CDBG Program Effective June 15, 2023			
Household Size	Extremely Low Income (30% AMI)	Very Low Income (50% AMI)	Low Income (80% AMI)
1 person	\$22,600	\$37,650	\$60,200
2 persons	\$25,800	\$43,000	\$68,800
3 persons	\$29,050	\$48,400	\$77,400
4 persons	\$32,250	\$53,750	\$86,000
5 persons	\$34,850	\$58,050	\$92,900

6 persons	\$37,450	\$62,350	\$99,800
7 persons	\$40,000	\$66,650	\$106,650
8 persons	\$42,600	\$70,950	\$113,550

- D. The Subrecipient agrees to utilize the method outlined in 24 CFR Part 5 to determine income eligibility for rental projects. For homeownership projects, the Subrecipient agrees to determine income eligibility, on a program by program basis, either through the method outlined in 24 CFR Part 5 or as outlined by the Internal Revenue Service's 1040 income calculation. For either calculation, the Subrecipient will ensure that a minimum of two (2) months of source documents will be collected when determining income and will project the anticipated income for a 12-month period.

Economic Development activities will allow for self-certification of employees utilizing the Internal Revenue Service's 1040 income calculation.

4. Program requirements.

A. Recordkeeping and reporting

1. The Subrecipient, under 24 CFR 570.503(b)(2), shall maintain all program and program related reports and records in accordance with HUD regulations to enable HUD to determine whether the requirements have been met and fully documented. Such records will be retained for six (6) years after the term of the agreement.

B. Financial and demographic information for the City's Consolidated Annual Performance and Evaluation Report (CAPER):

1. Number of clients (individuals or families) served by the Subrecipient during the program year, as well as the cumulative totals;
2. Race/Ethnicity of clients (individuals or families) served;
3. Income Status;
4. A listing of all funds and funding sources used with CDBG monies for programs;
5. Other information required supporting the quarterly reports, annual CAPER, and other reports shall be provided as requested.

5. Subrecipient Responsibilities

- A. The Subrecipient shall be required to have written agreements prior to providing funding to any other entity (identified as owners, developers, or businesses), beneficiaries (identified as homeowners or homebuyers), subrecipients, or contractors.
- B. The Subrecipient will submit timely invoices for expenses to the City. Invoices for programs administered by the Subrecipient will be submitted no less than monthly. Invoices for development projects will be submitted as the expenses are incurred by the Subrecipient.
- C. Failure to lawfully plan, administer, and implement the program or project, or to demonstrate substantial progress within ninety (90) days of the effective date of this Agreement shall cause the City to re-evaluate the program or project, necessitating the amendment and/or termination of this Agreement.

6. City Responsibilities

To accomplish the intent of this Agreement, the City shall:

- A. Designate the Director of the Community and Economic Development Department (CEDD), the Assistant Director of CEDD, and the Housing Manager of CEDD to plan, administer, and implement programs and projects to provide loans to low-income homeowners, homebuyers, and housing developers according to program guidelines.
- B. The City will provide appropriate staff to manage and disburse grant funds, issue, administer and closeout all contracts, direct the services of consultants, subrecipients, contractors and sub-contractors, and execute checks disbursing funds on behalf of the Subrecipient.
- C. The Director of the Community and Economic Development Department (CEDD) may perform or may delegate the administrative responsibilities delegated by the Authority Board hereunder to the Assistant Director and/or the Housing Manager, as the Director determines is appropriate, to carry out the administrative functions provided for in this Agreement, as necessary to provide for the most effective and orderly rendition of administrative functions in light of the workload and availability of these three City employees. The term "Administrator" as hereinafter used shall denote any of the three individuals filling the above-defined position in CEDD, and such other individuals as designated by the Director with the approval of the Authority Board.

D. The Administrator is authorized, on behalf of the Authority, to provide the following administrative support functions:

1. Forward to the Authority's Attorney of record non-judicial matters, and to engage the Authority's Attorney without prior Board approval for up to \$2,500 per matter relating to single-family housing loans and administrative matters, and up to \$5,000 per matter relating to economic development and multi-family housing loans; provided that such expenditures have been budgeted or are chargeable to a borrower.
2. Oversee the investment of the Authority funds to be made by the City Treasurer's office, in accordance with City investment policies and procedures and in compliance with applicable laws and regulations. The amount of funds which are not currently needed and which are currently available to be invested will be based on recommendation and findings by the authority accountant designated by the Authority board and in accordance with policies as, from time to time, are approved by resolution of the Authority Board. The City will provide periodic and adequate reports to the Authority Board in respect to the investment of TCRA funds. All interest earned on investments of Community Development Block Grant (CDBG) funds received from the U.S. Department of Housing & Urban Development (HUD) of the repayment of loans made with CDBG funds will (after payment of administrative fees as herein provided) be remitted to the U.S. Treasury, if required by HUD regulations. The City may charge an administrative fee for its administrative costs in administering investments and in providing administrative services under this agreement, which fee will be payable from any investment earnings, to the extent allowable under applicable federal laws and regulations.
3. Sign on behalf of the Authority required documentation on loans approved or modified by the Authority or the Administrator, as provided herein. The Administrator is further authorized to sign on behalf of the Authority lien releases on fully paid or forgiven loans and to authenticate or sign on behalf of the authority such other documents as are, from time to time, approved by resolution of the Authority Board.

The City is not authorized to sign Board Resolution(s), Real Estate Purchase and Sale Agreement(s), Promissory Note(s), or other items requiring the Board's approval, as stated in Article V of the Authority Charter, and requiring the signature of the president or other officer of the

Authority

Board.

Nothing herein shall limit the authority of the Board to:

(a) authorize or direct the President of the Board or other Board officers to sign and authenticate any document or documents on behalf of the Authority as the Board may, from time to time, determine; or

(b) limit the authority of the City to sign and authenticate any document or documents as to any particular transaction or in general.

4. Supervise City staff assigned to provide administrative support to the Authority and will provide administrative support or such supervision in assisting and advising the Authority Board relative to:

(a) compliance with the requirements of agreements with the Authority;

(b) development of appropriate forms and procedures in the implementation of programs and projects administered by the Board;

(c) development of appropriate budgets, financial analysis and planning, and utilization of appropriate accounting practices and procedures;

(d) coordination of the stated goals and objectives of the City and the Authority in the implementation and planning of present or future programs and projects in which the Authority is or will be involved;

(e) development of long-range plans for implementation of the mutual goals and objectives of the Authority and the City;

(f) development of processes and procedures to enable early detection and reporting to the Authority Board of noncompliance with applicable program and financial requirements;

(g) monitoring and collection of loans; and

(h) development of recommendations for consideration by the Board from time to time for improvements to the manner in which the Authority delivers services and to improve and broaden the Authority's relationship with third parties who are potential recipients of intended public services or who can assist the authority in carrying out and fulfilling its intended goals and objectives.

- E. Increase an approved loan up to 10% of the original loan amount, but not more than \$10,000.00 per loan. The higher loan amount must continue to meet all program guidelines and limits. The requested increase must coincide with the original purpose of the loan or pay for unanticipated closing costs. The increase must be recommended by the Housing Manager, or staff authorized to take action on their behalf. The same person is not authorized to both recommend and approve any such action.
- F. Approve, on behalf of the Authority, subordination requests when the Administrator determines in good faith that the requested subordination will not jeopardize the Authority's current collateral position nor cause additional risk to the Authority. The subordination must be recommended by the Housing Manager, or staff authorized to take action on their behalf. The same person is not authorized to both recommend and approve any such action. A report, including loan write-up, will be provided to the Authority of all loans approved in the prior month. The Authority will ratify the action(s) of the Administrator at its next regular meeting or take action indicating it does not want the Administrator to take similar action in the future.
- G. Approve loans through the Down Payment Assistance program, in an amount not to exceed \$30,000.00. The loans must meet all program guidelines and be recommended by the Housing Manager, or staff authorized to take action on their behalf. The same person is not authorized to both recommend and approve any such action. A quarterly report will be provided to the Authority of all loans approved each quarter. The Authority will ratify the action(s) of the Administrator at its next regular meeting or take action indicating it does not want the Administrator to take similar action in the future.
- H. Approve loans through its homeowner housing rehabilitation program, in an amount not to exceed \$60,000. The loans must meet all program guidelines and be recommended by the Housing Manager, or staff authorized to take action on their behalf. The same person is not authorized to both recommend and approve any such action. A quarterly report will be provided to the Authority of all loans approved each quarter. The Authority will ratify the action(s) of the Administrator at its next regular meeting or take action indicating it does not want the Administrator to take similar action in the future.
- I. Extend the maturity date of a loan for up to 90 days, per loan, with the recommendation of the Housing Manager (or staff authorized to take action), under the following conditions:

1. the loan is current and performing; and
 2. (a) the extension request is based on need for additional time to gather necessary information needed to submit a formal request for extension to the Authority Board; or (b) the extension request is needed due to unanticipated loss of income by borrower, due to death or medical crises of the borrower, or a need for additional time to refinance the Authority loan.
The same person is not authorized to both recommend and approve any such action.
- J. Approve, on behalf of the Authority, a one-time deferment on housing loans up to 30-days with the recommendation of the Housing Manager, or staff authorized to take action on their behalf. The same person is not authorized to both recommend and approve any such action. Any such deferment must be based on loss of employment, medical crises, or other unanticipated emergency situation which prevents the borrower from making his or her regular payment. The intent of any such deferment is to prevent the borrower from becoming delinquent on his or her loan while staff prepares a recommendation for loan modification, if necessary, for Board approval. Any such deferred payment will be added at the end of the loan term until the loan is paid in full, but will not be considered a delinquency.
- K. Modify loan in order to extend the first payment due date and subsequently the maturity date, only under the following conditions:
1. delay(s) in the construction process on a project;
 2. delay(s) in funding on a project;
 3. errors in the documentation and setup of a loan.
- L. Approve expenditures of up to \$5,000 of Authority Funds, per item or service contract, provided payment therefore has been budgeted. The Administrator will provide an updated expenditure report and budget variance on a quarterly basis to the Board.
- M. Approve expenditures of up to \$10,000 of Authority funds for repairs and upkeep on any Authority-owned property. The expenditures, unless otherwise approved by the Authority Board, will be covered by income generated from the property. All requests will be recommended by the Housing Manager and will be reported to the Board. The purchase of goods and supplies authorized by the Administrator will be purchased by the City using Authority Board approved purchasing procedures. Contracts for services and repairs as authorized herein will be obtained and signed by the Administrator on behalf of the Authority.

Purchases and contracts for services and repairs will comply with applicable federal procurement and contract requirements and with such additional procurement and contract requirements as the Authority Board may, from time to time, provide by Board action.

EXHIBIT B

Compensation and Financial Requirements

1. Compensation.

In consideration of the mutual promises given and the benefit to be derived from this Agreement, the City agrees to provide CDBG funds to accomplish the scope of services described in Exhibit A Amendment 1– Scope of Work.

2020-2021 CDBG Budget	
Eligible Categories	New CDBG Award and Program Income Funds
CDBG Admin	\$505,684
City of Tacoma Housing Rehab Program	\$400,000
Affordable Housing Trust Fund	\$217,711
Community Development Services/Infrastructure	\$390,263
Paint Tacoma-Pierce Beautiful	\$75,000
RTSS-Tacoma Home Repair	\$660,000
RTSS-Rebuilding Day and Year-Round	\$81,500
Total	\$2,330,158

2021-2022 CDBG Budget	
Eligible Categories	New CDBG Award
CDBG Admin	\$492,035
Tacoma Affordable Housing Fund	\$150,000
City of Tacoma Housing Rehab Program	\$400,000
RTSS-Tacoma Home Repair	\$660,000
RTSS-Rebuilding Day and Year-Round	\$81,500
Habitat for Humanity	\$ 157,615
Total	\$1,941,150

2022-2023 CDBG Budget	
Eligible Categories	New CDBG Award
CDBG Admin	\$476,917
City of Tacoma Housing Rehab Program	\$683,990
RTSS-Community Revitalization Partnership	\$570,000
AM – Paint Tacoma Beautiful	\$64,000
Total	\$1,795,139

2023-2024 CDBG Budget	
Eligible Categories	New CDBG Award
CDBG Admin	\$478,769
City of Tacoma Housing Rehab Program	\$619,322
RTSS-Community Revitalization Partnership	\$572,680
AM – Paint Tacoma Beautiful	\$64,000
Total	\$1,734,771

2024-2025 CDBG Budget	
Eligible Categories	New CDBG Award
CDBG Admin	\$478,769
City of Tacoma Housing Rehab Program	\$619,322
RTSS-Community Revitalization Partnership	\$572,680
AM – Paint Tacoma Beautiful	\$64,000
Total	\$1,734,771

2. Financial Requirements – Payments.

A. Application Regulations

It is understood that where applicable, CDBG funds provided by this Agreement and program income generated by any CDBG-funded project or projects are

federal funds administered by the City and are subject to those regulations and restrictions normally associated with federal programs and found at 2 CFR 200, including, but not limited to those found at 2 CFR 200, Subparts A-F (as appropriate) as applicable, and the Washington State BAR's Manual made applicable by local, state, or federal laws or regulations. All of the above are incorporated in this agreement by reference.

B. Approved Uses

It is expressly understood that CDBG funds may only be used for costs included in the CDBG budget and may not be used for the general administration or operation of the Subrecipient, unless expressly authorized by the City, and may not replace non-federal funds in any jointly funded project except as outlined below in paragraph 2 of this Section.

During the period of performance, the total budget or any adjustments of funds between individual line items in the Subrecipient's budget will be accomplished by a written Change Order or Amendment approved by the City. Unexpended funds not subject to a request for payment will be retained by the City.

C. Funds Disbursement Provision

The Subrecipient shall not request fund disbursement until the funds are needed for payment of eligible costs and the amount of each disbursement request may not exceed the amount needed. Program income must be disbursed prior to requesting distribution of funds per 24 CFR 570.504.

Reimbursement requests from the Subrecipient for administrative services rendered under this Agreement shall be based upon reporting requirements from the City and be submitted and supported by appropriate documentation of costs actually incurrent and shall, when appropriate, include actual hours worked, costs incurred, and the total dollar payment requested.

The Subrecipient shall refund to the City any payment or partial payment expended by the Subrecipient, its Contractors or Consultants which is subsequently found to be ineligible, inappropriate or illegal. Further, the Subrecipient shall refund to the City any funds remaining at the end of the period of performance.

The Subrecipient is expressly prohibited from submitting claims in excess of actual costs for carrying out the program.

D. Inappropriate Funds Obligation

Under this Agreement, CDBG funds shall not be obligated for:

1. Costs incurred prior to the effective date of this Agreement, except as authorized by the City;
2. Costs incurred after this Agreement has expired, except at authorized by the City; or
3. Any action subsequent to written notification from the City suspending or terminating the Agreement, except as authorized by the City.

E. Multiple Funding Sources

Subrecipient programs or projects funded by multiple funding sources, or from multiple funding years, shall maintain records which clearly identify (1) funding source(s), (2) the amount of funding, (3) funding year, and (4) use of funds.

F. Program Income

In the event that program income, as defined in 24 CFR Part 570.504, is generated from the use of CDBG funds, then any and all such income shall be identified, accounted for, and reported to the City on a monthly basis in accordance to the reporting scheduled outline in Exhibit A – Scope of Work, Section 4 Recordkeeping and Reporting. Program income in the form of repayments to, or interest earned on, a loan funded with CDBG funds shall be substantially disbursed by the Subrecipient prior to requesting any grant funds from the City. Any payment request received by the TCRA shall be accessed against program income available. If program income is sufficient to cover the request program income will be used. If program income available covers part of the request, program income will be used to cover part of the request and grant request will be used to cover the remaining balance.

In the event that program income is not used in accordance with these conditions, such program income shall be returned to the City. The Subrecipient shall transfer to the City any CDBG funds on hand or any account receivables attributable to the use of the CDBG funds that do not meet the above requirements.

CDBG program income can be used for any CDBG eligible expense. A total of twenty percent (20%) of the program income received may be retained for CDBG Program Administrative expenses as follows: the Subrecipient may retain twenty percent (20%) of the program income received which may be utilized for any eligible CDBG administrative expense. Any program income utilized for

administrative expenses must be expended in the same program year it was received.

G. Unexpended Funds and Program Income

At the conclusion or upon termination of this Agreement, all unexpended CDBG funds, any uncollected and/or unexpended program income remaining in the Subrecipient's accounts, and any remaining equipment or operation supplies with a value in excess of \$5,000.00 shall be immediately returned to the City unless specifically authorized in writing by the City.

Form of AMENDMENT NO. 4 TO CONTRACT CW2240247

THIS AMENDMENT is made and entered into effective as of the 1st day of July, 2024 ("Effective Date"), by and between the CITY OF TACOMA, a municipal corporation of the State of Washington (hereinafter called the "CITY") and TACOMA COMMUNITY REDEVELOPMENT AUTHORITY (herein called "TCRA" or the "Subrecipient").

WHEREAS, the City has applied for and received funds from the United States Government authorized by Title II, Section 216 and 217 of the National Affordable Housing Act of 1990, and 24 CFR Part 92, also known as the HOME Investment Partnerships ("HOME") Program;

WHEREAS, the City wishes to engage the Subrecipient to assist the City in utilizing such funds;

WHEREAS, the original Agreement with the Subrecipient was executed on January 26, 2021 and effective July 1, 2020 for the 2020 program year;

WHEREAS, the first amendment to the Agreement was completed for the 2021 program year on August 27, 2021 and effective starting July 1, 2021;

WHEREAS, the second amendment to the Agreement was completed for the 2022 program year effective starting July 1, 2022;

WHEREAS, the third amendment to the Agreement was completed for the 2023 program year effective starting July 1, 2023;

NOW, THEREFORE, in consideration of the mutual promises and obligations hereinafter set forth, the parties agree as follows:

1. Section 1. Period of performance on Pg. 1 of the contract is hereby amended to read as follows:

"The period of performance for this Agreement begins July 1, 2020 and terminates December 31, 2027. Individual periods of performance for each program year are outlined in Terms section of Exhibit B, the Scope of Work. The City reserves the right to extend this Agreement for additional periods and may be done without City Council approval. The decision to extend this Agreement is subject to the availability of funding, the continued priority of need for a specific service, and satisfactory performance by the Subrecipient during the period specified in this Agreement. Notification of intent to contract for additional periods with the Subrecipient will occur prior to the expiration of this Agreement."

2. Section 2. Consideration on Pg. 1 of the Contract is hereby amended to read as follows:

"A. The maximum consideration for program year 2020 of this Agreement shall not exceed \$1,496,846.00 (One Million Four Hundred Ninety Six Thousand, Eight Hundred and Forty Six Dollars and No/100)

B. The maximum consideration for program year 2021 of this Agreement shall not exceed \$1,087,226.00 (One Million Eighty Seven Thousand, Two Hundred and Twenty Six Dollars and No/100)

C. The maximum consideration for program year 2022 of this Agreement shall not exceed \$1,185,192.00 (One Million One Hundred Eighty Five Thousand One Hundred Ninety Two Dollars and No/100)

D. The maximum consideration for program year 2023 of this Agreement shall not exceed \$1,117,100.00 (One Million One Hundred Seventeen Thousand, One Hundred Dollars and No/100)

E. The maximum consideration for program year 2024 of this Agreement shall not exceed \$1,117,100.00 (One Million One Hundred Seventeen Thousand, One Hundred Dollars and No/100)"

3. The Scope of Work, authorized under Exhibit "B" of the Contract, is hereby amended to include changes to Sections 1, 3.C, 4.D.2, and 5.A. Exhibit "B" attached to this Amendment and incorporated herein.
4. The Compensation and Financial Requirements, authorized under Exhibit "C" of the Contract, is hereby amended to include changes to Sections 1, and 2.G. Exhibit "C" attached to this Amendment and incorporated herein.
5. All other terms of the Contract, together with all Exhibits, are hereby ratified and shall remain in full force and effect, unaltered by this Amendment.

Should this Amendment be executed after the 1st day of July, 2024 noted above, all terms and conditions herein shall operate retroactively to 1st day of July, 2024.

IN WITNESS WHEREOF, the Parties hereto have accepted and executed this Amendment, as of the date stated above. The undersigned TCRA representative, by signature below, represents and warrants they are duly authorized to execute this legally binding Amendment for and on behalf of the TCRA.

CITY OF TACOMA

**TACOMA COMMUNITY
REDEVELOPMENT AUTHORITY**

Elizabeth Pauli
City Manager

TCRA Authorized Officer

Print Name: _____

Title: _____

Jeff Robinson, Director
Community & Economic Dev. Dept.

EIN: 91-1061825

Andrew Cherullo, Finance Director

Unique Entity ID (UEI):
YUWKM2N6N4G4

Approved as to form:

Debra Casparian, Deputy City Attorney

Attest:

Doris Sorum, City Clerk

Exhibit B Scope of Work

1. Intention and Deadlines.

Intent: The intent of this Agreement is to enhance Tacoma's housing development climate by providing loans and technical assistance to income qualified homeowners, homebuyers, and to organizations that develop, own and/or sponsor affordability housing, including shelters, group homes, special needs and transitional housing, and opportunities for low-income households. In certain instances where the need and/or opportunity is identified, the Subrecipient reserves the right to directly acquire and/or develop projects to meet the intent of this Agreement.

Geographical Limits: Loans and technical assistance are limited to housing and businesses located within the Tacoma city limits.

Terms: The Agreement for Program Year 2020 shall be effective July 1, 2020.

The Agreement for Program Year 2021 shall be effective July 1, 2021.

The Agreement for Program Year 2022 shall be effective July 1, 2022.

The Agreement for Program Year 2023 shall be effective July 1, 2023.

The Agreement for Program Year 2024 shall be effective July 1, 2024.

The Agreement shall be effective from the before mentioned dates and terminate at the end of the period of maturity or affordability or any subsequent enforcement actions arising during the period of affordability, whichever is later.

Commitment Deadline: Program year 2020 funding under this agreement must be committed to projects no later than June 30, 2022.

Program year 2021 funding under this Agreement must be committed to projects no later than June 30, 2023.

Program year 2022 funding under this Agreement must be committed to projects no later than June 30, 2024.

Program year 2023 funding under this Agreement must be committed to projects no later than June 30, 2025.

Program year 2024 funding under this Agreement must be committed to projects no later than June 30, 2026.

Disbursement Deadline: Funding under this Agreement must be disbursed for committed projects no later than December 31, 2027.

2. Scope for Housing

- A. To accomplish this intent the Subrecipient shall fully comply with all noted regulations, requirements and conditions as set forth in this Agreement and serve low income households residing in the City of Tacoma through their Housing program. Housing activities will be provided in accordance with established HOME regulations 24 CFR Part 92 (Subparts A – L) and guidelines to include any of the following, depending on market, demand, staffing availability and policy direction of the TCRA:
1. Providing owner-occupied single family housing rehabilitation loans per unit in accordance with 24 CFR Part 92.254(a)(2);
 2. Providing loans to borrowers for the development of affordable rental or ownership housing. Development includes acquisition, rehabilitation and/or new construction;
 3. Utilize HOME funds for the direct acquisition and rehabilitation of both single family and multifamily projects;
 4. Hold properties acquired by the Subrecipient and/ or otherwise rehabilitated with HOME funds for the purpose of obtaining program income as it arises from rents or future sale;
 5. Providing loan programs for low income, first-time homebuyers, including assistance for down payment assistance and closing costs;
 6. Continuing to provide funding opportunities, through loans or developer subsidy, to Community Housing Development Organizations (CHDOs) for the development of affordable rental or ownership housing;
 7. Reviewing and approving all loans for compliance with TCRA policies and regulations;
 8. HOME program loan repayments and interest (Program Income) from previous loans will be deposited into the Subrecipient's HOME Investment Trust Fund local account. Program income received in any one year from Subrecipient activities shall be accumulated and reallocated in the following year's Annual Action Plan for eligible administration and affordable housing activities to be conducted by the Subrecipient. HOME grant funds are obligated as described in Exhibit C, Sections C through F of this Agreement;
 9. Completing reports and providing information as required by the City to demonstrate compliance with regulations, client eligibility, goals and objectives to support the HUD 5-Year Consolidated Plan, the Annual Action Plan, the Consolidated Annual Performance and Evaluation Report (CAPER) and other reports as may be required; and
 10. Servicing the portfolio of loans extended, including tracking of timely payments, maturity, maintaining insurance coverage, monitoring occupancy, current tax status,

foreclosure, and title issues.

- B. Clients may request services at 747 Market Street, Tacoma Washington Monday through Friday during regular business hours between 8:30 AM and 4:00 PM.
- C. Significant deviation from the Scope of Work or Compensation and Financial Requirements requires written concurrence by the City as an amendment to this Agreement. The Subrecipient must submit their request in writing prior to making changes to this Agreement.

3. Client Eligibility

- A. Per 24 CFR 92.203, the Subrecipient shall screen all clients served with funds provided under this Agreement and maintain records documenting that one hundred percent (100%) of the total number of clients served do not have a gross annual household income in excess of the limits specified below in Paragraph C, Income Definitions, for Low Income Households with the applicable number of persons per household.
- B. A household is defined as all persons living in the same household who are related or unrelated persons that reside in the same dwelling unit as their permanent residence. This does not include live-in aides and/or unrelated persons paying rent for a room.
- C. Subrecipient agrees to use the most current HOME income guidelines as issued by HUD. The limits in effect as of the date of this agreement are listed in the table below. This definition is to be used until HUD releases updated HOME limits for the Tacoma/Pierce County Metro-Statistical Area; this update is historically made available by HUD in the first quarter of the calendar year.

Income Limits Summary – HOME Program Effective June 15, 2023			
Household Size	Extremely Low Income (30% AMI)	Very Low Income (50% AMI)	Low Income (80% AMI)
1 person	\$22,600	\$37,650	\$60,200
2 persons	\$25,800	\$43,000	\$68,800
3 persons	\$29,050	\$48,400	\$77,400
4 persons	\$32,250	\$53,750	\$86,000
5 persons	\$34,850	\$58,050	\$92,900
6 persons	\$37,450	\$62,350	\$99,800
7 persons	\$40,000	\$66,650	\$106,650
8 persons	\$42,600	\$70,950	\$113,550

- D. The Subrecipient agrees to utilize the method outlined in 24 CFR Part 5 to determine income eligibility for rental projects. For homeownership projects, the Subrecipient agrees to determine income eligibility, on a program by program basis, using the Internal Revenue Service's 1040 income calculation method, as outlined in 24 CFR Part 5. Within each program utilizing HOME funds, a single income calculation method will be selected and consistently followed. For either calculation, the Subrecipient will ensure that a minimum of two (2) months (60 days) of source documents will be collected when determining income and will project the *anticipated* income for a 12-month period.

4. Project Requirements

Projects assisted utilizing HOME funds must meet the following project requirements:

A. Per Unit Subsidy

The total amount of HOME Funds that may be invested on a per-unit basis in affordable housing may not exceed the per-unit dollars limitations as established under Section 234 of the National Housing Act for Condominium Housing basic mortgage limits that apply to the area in which the housing is located. HUD may issue an exception for high-cost percentage (HCP) specific areas. If designated as an HCP area, HUD will allow the per-unit subsidy amount to be increased on a program-wide basis up to two hundred forty percent (240%) of the original per unit limits.

B. Subsidy Layering and Underwriting

In accordance with Section 102(d) of the Department of Housing and Urban Development Reform Act of 1989 all projects receiving HUD subsidy combined with any form of other governmental assistance are required to undergo a subsidy layering review. This review will certify that there are no overlaps of governmental subsidies when combining housing assistance programs administered by FHA with other forms of federal funds administered by Federal, State, or local agencies. For underwriting the Subrecipient must: (1) examine the sources and uses of each project and determine whether the costs are HOME-eligible, reasonable and necessary; (2) assess the market conditions of the neighborhood in which the project will be located; (3) assess the experience and financial capacity of the developer, (4) ensure that there are sufficient, creditable financial sources committed for the project, (5) that the project meets the Subrecipients underwriting guidelines, and (6) demonstrate that the Subrecipient is not investing any more HOME funds, alone or in combination with other funds, than are necessary to provide quality, affordable, and financially viable housing for at least the duration of the affordability period.

C. Property Standards

HOME funds are intended to support modest housing units. All HOME assisted projects, that include construction and rehabilitation, must meet local building codes and standards for decent, safe and affordable housing, written rehabilitation standards, and conform to the model codes as identified in 24 CFR 92.251. Acquisition only projects need to meet Housing Quality Standards (HQS) or its successor standard to be identified by HUD (Uniform Physical Conditional Standards (UPCS)), as applicable.

D. Rental Requirements (Rental Projects only)

In order to qualify as affordable housing in accordance with 24 CFR 92.254, HOME-assisted units in a rental housing project must be occupied by households that are eligible as low income households and must also meet the following requirements:

1. For all HOME-assisted projects, the maximum allowable rent is the HUD calculated High HOME Rent Limits or the Low HOME Rent Limits. The limits in effect as of the date of this agreement are listed in the table below. Any updates HOME rental limits can be located at: <https://www.hudexchange.info/manage-a-program/home-rent-limits/>.

2023 Rent Limits – Effective June 15, 2023							
	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
Low HOME Rent Limit	\$941	\$1,008	\$1,210	\$1,397	\$1,558	\$1,720	\$1,881
High HOME Rent Limit	\$1,174	\$1,291	\$1,552	\$1,784	\$1,970	\$2,156	\$2,341

2. The Subrecipient shall use utility allowances Consistent with HOME approved utility calculation methods. If the tenant pays their own utilities the utility allowances shall be subtracted from the maximum rent the tenant can pay.
3. In rental projects with five or more HOME-assisted units, twenty percent (20%) of the HOME-assisted units must be occupied by very low-income families and be able to meet the following rent requirements:
 - a. The rent does not exceed thirty percent (30%) of the annual income of a household whose income equals fifty percent (50%) of the median income for the area with adjustments for household size; or
 - b. The rent does not exceed percent (30%) of the families' adjusted income. If the unit receives Federal or state project-based rental subsidy and the very low-income household pays as a contribution toward the rent not more than thirty percent (30%) of the household's adjusted income, then the maximum rent (tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.
4. The Subrecipient shall require owners of HOME rental housing to adopt and maintain written policies and criteria that are consistent with all federal, state and local Fair Housing laws and meet the purpose of providing housing for low-income families and individuals per 24 CFR Part 92.351. The policies must, at a minimum, specify how tenants will be selected, give reasonable consideration to the housing needs of families and individuals with special needs, address the terms of rental assistance, maximum subsidy, and tenant protections through the use of written leases.

5. The Subrecipient shall determine fixed and floating HOME units prior to the commitment of funds on a HOME-assisted rental housing project. For projects with both HOME assisted and non-assisted HOME units, the HOME units may be fixed or floating. When a unit is fixed the unit is designated as a HOME unit and never changes. When units are designated as floating the units may change over time as long as the total number of units in the project does not change.
6. The Subrecipient shall require owners of HOME-assisted rental housing to follow the HOME regulations at 24 CFR Part 92.252(i) if a tenant in a HOME-assisted unit becomes over income.
7. The Subrecipient shall ensure that owners of HOME-assisted rental housing do not engage in the following prohibited leasing practices:
 - a. Requiring participation in services as a condition of tenancy;
 - b. Requiring tenants to adhere to rules outside of the landlord/tenant law;
 - c. Only accepting tenants from one referral source;
 - d. Requiring tenants to sign leases of less than one (1) year;
 - e. Requiring tenants to waive legal rights;
 - f. Requiring tenants to pay owner's legal fees if a dispute is initiated regardless of the final outcome; and
 - g. Other prohibited lease practices as described in the written agreement and the HOME Program Statute.

E. Homeownership Requirements (Homeownership Projects only).

The Subrecipient will ensure that the following additional requirements are adhered to:

1. The assisted housing must be maintained as the owner's principal residence;
2. At the time of assistance, the estimated value of the property must not exceed ninety-five percent (95%) of the Tacoma/Pierce County median area purchase price, as published annually by HUD; and
3. The Subrecipient will ensure that the property's being assisted will continue to be affordable and that the Subrecipient is able to recapture all or part of the HOME subsidy invested in the project per this Agreement. The Subrecipient shall use the City's recapture provisions as per the Consolidated Plan and Annual Action Plan(s). The Subrecipient shall ensure that a written agreement, Deed of Trust and Promissory Note are executed to ensure repayment if the Beneficiary fails to meet the affordability restrictions as outlined in this Agreement.

5. Program requirements.

- A. At least fifteen percent (15%) of the funds allocated under this HOME Program Agreement must be allocated to fund a Community Housing Development Organization (CHDO) for

a housing project(s) that will be owned, developed, or sponsored by the entity designated as a CHDO. HOME regulations require the reserved funds be committed within twenty-four (24) months of the Grant Agreement between the City and HUD. CHDOs must meet the following criteria per HUD Notice CPD 97-11. CHDO's will be certified by the City of Tacoma. For the 2020 program year this requirement was waived as part of HUDs COVID 19 waivers. For program year 2022, 2023 and 2024 this requirement is in effect.

- B. A twenty-five percent (25%) match on each HOME dollar expended by the Subrecipient is required under 24 CFR Part 92. On an annual basis, the Subrecipient will provide the City with documentation of match contributions for the purposes of compliance with the HOME Match requirement. The contribution:
1. Must be a permanent contribution to housing from a nonfederal source of funds;
 2. Must be made to housing that qualifies as affordable under the HOME regulations;
 3. Does not need to be invested in the same project, program or activity as that for which it is being counted as match;
 4. May be provided in the form of grants, deferred-payment loans, or amortizing loans to a HOME-program or beneficiary; and
 5. Eligible sources of match for HOME funds include:
 - a. Cash, including grants or forgivable loans;
 - b. Donated construction material or volunteer labor;
 - c. Value of donated land or real property;
 - d. Value of foregone interest, taxes, fees, or charges levied by public or private entities;
 - e. Investments in on or off-site improvements;
 - f. Proceeds from bond financing;
 - g. Cost of supportive services provided to families in HOME units;
 - h. Other eligible sources of match, as outlined 24 CFR Part 92.

6. Recordkeeping and reporting

- A. In accordance with 24 CFR 92.508, the Subrecipient shall maintain all program and program related reports and records in accordance with HUD regulations to enable HUD to determine whether the requirements have been met and fully documented.
- B. In accordance with 24 CFR 92.508 (a), the Subrecipient shall maintain regular sufficient records on HOME activities throughout the term of the Agreement, and maintain these records for six (6) years after the term of the agreement. This form will be made available to the Subrecipient.
- C. Financial and demographic information for the City's Consolidated Annual Performance and Evaluation Report (CAPER) and other required reports including:
1. Number of clients (individuals or families) served by the Subrecipient during the program year, as well as the cumulative totals;
 2. Race/Ethnicity of clients (individuals or families) served;

3. Income Status;
4. A listing of all funds and funding sources used with HOME monies for programs;
5. Submitting separate reports for each Subrecipient Agreement; and
6. Other information required supporting the quarterly reports, annual CAPER, and other reports shall be provided as requested.

7. Subrecipient Responsibilities

- A. The Subrecipient shall be required to have written agreements prior to providing funding to any other entity (identified as owners, developers, or CHDOs), beneficiaries (identified as homeowners or homebuyers), subrecipients, or contractors. Terms of all written agreements with other entities must be in accordance with 24 CFR 92.504 for the type of agreement being executed and include all applicable HOME program requirements and any terms contained in this Agreement.

Written agreements with for-profit or non-profit housing owners, developers and sponsors of housing must meet the terms of 24 CFR 92.504(3).

Written agreements with beneficiaries (homeowners or homebuyers) must meet the terms of 24 CFR 92.504(c)(5).

Written agreements with subrecipients must meet the terms of 24 CFR 92.504(c)(2).

Written agreements with contractors must meet the terms of 24 CFR 92.504(c)(4).

- B. The Subrecipient will submit timely invoices for expenses to the City. Invoices for programs administered by the Subrecipient will be submitted no less than monthly. Invoices for development projects will be submitted as the expenses are incurred by the Subrecipient.
- C. Failure to lawfully plan, administer, and implement the project or to demonstrate substantial progress within ninety (90) days of the effective date of this Agreement shall cause the City to re-evaluate the program or project, necessitating the amendment and/or termination of this Agreement.

8. City Responsibilities

To accomplish the intent of this Agreement, the City shall:

- A. Designate the Director of the Community and Economic Development Department (CEDD), the Assistant Director of CEDD, and the Housing Division Manager of CEDD to plan, administer, and implement programs and projects, to acquire property, to provide loans and other financing opportunities to low-income homeowners, homebuyers, CHDOs and housing developers according to program guidelines.
- B. The City will provide appropriate staff to manage and disburse grant funds, issue, administer, and closeout all contracts, direct the services of consultants, subrecipients, contractors and sub-contractors and execute checks disbursing funds on behalf of the

Authority.

- C. The Director of the Community and Economic Development Department (CEDD) may perform or may delegate the administrative responsibilities delegated by the Authority Board hereunder to the Assistant Director and/or the Housing Division Manager, as the Director determines is appropriate, to carry out the administrative functions provided for in this Agreement, as necessary to provide for the most effective and orderly rendition of administrative functions in light of the work load and availability of these three City employees. The term "Administrator" as hereinafter used shall denote any of the three individuals filling the above-defined position in CEDD, and such other individuals as designated by the Director with the approval of the Authority Board.
- D. The Administrator is authorized, on behalf of the Authority, to provide the following administrative support functions:
 - 1. Forward to the Authority's Attorney of record non-judicial matters, and to engage the Authority's Attorney without prior Board approval for up to \$2,500.00 per matter relating to single-family housing loans and administrative matters, and up to \$5,000.00 per matter relating to economic development and multi-family housing loans; provided that such expenditures have been budgeted or are chargeable to a borrower.
 - 2. Oversee the investment of the Authority funds to be made by the City Treasurer's office, in accordance with City investment policies and procedures and in compliance with applicable laws and regulations. The amount of funds which are not currently needed and which are currently available to be invested will be based on recommendation and findings by the authority accountant designated by the Authority board and in accordance with policies as, from time to time, are approved by resolution of the Authority Board. The City will provide periodic and adequate reports to the Authority Board in respect to the investment of TCRA funds. All interest earned on investments of HOME Investment Partnership (HOME) program funds received from the U.S. Department of Housing & Urban Development (HUD) of the repayment of loans made with HOME funds will (after payment of administrative fees as herein provided) be remitted to the U.S. Treasury, if required by HUD regulations. The City may charge an administrative fee for its administrative costs in administering investments and in providing administrative services under this agreement, which fee will be payable from any investment earnings, to the extent allowable under applicable federal laws and regulations.
 - 3. Sign on behalf of the Authority required documentation on loans approved or modified by the Authority or the Administrator, as provided herein. The Administrator is further authorized to sign on behalf of the Authority lien releases on fully paid or forgiven loans and to authenticate or sign on behalf of the authority such other documents as are, from time to time, approved by resolution of the Authority Board.

The City is not authorized to sign Board Resolution(s), Real Estate Purchase and sale Agreement(s), Promissory Note(s) or other items requiring the Board's approval, as

stated in Article V of the Authority Charter, and requiring the signature of the president or other officer of the Authority Board.

Nothing herein shall limit the authority of the Board to:

(a) authorize or direct the President of the Board or other Board officers to sign and authenticate any document or documents on behalf of the Authority as the Board may, from time to time, determine; or

(b) limit the authority of the City to sign and authenticate any document or documents as to any particular transaction or in general.

4. Supervise City staff assigned to provide administrative or support to the Authority and will provide administrative support or such supervision in assisting and advising the Authority Board relative to:

(a) compliance with the requirements of agreements with the Authority;

(b) development of appropriate forms and procedures in the implementation of programs and projects administered by the Board;

(c) development of appropriate budgets, financial analysis and planning, and utilization of appropriate accounting practices and procedures;

(d) coordination of the stated goals and objectives of the City and the Authority in the implementation and planning of present or future programs and projects in which the Authority is or will be involved;

(e) development of long-range plans for implementation of the mutual goals and objectives of the Authority and the City;

(f) development of processes and procedures to enable early detection and reporting to the Authority Board of noncompliance with applicable program and financial requirements;

(g) monitoring and collection of loans; and

(h) development of recommendations for consideration by the Board from time to time for improvements to the manner in which the Authority delivers services and to improve and broaden the Authority's relationship with third parties who are potential recipients of intended public services or who can assist the authority in carrying out and fulfilling its intended goals and objectives.

- E. Increase an approved loan up to 10% of the original loan amount, but not more than \$10,000.00 per loan. The higher loan amount must continue to meet all program guidelines and limits. The requested increase must coincide with the original purpose of the loan or pay for unanticipated closing costs. The increase must be recommended by the Housing Division Manager, or staff authorized to take action on their behalf. The same person is not authorized to both recommend and approve any such action.

- F. Approve on behalf of the Authority subordination requests when the Administrator determines in good faith that the requested subordination will not jeopardize the Authority's current collateral position nor cause additional risk to the Authority. The subordination must be recommended by the Housing Manager, or staff authorized to take action on their behalf. The same person is not authorized to both recommend and approve any such action. A report, including full loan write-up, will be provided to the Authority of all loans approved in the prior month. The Authority will ratify the action(s) of the Administrator at its next regular meeting or take action indicating it does not want the Administrator to take similar action in the future.
- G. Approve loans through the Down Payment Assistance program, in an amount not to exceed \$30,000.00. The loans must meet all program guidelines and be recommended by the Housing Division Manager, or staff authorized to take action on their behalf. The same person is not authorized to both recommend and approve any such action. A report, including full loan write-up, will be provided to the Authority of all loans approved in the prior month. The Authority will ratify the action(s) of the Administrator at its next regular meeting or take action indicating it does not want the Administrator to take similar action in the future.
- H. Approve loans through its homeowner housing rehabilitation program, in an amount not to exceed \$60,000.00 for direct rehabilitation costs. The loans must meet all program guidelines and be recommended by the Housing Division Manager, or staff authorized to take action on their behalf. The same person is not authorized to both recommend and approve any such action. A report, including full loan write-up, will be provided to the Authority of all loans approved in the prior month. The Authority will ratify the action(s) of the Administrator at its next regular meeting or take action indicating it does not want the Administrator to take similar action in the future.
- I. Extend the maturity date of a loan for up to 90 days, per loan, with the recommendation of the Housing Division Manager (or staff authorized to take action), under the following conditions:
1. the loan is current and performing; and
 2. (a) the extension request is based on need for additional time to gather necessary information needed to submit a formal request for extension to the Authority Board; or (b) the extension request is needed due to unanticipated loss of income by borrower, due to death or medical crises of the borrower, or a need for additional time to refinance the Authority loan.
- The same person is not authorized to both recommend and approve any such action.
- J. Approve, on behalf of the Authority, a one-time deferment on housing loans up to 90-days with the recommendation of the Housing Division Manager, or staff authorized to take action on their behalf. The same person is not authorized to both recommend and approve

any such action. Any such deferment must be based on loss of employment, medical crises, or other unanticipated emergency situation which prevents the borrower from making his or her regular payment. The intent of any such deferment is to prevent the borrower from becoming delinquent on his or her loan while staff prepares a recommendation for loan modification, if necessary, for Board approval. Any such deferred payment will be added at the end of the loan term until the loan is paid in full, but will not be considered a delinquency.

- K. Modify loan in order to extend the first payment due date and, subsequently the maturity date, only under the following conditions:
 - 1. delay(s) in the construction process on a project;
 - 2. delay(s) in funding on a project;
 - 3. errors in the documentation and setup of a loan.
- L. Approve expenditures of up to \$5,000.00 of Authority Funds, per item or service contract, provided payment therefore has been budgeted. The Administrator will provide the following reports to the Board on a quarterly basis:
 - 1. TCRA budget-to-actual expenditures report;
 - 2. Financial Reports, including balance sheet, income statement and statement of cash flows;
 - 3. Check or ACH payments made on the Board's.
- M. Approve expenditures of up to \$10,000.00 of Authority funds for repairs and upkeep on any Authority-owned property. The expenditures, unless otherwise approved by the Authority Board, will be covered by income generated from the property. All requests will be recommended by the Housing Division Manager and will be reported to the Board. The purchase of goods and supplies authorized by the Administrator will be purchased through TCRA approved purchasing procedures. Contracts for services and repairs as authorized herein will be obtained and signed by the Administrator on behalf of the Authority. Purchases and contracts for services and repairs will comply with applicable TCRA and federal procurement and contract requirements and with such additional procurement and contract requirements as the Authority Board may, from time to time, provide by Board action.

Exhibit C

Compensation and Financial Requirements

1. Compensation.

In consideration of the mutual promises given and the benefit to be derived from this Agreement, the City agrees to provide HOME funds to accomplish the scope of services described in Exhibit B – Scope of Work.

2020-2021 HOME Budget	
Eligible Categories	New HOME Award
HOME Housing Activities	\$1,317,580.00
Administrative Costs	\$179,266.00
Total	\$1,496,846.00*
	*Includes program income
Up to \$216,952 may be designated for CHDO funding, but is not required for PY20 HOME funds.	

2021-2022 HOME Budget	
Eligible Categories	New HOME Award
HOME Housing Activities	\$946,211.00
Administrative Costs	\$141,015.00
Total	\$1,087,226.00

2022-2023 HOME Budget	
Eligible Categories	New HOME Award
HOME Housing Activities	\$1,035,735.00
Administrative Costs	\$149,457.00
Total	\$1,185,192.00

2023-2024 HOME Budget	
Eligible Categories	New HOME Award
HOME Housing Activities	\$971,265.00
Administrative Costs	\$ 145,835.00
Total	\$1,117,100.00

2024-2025 HOME Budget	
Eligible Categories	New HOME Award
HOME Housing Activities	\$971,265.00
Administrative Costs	\$ 145,835.00
Total	\$1,117,100.00

2. Financial Requirements – Payments.

A. Application Regulations

It is understood that where applicable, HOME funds provided by this Agreement and program income generated by any HOME-funded project or projects are considered federal funds administered by the City and are subject to those regulations and restrictions normally associated with federal programs and found at 2 CFR 200, including, but not limited to those found at 2 CFR 200, Subparts A-F (as appropriate) as applicable, and the Washington State BAR's Manual made applicable by local, state, or federal laws or regulations. All such rules and restrictions are incorporated in this agreement by reference.

B. Approved Uses

It is expressly understood that HOME funds may only be used for costs included in the HOME budget and may not be used for the general administration or operation of the Subrecipient, and may not replace non-federal funds in any jointly funded project except as outlined below in paragraph 2 of this Section.

During the period of performance, the total budget or any adjustments of funds between individual line items in the Subrecipient's budget will be accomplished by a written Change Order or Amendment approved by the City. Unexpended funds not subject to a request for payment will be returned to the City.

C. Funds Disbursement Provision

The Subrecipient shall not request fund disbursement until the funds are needed for payment of eligible costs and the amount of each disbursement request may not exceed the amount needed.

Reimbursement requests from the Subrecipient for administrative services rendered under this Agreement shall be based upon reporting requirements from the City and be submitted and supported by appropriate documentation of costs actually incurred and shall, when appropriate, include actual hours worked, a description of costs, and the total dollar payment requested.

The Subrecipient shall refund to the City any payment or partial payment expended by the Subrecipient, its Contractors or Consultants which is subsequently found to be ineligible, inappropriate or illegal. Further, the Subrecipient shall refund to the City any funds remaining at the end of the period of performance.

The Subrecipient is expressly prohibited from submitting claims in excess of actual costs for carrying out the program.

D. Inappropriate Funds Obligation

Under this Agreement, HOME funds shall not be obligated for:

1. Costs incurred prior to the effective date of this Agreement, except as authorized by the City;
2. Costs incurred after this Agreement has expired, except as authorized by the City; or
3. Any action subsequent to written notification from the City suspending or terminating the Agreement, except as authorized by the City.

E. Multiple Funding Sources

Subrecipient programs funded by multiple funding sources, or from multiple funding years, shall maintain records which clearly identify (1) funding source(s), (2) the amount of funding, (3) funding year and (4) use of funds.

F. Program Income

In the event that program income, as defined in 24 CFR Part 92.503, is generated from the use of HOME funds, then any and all such income shall be identified, accounted for, and reported to the City on a monthly basis in accordance to the reporting scheduled outline in Exhibit B – Scope of Work, Section 7 Recordkeeping and Reporting.

Program income in the form of repayments to, or interest earned on, a loan fund as defined in 24 CFR 92.503(c) shall be deposited into the Lead Agency's HOME Investment Trust Fund local account. Program income received in any one year from Subrecipient activities shall be accumulated and reallocated in the following year's Annual Action Plan for eligible administration and affordable housing activities to be conducted by the Subrecipient. In the event that program income can be not used in accordance with these conditions, such program income shall be returned to the City. The Subrecipient shall transfer to the City any HOME funds on hand or any account receivables attributable to the use of the HOME funds that do not meet the above requirements.

A total of ten percent (10%) of the program income received may be retained for HOME Program Administrative expenses as follows: the Subrecipient may retain ten percent (10%) of the program income received on projects located in Lakewood for reimbursement of eligible HOME administrative expenses incurred by City of Lakewood staff; ten percent (10%) of the remaining program income may be utilized for any eligible HOME administrative expense. Program income may be utilized for administrative expenses in the program year allocated.

G. Unexpended Funds and Income

At the conclusion of this Agreement, all unexpended HOME funds, any uncollected and/or unexpended program income remaining in the Subrecipient's accounts, and

any remaining equipment or operation supplies with a value in excess of \$5,000.00 shall be immediately returned to the City unless specifically authorized in writing by the City. All HOME funds under this Agreement shall be committed to eligible projects by June 30, 2025. Commitment of funds shall be documented by an executed written agreement that complies with the requirements of 24 CFR 92.504(b) and (c) or an award letter.

Form of SUBRECIPIENT AGREEMENT – HOME PROGRAM
BETWEEN THE CITY OF TACOMA, THE CITY OF LAKEWOOD, AND THE TACOMA
COMMUNITY REDEVELOPMENT AUTHORITY
PROGRAM YEAR 2020-2021 and 2021-2022 and 2022-2023 and 2023-2024 and 2024-
2025

This HOME Subrecipient Agreement, hereinafter called “Agreement”, has been made and entered into as of the 1st day of July, 2024, between the City of Tacoma (“Tacoma”), the City of Lakewood (“Lakewood”), and the Tacoma Community Redevelopment Authority (“TCRA”) to allow for the administration of the Tacoma-Lakewood HOME Consortium (“Consortium”), whose address is 747 Market Street, Room 900, Tacoma, WA 98402 as authorized by Title II, Section 216 and 217 of the National Affordable Housing Act of 1990, and 24 CFR Part 92, also known as the HOME Investment Partnerships (“HOME”) Program.

RECITALS

WHEREAS, the U.S. Department of Housing & Urban Development (“HUD”) has designated Tacoma as a Participating Jurisdiction for the HOME Program under 24 CFR Part 92.105 and has maintained a continuous designation as a Participating Jurisdiction under § 92.106; and

WHEREAS, HUD allows for Participating Jurisdictions to select a public agency to administer its HOME program for the purpose of strengthening public-private partnerships and to expand the supply of decent, safe, sanitary and affordable housing, for low-income households; and

WHEREAS, HUD has designated the cities of Tacoma and Lakewood as the Tacoma-Lakewood HOME Consortium (“Consortium”), HUD has further designated Tacoma as the Lead Agency (“Lead Agency”) under § 92.101(2)(ii) and Lakewood as a Subrecipient Agency (“Subrecipient”); and

WHEREAS, the Lead Agency distributes HOME funds to the Subrecipient as allowed under 24 CFR Part 92.101(d) for the purpose of promoting affordable housing for low-income households through the acquisition, construction, or rehabilitation of non-luxury housing; and

WHEREAS, the Lead Agency has contracted with the Tacoma Community Redevelopment Agency (“TCRA”) to administer and carry-out the HOME program on the Lead Agency’s behalf through an annual subrecipient agreement and allocation of HOME funds.

NOW, THEREFORE, the parties, for and in consideration of the promises and mutual obligations set forth below, agree as provided for in this agreement.

I. Definitions

Act – means the HOME Investment Partnership Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U.S.C. 12701 et seq.

Annual Action Plan – the annual plan through which the Lead Agency identifies the use of their HOME funds and the amount allocated to each program or project.

HOME Assisted Units – those units which were partially or totally acquired, rehabilitated, constructed, or otherwise, assisted with the use of HOME Funds.

HOME Funds – the total amount of HOME Program dollars being distributed by the Lead Agency to the Subrecipient under this Agreement.

Household – means one or more persons occupying a housing unit.

Lead Agency – means the City of Tacoma.

Low-Income Households – means households whose annual income does not exceed 80 percent of the median income for the area, as determined by HUD.

Post Federal Award Requirements – requirements for pass-through entities pursuant to 2 CFR 200.331(a)(1); Subrecipient subaward information defined in Exhibit “A” for PY2020 and Exhibit “B” for PY2021 and Exhibit “C” for PY2022 and Exhibit “D” for PY2023 and Exhibit “E” for FY2024.

Project – a site or sites together with any buildings that are under common ownership management and financing and are to be assisted with HOME funds as a single undertaking under this agreement.

Project Completion – means that all necessary title transfer requirements and construction work have been performed; the project complies with the requirements of 24 CFR § 92, including the property standards under 24 CFR § 92.251; the final drawdown has been disbursed for the project; and the project completion information has been entered in the disbursement and information system established by HUD.

Program – a grouping of individual projects that have a common eligible activity and result (e.g.: Homeowner Rehabilitation or Down Payment Assistance).

Program Income – means gross income received by the Subrecipient, whether received directly or indirectly, that is generated from the use of HOME funds.

Program Year – the program year for this Agreement shall run from July 1st to June 30th.

Regulations – the requirements in 24 CFR Part 92 which govern the HOME Program and the use of HOME Funds, and all related and applicable OMB Circulars, Codes, Regulations, and requirements.

Subrecipient – means the City of Lakewood

Tacoma Community Redevelopment Authority (TCRA) – a public development authority created and operated by the City of Tacoma to act as the administrator and lender of HOME funds.

II. Sources and Uses of Funds

A. Amount.

- A1. In Program Year 2020-2021, HUD allocated a total of \$ of \$298,464 in HOME funds available to the Subrecipient for Program eligible activities.

In addition to the HUD allocation mentioned above this agreement allocates \$147,402.00 in HOME Program Income received during the 2019 Program year to be used for Program eligible activities.

Total. HOME Program dollars, hereinafter called “HOME Funds”, to be allocated to the Subrecipient under this agreement for Program year 2020 is **Four Hundred Forty Five Thousand Eight Hundred Sixty Six and No/100 (\$445,866.00).**

- A2. In Program Year 2021-2022, HUD allocated a total of \$322,924.00 in HOME funds available to the Subrecipient for Program eligible activities.

In addition to the HUD allocation mentioned above this agreement allocates \$77,892.00 in HOME Program Income received during the 2020 Program year to be used for Program eligible activities.

Total. HOME Funds, to be allocated to the Subrecipient under this agreement for Program year 2020 is **Four Hundred Thousand Eight Hundred Sixteen Dollars and No/100 (\$400,816.00).**

- A3. In Program Year 2022-2023, HUD allocated a total of \$309,376.00 in HOME funds available to the Subrecipient for Program eligible activities.

In addition to the HUD allocation mentioned above this agreement allocates \$208,613.00 in HOME Program Income received during the 2021 Program Year to be used for Program eligible activities.

Total. HOME Funds, to be allocated to the Subrecipient under this agreement for Program Year 2022 is **Five Hundred Seventeen Thousand Nine Hundred and Eighty Nine Dollars and No/100 (\$517,989.00).**

- A4. In Program Year 2023-2024, HUD allocated a total of \$341,255.00 in HOME funds available to the Subrecipient for Program eligible activities.

In addition to the HUD allocation mentioned above this agreement allocates \$142,558.00 in HOME Program Income received during the 2022 Program Year to be used for Program eligible activities.

Total HOME Funds to be allocated to the Subrecipient under this agreement for Program Year 2023 is **Four Hundred Eighty Three Thousand Eight Hundred Thirteen Dollars and No/100 (\$483,813.00)**

- A5. In Program Year 2024-2025, HUD allocated a total of \$341,255.00 in HOME funds available to the Subrecipient for Program eligible activities.

In addition to the HUD allocation mentioned above this agreement allocates \$68,755.00 in HOME Program Income received during the 2023 Program Year to be used for Program eligible activities.

Total HOME Funds to be allocated to the Subrecipient under this agreement for Program Year 2023 is **Four Hundred Eighty Three Thousand Eight Hundred Thirteen Dollars and No/100 (\$483,813.00)**

- B. Program Year. This Agreement covers HOME funds allocated for the Program Year 2020 and 2021 and 2022 and 2023 and 2024.

- C. Timeliness of Expenditures. Time is of the essence in this Agreement. Any Program Year 2020 and 2021 and 2022 and 2023 and 2024 funds uncommitted as of June 30, 2026 may be recaptured by the Lead Agency for redistribution to an eligible HOME activity, unless prior written approval is granted by the Lead Agency.

- D. Program Description.

- D.1 The Lead Agency has approved the Subrecipient's Annual Action Plan for the Program Year 2020-2021, which includes funding of four programs in Program Year 2020-2021: Affordable Housing Project(s), Housing Rehabilitation, Down Payment Assistance, and Tenant Based Rental Assistance in a total amount of Four Hundred and Forty Five Thousand Eight Hundred Sixty Six Dollars and No/100 (\$445,866.00).
- D.2 The Lead Agency has approved the Subrecipient's Annual Action Plan for the Program Year 2021-2022, which includes funding for Affordable Housing Project(s) in a total amount of Four Hundred Thousand Eight Hundred Sixteen Dollars and No/100 (\$400,816.00)
- D.3 The Lead Agency has approved the Subrecipient's Annual Action Plan for the Program Year 2022-2023, which includes funding for Affordable Housing

Project(s) in a total amount of Five Hundred Seventeen Thousand Nine Hundred and Eighty Nine Dollars and No/100 (\$517,989.00)

D.4 The Lead Agency has approved the Subrecipient's Annual Action Plan for the Program Year 2023-2024, which includes funding for Affordable Housing Project(s) in a total amount of Four Hundred Eighty Three Thousand Eight Hundred Thirteen Dollars and No/100 (\$483,813.00)

D.5 The Lead Agency has approved the Subrecipient's Annual Action Plan for the Program Year 2024-2025, which includes funding for Affordable Housing Project(s) in a total amount of Four Hundred Eighty Three Thousand Eight Hundred Thirteen Dollars and No/100 (\$483,813.00)

E. Scope of Work. The Subrecipient will act as program coordinator and will market the programs in accordance with applicable HOME rules and regulations to households whose gross annual household income is at or below eighty percent (80%) of median under income guidelines established annually by HUD for the Tacoma-Lakewood area. The Subrecipient is responsible for ensuring that all federal, state, and local regulations, laws and requirements are met prior to the written commitment and/or disbursement of any HOME funds under this Agreement.

F. Project Approval. All projects will be reviewed individually and independently approved by the TCRA, a public development authority, staffed by the Lead Agency. All projects must meet the regulatory requirements of 24 CFR Part 92. The TCRA, on behalf of the Subrecipient, will act as lender of the Subrecipient HOME funds to households, developers and/or owners ("Borrower") as individually authorized and approved by TCRA.

All loans will be subject to TCRA terms and conditions of approval and made in compliance with 24 CFR Part 92, as appropriate for the specific activity. TCRA will be named as mortgagee on the properties, which will be documented by one or more of the following documents, as appropriate: a Developer Agreement, a Promissory Note, a Loan Agreement, a Deed of Trust, and a HOME Agreement. All documents must be satisfactory to the Lead Agency and/or TCRA. All properties acquired, constructed, or rehabilitated with HOME funds will maintain property insurance naming TCRA as a loss payee throughout the life of the loan. The original loan documents and proof of insurance will be forwarded to TCRA prior to the start of work on the project.

G. Disbursements. The Subrecipient may request funds under this Agreement only when they are needed for payment of specific allowable costs described herein, and only in amounts needed to pay such costs. The Lead Agency has designated TCRA as the disbursing agent for the HOME funds. The Subrecipient shall be reimbursed for eligible project costs after review and approval by the Lead Agency of invoices, statements, and other billings, and property inspection if applicable. Upon prior

approval of the Lead Agency, a vendor, contractor, or escrow office may be paid directly on behalf of the Subrecipient.

Each request for a disbursement of funds shall be deemed a certification of the Subrecipient that as of the date of such request, all representations and warranties contained in this agreement and any applicable project loan documents have been satisfied. The obligation of the Lead Agency to make any disbursement shall also be subject to the (a) availability of the funds from the grant (HOME Grant) made by the United States Dept. of Housing and Urban Development to the Lead Agency, (b) allocation of the necessary HOME funds by the City of Tacoma to TCRA, (c) satisfaction by Subrecipient of all other conditions under this Agreement, and (d) satisfaction by Borrower of all other conditions to the obligations of TCRA.

III. Project Requirements and Standards

- A. Eligible Households. The Subrecipient will determine each household is income eligible by determining the household's annual income in accordance with 24 CFR § 92.203(a)(2) requiring the examination of source documents. For the Affordable Housing program, the Subrecipient will establish an income calculation at the time of the project contract, in accordance with 24 CFR § 92.203(b).

The Subrecipient will calculate the annual income of the household by projecting the prevailing rate of income of the household at the time the Subrecipient determines that the family is eligible. Annual income shall include income from all household members aged 18 and older. The Subrecipient is not required to re-examine the family's income at the time the HOME-assistance is provided, unless more than six months has elapsed since the Subrecipient determined that the family qualified as income eligible.

- B. Maximum Per-Unit Subsidy. The total amount of HOME funds that the Subrecipient may invest on a per-unit basis in affordable housing shall be in accordance with 24 CFR 92.250(a) and may not exceed the per-unit dollar limitations established under section 221(d)(3)(ii) of the National Housing Act (12 U.S.C. 17151(d)(3)(ii)) for elevator-type projects that apply to the Tacoma/Pierce County area.
- C. Minimum Per-Unit Subsidy. The minimum amount of HOME funds that may be invested in a project is One Thousand Dollars and No/100 (\$1,000.00).
- D. Subsidy Layering. Before committing funds to a project, the Subrecipient must evaluate the project in accordance with guidelines it has adopted for the purpose of subsidy layering and not invest any more HOME funds, in combination with other governmental assistance, than is necessary to provide affordable housing.
- E. Property Standards. In compliance with 24 CFR § 92.251, all housing that is constructed or rehabilitated with HOME funds will meet all applicable local codes, the Subrecipient's written rehabilitation standards, ordinance and zoning ordinances at the time of project completion, except as provided in paragraph (b) of § 92.251. The

Subrecipient's written rehabilitation standards must be satisfactory to the Lead Agency and will ensure that the HOME-assisted housing is decent, safe, and sanitary.

All other HOME-assisted housing must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR 5.703.

- F. Rental Project Affordability. Any HOME-assisted units in a rental housing project must be occupied by households that are at or below sixty percent (60%) of the area median income at the time of initial occupancy. Any rental projects funded through the Subrecipient's Affordable Housing Program will comply with 24 CFR § 92.252 and 92.253. These regulatory requirements include rent limitations, initial rent schedule and utility allowances, nondiscrimination against rental assistance subsidy holders, periods of affordability, rent adjustments during the period of affordability, tenant income, over-income tenants, fixed and floating HOME units, and tenant protections, including lease requirements and prohibitions.

These requirements also apply to the HOME-assisted non-owner occupied units in a single-family housing purchased with HOME funds in accordance with 24 CFR § 92.254.

- H. Homeowner Rehabilitation Affordability. Housing that is currently owned by a household qualifies as affordable housing only if:
1. The estimated value of the property, after rehabilitation, does not exceed 95 percent of the median purchase price for the area, as published annual by HUD under the HOME program;
 2. The housing is the principal residence of an owner whose household qualifies as a low-income family at the time HOME funds are committed to the housing; and
 3. The ownership in the housing assisted meets the definition of "homeownership" in 24 CFR § 92.2.
- I. Homeowner Acquisition Affordability. Housing that is for acquisition, with or without rehabilitation, must meet the affordability requirements 24 CFR § 92.254(a), including:
1. Housing must be single-family housing;
 2. The housing must be modest housing with a purchase price that does not exceed ninety-five percent (95%) of the median purchase price for the area, as published annually by HUD. In the case of acquisition with rehabilitation, the housing must have an estimated value after rehabilitation that does not exceed 95% of the median purchase price for the area, as published annually by HUD;

3. The housing must be acquired by a homebuyer whose family qualifies as a low-income family and the housing must be the principal residence of the family throughout the period described in sub-paragraph 4 of this section;
 4. The HOME-assisted housing must meet the affordability requirements, beginning after project completion, for not less than the applicable period as follows: Under \$15,000.00 HOME-assistance per unit, 5 years; \$15,000.00 to \$40,000.00 HOME-assistance per unit, 10 years; over \$40,000.00 HOME-assistance per unit, 15 years; and
 5. To ensure affordability, the Subrecipient will impose recapture requirements that will allow TCRA, on behalf of the Consortium, to recoup all or a portion of the HOME assistance to the homebuyers if the housing does not continue to be the principal residence of the household for the duration of the period of affordability, as required in 24 CFR §92.254(a)(5)(ii). If the recapture requirements are triggered by a sale, voluntary or involuntary, of the housing unit and there are no net proceeds or the net proceeds are insufficient to repay the HOME investment due, the Lead Agency, Subrecipient and/or TCRA can only recapture the net proceeds, if any. Net proceeds are defined as the sale price minus superior loan repayment (other than HOME funds) and any closing costs. Funds recaptured under this provision are considered as recaptured funds and will be invested in additional eligible HOME projects allowed under 24 CFR § 92.503(c).
- J. Repayments. Any HOME funds invested in housing that does not meet the affordability requirements for the affordability period specified in 24 CFR § 92.252 or § 92.254, as applicable, must be repaid by the Subrecipient in accordance with § 92.503(b)(3). Any HOME funds invested in a project that is terminated before completion, either voluntarily or otherwise, must be repaid by the Subrecipient in accordance with 24 CFR § 92.503(b)(3).

IV. Federal Requirements

The Federal requirements set forth in 24 CFR Part 5, Subpart A, are applicable to this Agreement. The nondiscrimination requirements at Section 282 of the Act are also applicable.

- A. Affirmative Marketing. Subrecipient is required, in projects with 5 or more HOME-assisted units, to establish affirmative marketing procedures and requirements in place. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability. Project owners or developers must keep records that describe the actions taken to affirmatively market units and records to assess the results of these actions.

- B. Environmental Review. The effects of each activity related to the Program must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 and the related authorities in 24 CFR 58, and as detailed in 24 CFR Part 92.352. The Subrecipient must, *prior* to undertaking any choice limiting or physical activity with respect to the Project, regardless of whether such activity is to be funded by the HOME Funds, comply to the extent applicable, with the regulations found at 24 CFR Part 58. All applicable environmental review and clearance requirements as provided in 24 CFR 58.5 must be completed by the Subrecipient and a Release of Funds from the U.S. Department of Housing and Urban Development must be received prior to any commitment by the Subrecipient of HOME dollars, if applicable. The Subrecipient will abide by any special conditions, procedures and requirements of the environmental review and will advise the Lead Agency of any proposed change in the scope of the project or any change in environmental conditions in accordance with 24 CFR 58.71(b). The Subrecipient may not use any of the HOME Funds for acquisition or construction in identified special flood hazard areas unless the Project is subject to the mandatory purchase of flood insurance as required by Section 102(a) of the Flood Disaster Protection Act of 1973.
- C. Uniform Relocation Act. All reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations and farms) as a result of a project assisted with HOME funds will be taken. A person displaced as a direct result acquisition, rehabilitation or demolition for a HUD-funded project must be provided relocation assistance at the levels described in, and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 USC 4201-4655) and 49 CFR part 24. This includes any permanent, involuntary move for an assisted project that is made after notice by the owner to move permanently from the property if the move occurs on or after (a) the date of submission of an application to the Subrecipient, if the applicant has site control and the application is later approved; (b) the date the Subrecipient approves the applicable site, if the applicant does not have site control at the time of the application; or (c) if the Subrecipient, Lead Agency or HUD determine that displacement resulted directly from the acquisition, rehabilitation or demolition of the project. Further definitions of displaced persons, permanent and temporary, may be found in the Act and at § 92.353(c)(2).
- D. Labor. Every contract for new construction or rehabilitation of housing that includes 12 or more units assisted with HOME funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 USC 276a-276a-5), to all laborers and mechanics employed in the development of any part of the housing. Such contracts must also be subject to the overtime provisions, as applicable, of the

Contract Work Hours and Safety Standards Act (40 USC 327-332). HOME funds includes any project costs in § 92.206 including construction or non-construction costs, of housing with 12 or more HOME-assisted units.

- E. Lead-based Paint. Housing assisted with HOME funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR Part 35, Subparts A, B, J, K, M and R of this title.
- F. Conflict of Interest. In the procurement of property and services by the Subrecipient, the conflict of interest provisions in 2 CFR 200.317-200.326 apply; in all cases not governed by 2 CFR 200.317-200.326, the provisions of 24 CFR 92.356(b) through § 92.356(f) apply.
- G. Consultant Services. No person providing consultant services in an employer-employee type relationship shall receive more than a reasonable rate of compensation for personal services paid with HOME funds. In no event, however, shall such compensation exceed the limits in effect under the provisions of any applicable statute (i.e.: annual HUD appropriations acts which have set the limit at the equivalent of the daily rate paid for Level IV of the Executive Schedule, see the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Acts, 1997, Pub. L. 104-204 (09/26/1996)). Such services shall be evidenced by written agreements between the parties which detail the responsibilities, standards, and compensation. Consultant services provided under an independent contractor relationship are not subject to the compensation limitation of Level IV of the Executive Schedule.
- H. Procurement. The Subrecipient will establish procurement procedures to ensure that materials and services are obtained in a cost-effective manner. When procuring for services to be provided under this agreement, the Subrecipient shall comply at a minimum with the procurement standards at 2 CFR 200.318-200.326.
- I. Uniform Administrative Requirements. The requirements of 2 CFR 200 apply to this agreement.
- J. Non-discrimination. The Subrecipient agrees that they will utilize and make available the HOME funds in conformity with the non-discrimination and equal opportunity requirements set forth in the National Housing Affordability Act. These regulations include:

1. The requirements of the Fair Housing Act, 42 U.S.C. 3601-20, and implementing regulations at 24 CFR Part 100; Executive Order 11063 (Equal Opportunity in Housing) as amended by Executive Order 12259 and implementing regulations at 24 CFR 107; and Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, and implementing regulations at 24 CFR Part 1 (Nondiscrimination in Federally Assisted Programs);
 2. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and the regulations at 24 CFR 146;
 3. The prohibitions against discrimination on the basis of handicap under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR, Part 8;
 4. The requirements of the Executive Order 11246 (Equal Employment Opportunity) and the regulations issued under the Order at 41 CFR Chapter 60;
 5. The requirements of Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1702u (Employment Opportunities for Business and Lower Income Persons in Connection with Assisted Projects);
 6. The requirements of Executive Orders 11625 and 12432 regarding Minority Business Enterprise, and 12138 regarding Women's Business Enterprise, and regulations S.85.36(e) of Section 281 of the National Housing Affordability Act; and
 7. The requirements of Washington State Law as found at RCW 49.60.
- K. Minority/Women-Owned businesses. Subrecipient will document and provide data on the outreach steps taken to assure that minority business (MBE) and women's business enterprises (WBE) have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction, and services. Subrecipient will report to the Lead Agency the contracts or subcontracts awarded to MBE and WBE businesses for the project.
- L. Debarment. The Subrecipient may not award or permit an award of a contract to any party which is debarred, suspended or ineligible to participate in a Federal program. The Subrecipient certifies that it is not debarred, suspended or ineligible to participate in a Federal program. The Subrecipient will, prior to signing any contracts, ensure compliance with 24 CFR Part 24, "Debarment and Suspension" for any contractor, subcontractor or vendor. The Subrecipient will also assure that language pertaining to debarred, suspended or ineligibility to participate is inserted in all contract agreements. If during the time of this agreement the Subrecipient is debarred, suspended or ineligible to participate in a Federal program, the Consortium may terminate this agreement for cause.

- M. Program Income. All program income will be deposited into the Lead Agency's HOME Investment Trust Fund local account. Program income derived from Consortium HOME activities undertaken by the Subrecipient will continue to be program income of the Consortium should the Subrecipient terminate its participation in the Consortium. Program income received in any one year from Subrecipient activities shall be accumulated and reallocated in the following year's Annual Action Plan for eligible administration and affordable housing activities to be conducted by the Subrecipient. Subrecipient understands that it will use any available HOME Program Income prior to requesting grant funding from the Lead Agency. Program Income funds will be used for additional eligible affordable housing activities; up to ten percent (10%) of program income may be used for administration costs in the program year allocated.
- N. Violence Against Women Act. The federal Violence Against Women Act of 2013 ("VAWA") protects applicants, tenants, and program participants who are victims of domestic violence, dating violence, sexual assault, or stalking from being evicted, denied housing assistance, or terminated from housing assistance. These protections are available to victims regardless of sex, gender identity, or sexual orientation. All funded rental development projects and TBRA programs shall comply with all VAWA provisions, including the VAWA final rule which took effect on December 16, 2016.

Failure to comply with any provision in this Section may cause an immediate cancellation of this Agreement and forfeiture of the HOME funds.

V. Subrecipient covenants.

In addition to the other requirements of this document, through the term of this Agreement, the Subrecipient agrees to all of the following:

- A. Reversion of Assets. Upon expiration of the Consortium, the Subrecipient must transfer to the Lead Agency any HOME funds on hand at the time of expiration and any accounts receivable attributable to the use of HOME funds.
- B. Financial Responsibility. The Subrecipient agrees that it is financially responsible (liable) for any audit exception which occurs due to its negligence or failure to comply with the terms of this Agreement.
- C. Indemnification. The Subrecipient agrees to hold TCRA, the Lead Agency and the Consortium harmless and to indemnify TCRA, the Lead Agency and the Consortium and its individual representative members against any and all liability, claims and costs of whatsoever kind and nature for injury to or death of any person or persons and for loss or damage to any property occurring in connection with or in any way incident to or arising out of activities undertaken under this Agreement.
- D. Insurance and Bonds. The Subrecipient and its employees, volunteers, contractors or consultants shall carry throughout the life of this Agreement, General Liability

Insurance, Comprehensive Automobile Liability Insurance and other such coverage as may be appropriate or required by State or Federal law, for the services to be performed. This insurance shall include the following:

1. Professional Legal Liability: Subrecipient shall maintain Professional Legal Liability or Professional Errors and Omissions coverage appropriate to the Subrecipient's profession and shall be written subject to limits of not less than \$1 million per claim and \$1 million policy aggregate limit. The coverage shall apply to liability for a professional error, act or omission arising out of the scope of the work for this agreement. Coverage shall not exclude bodily injury, hazards, or property damage related to the work in this agreement, including design, testing, monitoring, measuring operations, or laboratory analysis where such services are rendered as part of the agreement. If Subrecipient will contract such work, Subrecipient will require above described coverage of that contractor.
2. Worker's Compensation (Industrial Insurance): Workers' compensation insurance as required by Title 51 RCW shall be maintained and Subrecipient shall provide evidence of coverage if so required.
3. Commercial General Liability: Commercial General Liability coverage shall be written on ISO occurrence form CG 00 01 or the equivalent and shall cover liability arising from premises, operations, independent contractors, personal injury and advertising injury. The insurance shall include the City of Tacoma, Tacoma Community Redevelopment Authority, the Consortium, and each entity's members, officers, officials, employees and agents with respect to performance of services, and shall contain no special limitations on the scope of protection afforded as an additional insured for both ongoing and completed operations using ISO forms CG2026 and CG 2037 or the equivalent. The insurance shall contain a Waiver of Subrogation Clause in favor of the City of Tacoma, the Consortium and Tacoma Community Redevelopment Coverage shall include limits of not less than \$1 million per occurrence, and \$2 million aggregate.
4. Employer's Liability with limits not less than \$1,000,000 each person and \$1,000,000 aggregate.
5. Automobile Liability: Commercial Automobile Liability insurance with a minimum combined limit no less than \$1 million per accident for bodily injury and property damage shall be maintained. Coverage shall include all owned, hired, leased, and non-owned automobiles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If deemed necessary, the policy shall be endorsed to provide contractual liability coverage.

Insurance is to be placed with insurers with a current A.M. best rating of not less than A(-):VII. Subrecipient shall furnish the Lead Agency with original certificates and a copy of the amendatory endorsements, including, but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements prior to the commencement of the work. The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability, Professional Liability, and Commercial General Liability insurance:

The insurance coverage shall be primary as respect to any insurance or self-insurance covering the Lead Agency, its members, elected and appointed officers, officials, employees and agents and primary as respect to any insurance or self-insurance covering Tacoma Redevelopment Authority. Any insurance, self-insurance, or insurance pool coverage maintained by the Lead Agency, Tacoma Community Redevelopment Authority Consortium and its members shall be excess of the Subrecipient's insurance and shall not contribute with it. The insurance shall not be cancelled by either party, except after 30 days prior written notice by certified mail, return receipt requested, has been given to the Consortium.

- E. Financial Management. The Subrecipient agrees to adhere to the generally accepted accounting principles and procedures, and utilize adequate internal controls and maintain necessary source documentation for all costs incurred.
- F. Audit. The Subrecipient will also comply with auditing standards issued by the Comptroller General of the United States. All Subrecipients that expend \$750,000.00 or more in a year in Federal awards shall have a single audit conducted for that year in accordance with the provision of 2 CFR 200, Subpart F. When a Subrecipient expends Federal awards under only one Federal program, and the program's laws, regulations, or grant agreements do not require a financial statement audit, the Subrecipient may elect to have a program-specific audit conducted in accordance with 2 CFR 200.507. The audit must be conducted within 90 days of completion of this agreement.
- G. Additional Audits. Non-Federal entities that expend less than \$750,000.00 a year in Federal awards are exempt from Federal audit requirements for that year, except this does not limit the authority of Federal agencies, including HUD, Inspectors General, or General Accounting Office to conduct or arrange for additional audits. All records will be made available for review or audit by appropriate local, state and federal entities.
- H. Corrective and Remedial Action. Subrecipient will immediately correct or cause to be immediately corrected, any and all actions or performance deficiencies in the project as may be determined by the TCRA, the Lead Agency, or HUD. Failure to correct such actions or performance deficiencies within 30 days from written notification may result in suspending HOME funds for this Agreement, the cancellation of this Agreement, and the reprogramming of HOME funds to other eligible Consortium activities, or the repayment of the HOME funds.

VI. Records and Monitoring

A. Records. Records must be kept by the Subrecipient and TCRA and be made available to the Lead Agency and HUD that demonstrate compliance with this Agreement. At a minimum the following records must be kept:

1. Subsidy layering guidelines adopted in accordance with 24 CFR § 92.250;
2. Procedures used for establishing the 95 percent of the median purchase price for the area in accordance with 24 CFR § 92.254(a)(2) for homeownership projects;
3. Recapture guidelines established in accordance with 24 CFR § 92.254(a)(5) for acquisition of homeownership housing;
4. Written Rehabilitation Standards;
5. A full description of each project assisted with HOME funds, including the location, form of HOME assistance, and the units or tenants assisted with HOME funds;
6. The source and application of funds for each project, including supporting documentation in accordance with 24 CFR 200.302;
7. Records demonstrating that each rental housing or homeownership project meets the minimum per-unit subsidy of 24 CFR § 92.205(c), the maximum per-unit subsidy amount of 24 CFR § 92.250(a) and the subsidy layering guidelines adopted in accordance with 24 CFR § 92.250(b);
8. Records demonstrating that each project meets the property standards of 24 CFR § 92.251 and the lead-based paint requirements of 24 CFR § 92.355;
9. Records demonstrating that each family is income eligible in accordance with 24 CFR § 92.203;
10. Records demonstrating that each rental housing project meets the affordability and income targeting requirements of 24 CFR § 92.252 for the required period. Records must be kept for each family assisted;
11. Records demonstrating that the purchase price or estimated value after rehabilitation for each homeownership housing project does not exceed ninety-five percent (95%) of the median purchase price for the area in accordance with 24 CFR § 92.254(a)(2). The records must demonstrate how the estimated value was determined;

12. Records demonstrating that each homeownership project meets the affordability requirements of 24 CFR § 92.254 for the required period;
13. Records demonstrating that a site and neighborhood standards review was conducted for each project which includes new construction of rental housing assisted to determine that the site meets the requirements of 24 CFR 983.6(b), in accordance with 24 CFR § 92.202;
14. Records demonstrating compliance with the written agreements required by 24 CFR § 92.504;
15. Records demonstrating compliance with the applicable uniform administrative requirements required by 24 CFR § 92.505;
16. Records documenting required inspections, monitoring review and audits, and the resolution of any findings or concerns;
17. Data on the extent to which racial and ethnic group and single-headed households (by gender of household head) have applied for, participated in, or benefited from, any program or activity funded in whole or in part with HOME funds;
18. Documentation of actions undertaken to meet the requirements of 24 CFR Part 135 which implements section 3 of the Housing Development Act of 1968, as amended (12 U.S.C. 1701u);
19. Documentation of the actions the Subrecipient has taken to affirmatively further fair housing;
20. Records demonstrating compliance with the affirmative marketing procedures and requirements of 24 CFR § 92.351;
21. Documents and data on the steps taken to implement the Subrecipient's outreach programs to minority-owned (MBE) and female-owned (WBE) businesses including data indicating the racial/ethnic or gender character of each business entity receiving a contract or subcontract of \$25,000.00 or more paid, or to be paid, with HOME funds; the amount of the contract or subcontract, and documentation of participating jurisdiction's affirmative steps to assure that minority business and women's business enterprises have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction and services;
22. Records demonstrating compliance with the environmental review requirements of 24 CFR § 92.352 and 24 CFR part 58, including flood insurance requirements;

23. Records demonstrating compliance with the requirements of 24 CFR § 92.353 regarding displacement, relocation, and real property acquisition, including project occupancy lists identifying the name and address of all persons occupying the real property on the date described in 24 CFR § 92.353(c)(2)(i)(A), moving into the property on or after the date described in 24 CFR § 92.353(c)(2)(i)(A), and occupying the property upon completion of the project.
24. Records demonstrating compliance with the labor requirements of 24 CFR § 92.354, including contract provisions and payroll records;
25. Records demonstrating compliance with the lead-based paint requirements of 24 Part 35, Subparts A, B, J, K, M and R of this title;
26. Records supporting exceptions to the conflict of interest prohibition pursuant to 24 CFR § 92.356; and
27. Debarment and suspension certification required by 24 CFR Parts 24 and 91.

B. Period of Record Retention. All records pertaining to each project year of HOME funds must be maintained for the most recent five years period, except as provided below:

1. For rental housing projects, records must be retained for five years after the project completion date; except for the records of individual tenant income verifications, project rents and project inspections must be retained for the most recent five year period, until five years after the affordability period terminates.
2. For homeownership housing projects, records may be retained for five years after the project completion date, except for documents imposing the recapture restrictions which must be retained for five years after the affordability period terminates.
3. Written agreements must be retained for five years after the agreement terminates.
4. Records covering displacement and acquisition must be retained for five years after the date by which all persons displace from the property and all persons whose property is acquired for the project have received the final payment to which they are entitled in accordance with 24 CFR § 92.353.
5. If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

The Subrecipient agrees to provide any and all information as may be requested by the Lead Agency, TCRA, or HUD to document compliance with the HOME Program and related laws, rules, regulations and policies.

- C. Monitoring. At least annually, or more often if deemed necessary, the Lead Agency will monitor the performance of the Subrecipient to assure compliance with the requirements of this Agreement. The review may include on-site inspections and review of all records to determine compliance with this Agreement through the contract period. The Subrecipient agrees to provide any and all information to the Consortium to assist in meeting administrative and monitoring requirements.

Any duly authorized representative of the U.S. Department of Housing and Urban Development, authorized federal or state agent, or the Consortium shall at all reasonable times have access to and the right to inspect, copy, audit, and examine all books, records and other documents relating directly to the Subrecipient's receipt and disbursement of the HOME Funds, as well as access to the project site(s) and all project records.

VII. Miscellaneous

- A. Relationship. The relationship of the Subrecipient to the Lead Agency and TCRA shall be that of an independent agency. Nothing herein shall be deemed to create the relationship of employer/employee or principal/agent between the parties.
- B. Modification and Amendments. This agreement can only be amended in writing signed by the Lead Agency, TCRA and the Subrecipient. All modifications and amendments shall not take effect until specifically approved by the Lead Agency in writing.
- C. Waivers. No conditions or provisions of this agreement can be waived unless approved by the Lead Agency in writing.
- D. Assignment. The Subrecipient shall not assign any interest in this Agreement and shall not transfer any interest in this Agreement to any party (whether by assignment or novation) without prior written consent of the Lead Agency.
- E. Severability. If any provision of this Agreement or portion thereof is held invalid by any court of rightful jurisdiction, the remainder of this Agreement shall not be affected providing the remainder continues to conform to applicable Federal and State law(s) and regulations and can be given effect without the invalid provision.
- F. Attorney Fees and Costs. In the event of a lawsuit between the parties to this agreement, the prevailing party shall be entitled to recover judgment against the other party for reasonable attorney's fees and other costs either at trial or on appeal. If either party exercises any non-judicial right or remedy to enforce such party's rights hereunder, it shall be a condition for the cure of the default that the defaulting party will pay the non-defaulting party's reasonable attorney's fees incurred and all reasonable

costs. Failure to pay such costs and reasonable attorney's fees shall constitute an event of default under this agreement.

- G. Dispute Resolution. The Consortium, participating jurisdiction and the Subrecipient agree to negotiate in good faith for a period of 30 days from the date of notice of all disputes between them prior to exercising their rights under this agreement or under law. All disputes not resolved by negotiation between the parties may be arbitrated only by mutual agreement of the parties. If not mutually agreed to resolve the claim by arbitration, the claim will be resolved by legal action. Arbitration of all claims will be in accordance with the RCW 7.04A and the mandatory rules of arbitration with venue being placed in Pierce County, Washington. Arbitration shall include an award to the prevailing party of its reasonable attorney fees and costs against the other.
- H. Venue and Law. Venue for any action under this contract shall be in Pierce County, Washington. This agreement shall be governed by the laws of the State of Washington.

XIII. Duration of Agreement

- A. Suspension or Termination. This agreement may be cancelled "for cause" or "not for cause" by providing written 30 days' notice by certified mail, return receipt requested, to the other signatory members of this agreement. There are three (3) separate methods of suspension or termination of this Agreement:
- i. By fulfillment. The Agreement will be considered to be terminated upon fulfillment of its terms and conditions, including all affordability periods for project received HOME funds under this agreement.
 - ii. By mutual consent. The Agreement may be terminated or suspended in whole or in part, at any time, if both parties consent to such termination or suspension. The conditions of the suspension or termination shall be documented by giving a minimum of 30 days written notice.
 - iii. For cause. The Lead Agency may suspend or terminate this Agreement in whole or in part, for cause, when the Subrecipient has failed in whole or in part to meet its commitments and obligations as outlined and when the Lead Agency deems continuation to be detrimental to its interest. Failure to carry out the project as described in the approved application and in compliance with HOME Program regulations found at 24 CFR 92 will be deemed a failure to perform and cause the immediate repayment of HOME funds. "For cause" includes:
 - aa. failure to comply with the terms and conditions of this Agreement, or to substantiate compliance;
 - bb. improper or illegal use of project funds or resources;
 - cc. any illegal act by the Subrecipient and its representatives.

- dd. Failure to submit required reports on or before due date or failure to document compliance with the terms and conditions contained herein.

In the event of suspension, the Lead Agency will notify the Subrecipient in writing of the corrective action required. Further payment may be withheld until the Subrecipient takes corrective action or the Agreement is terminated. In the event of termination, the Lead Agency will notify the Subrecipient in writing of its determination to terminate, the reason for such termination, and the effective date of the termination. Payments made to the Subrecipient or recoveries by the Lead Agency will be in accordance with the legal rights and liabilities of the parties.

Actions by either party under this article shall not constitute a waiver of any claim by either party arising from conditions or situations leading to such suspension or termination.

HOME funds not committed to specific projects as of the cancellation date will be relinquished to the Consortium for redistribution to other qualified projects.

SUBRECIPIENT(S):

**TACOMA COMMUNITY
REDEVELOPMENT AUTHORITY**

747 Market St, Rm 900
Tacoma, WA 98402

TCRA Officer Date

Attest:

City Clerk Date

Approved as to Form:

City Attorney Date

CITY OF LAKEWOOD

6000 Main Street SW
Lakewood, WA 98499

City Manager Date

CITY OF TACOMA

747 Market St, Rm 900
Tacoma, WA 98402

City Manager _____ Date _____

Jeff Robinson Date
Community & Economic Development
Director

Andrew Cherullo
Finance Director

Date

Approved as to form:

Debra Casparian
Deputy City Attorney

Date

Exhibit A

Additional subaward requirements pursuant to 2 CFR 200.331(a)(1) are included as follows:

1) Federal Award Identification:

- (i) Subrecipient name: City of Lakewood;
- (ii) Subrecipient's unique identifiers: EIN: 91-1698185 DUNS: 949462758;
- (iii) Federal Award Identification Number (FAIN): TBD
- (iv) The Federal Award Date (as defined in 2 CFR 200.39): TBD;
- (v) The amount of Federal Funds Obligated by this action by the City of Tacoma to the Subrecipient is \$298,464.00;
- (vi) The total amount of Program Income (PI) Obligated to the Subrecipient by the Tacoma Community Redevelopment Authority (TCRA) is \$147,402.00;
- (vii) The total amount of the Federal Award and Program Income committed to the Subrecipient by the City of Tacoma and TCRA is \$445,866.00
- (viii) The Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA): The TCRA will be the administrator of the City of Lakewood's HOME funds with the intent to promote affordable housing for low-income households through the acquisition, construction, or rehabilitation of non-luxury housing, and by providing loans and technical assistance to income qualified homeowners, homebuyers, and to organizations that develop, own and/or sponsor affordability housing. In certain instances, where the need and/or opportunity is identified, the Subrecipient may reserve the right to directly acquire and/or develop projects to meet the intent of this Agreement.
- (ix) The name of:
 - Federal awarding agency: United States Department of Housing and Urban Development
 - Pass-through entity: City of Tacoma
- (x) Contact information for awarding official of the pass-through entity: Director of community & Economic Development; 747 Market St, Room 900, Tacoma, WA 98402; (253) 591-5139; jrobinson@cityoftacoma.org
- (xi) CFDA Number: 14.239; Name: HOME Investment Partnerships Program (HOME);
- (xii) This award to the Subrecipient is a non-Research and Development award; and
- (xiii) The Subrecipient shall not charge an indirect cost rate to the Federal award under this Subrecipient Agreement.

2) Program Budget Breakdown:

<u>2020-2021 HOME Budget</u>	
<u>Eligible Activities</u>	<u>New HOME Award and Program Income Funds</u>
HOME Administration (PI)	\$14,740.00
HOME Housing Rehabilitation (PI)	\$50,000.00
HOME TBRA (grant)	\$148,464.00
HOME DPA (PI)	\$20,000.00
HOME Affordable Housing Fund*	\$212,662.00
Total	\$445,866.00

*\$150,000 from grant, \$62,662 from PI

Exhibit B - Amended

Additional subaward requirements pursuant to 2 CFR 200.331(a)(1) are included as follows:

1) Federal Award Identification:

- (xiv) Subrecipient name: City of Lakewood;
- (xv) Subrecipient's unique identifiers: EIN: 91-1698185 DUNS: 949462758;
- (xvi) Federal Award Identification Number (FAIN): TBD
- (xvii) The Federal Award Date (as defined in 2 CFR 200.39): TBD;
- (xviii) The amount of Federal Funds Obligated by this action by the City of Tacoma to the Subrecipient is \$400,816.00;
- (xix) The total amount of Program Income (PI) Obligated to the Subrecipient by the Tacoma Community Redevelopment Authority (TCRA) is \$77,892.00;
- (xx) The total amount of the Federal Award and Program Income committed to the Subrecipient by the City of Tacoma and TCRA is \$ 400,816.00
- (xxi) The Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA): The TCRA will be the administrator of the City of Lakewood's HOME funds with the intent to promote affordable housing for low-income households through the acquisition, construction, or rehabilitation of non-luxury housing, and by providing loans and technical assistance to income qualified homeowners, homebuyers, and to organizations that develop, own and/or sponsor affordability housing. In certain instances, where the need and/or opportunity is identified, the Subrecipient may reserve the right to directly acquire and/or develop projects to meet the intent of this Agreement.
- (xxii) The name of:
 - Federal awarding agency: United States Department of Housing and Urban Development
 - Pass-through entity: City of Tacoma
- (xxiii) Contact information for awarding official of the pass-through entity: Director of community & Economic Development; 747 Market St, Room 900, Tacoma, WA 98402; (253) 591-5139; jrobinson@cityoftacoma.org
- (xxiv) CFDA Number: 14.239; Name: HOME Investment Partnerships Program (HOME);
- (xxv) This award to the Subrecipient is a non-Research and Development award; and
- (xxvi) The Subrecipient shall not charge an indirect cost rate to the Federal award under this Subrecipient Agreement.

2) Program Budget Breakdown:

<u>2021-2022 HOME Budget</u>	
<u>Eligible Activities</u>	<u>New HOME Award and Program Income Funds</u>
HOME Administration (PI)	\$7,789
HOME Affordable Housing Fund*	\$393,027.00
Total	\$400,816.00

*\$322,924 from grant, \$70,103 from PI

Exhibit C - Amended

Additional subaward requirements pursuant to 2 CFR 200.331(a)(1) are included as follows:

1) Federal Award Identification:

- (xxvii) Subrecipient name: City of Lakewood;
- (xxviii) Subrecipient's unique identifiers: EIN: 91-1698185 UEI: C8USBK5DLRF2;
- (xxix) Federal Award Identification Number (FAIN): TBD
- (xxx) The Federal Award Date (as defined in 2 CFR 200.39): TBD;
- (xxxi) The amount of Federal Funds Obligated by this action by the City of Tacoma to the Subrecipient is \$309,376.00;
- (xxxii) The total amount of Program Income (PI) Obligated to the Subrecipient by the Tacoma Community Redevelopment Authority (TCRA) is \$208,613.00;
- (xxxiii) The total amount of the Federal Award and Program Income committed to the Subrecipient by the City of Tacoma and TCRA is \$517,989.00
- (xxxiv) The Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA): The TCRA will be the administrator of the City of Lakewood's HOME funds with the intent to promote affordable housing for low-income households through the acquisition, construction, or rehabilitation of non-luxury housing, and by providing loans and technical assistance to income qualified homeowners, homebuyers, and to organizations that develop, own and/or sponsor affordability housing. In certain instances, where the need and/or opportunity is identified, the Subrecipient may reserve the right to directly acquire and/or develop projects to meet the intent of this Agreement.
- (xxxv) The name of:
 - Federal awarding agency: United States Department of Housing and Urban Development
 - Pass-through entity: City of Tacoma
- (xxxvi) Contact information for awarding official of the pass-through entity: Director of Community & Economic Development; 747 Market St, Room 900, Tacoma, WA 98402; (253) 591-5139; jrobinson@cityoftacoma.org
- (xxxvii) CFDA Number: 14.239; Name: HOME Investment Partnerships Program (HOME);
- (xxxviii) This award to the Subrecipient is a non-Research and Development award; and
- (xxxix) The Subrecipient shall not charge an indirect cost rate to the Federal award under this Subrecipient Agreement.

2) Program Budget Breakdown:

<u>2022-2023 HOME Budget</u>	
<u>Eligible Activities</u>	<u>New HOME Award and Program Income Funds</u>
HOME Administration (PI)	\$20,861.00
HOME Affordable Housing Fund*	\$497,128.00
Total	\$517,989.00

*\$309,376 from grant, \$187,752 from PI

Exhibit D - Amended

Additional subaward requirements pursuant to 2 CFR 200.331(a)(1) are included as follows:

1) Federal Award Identification:

- (xl) Subrecipient name: City of Lakewood;
- (xli) Subrecipient's unique identifiers: EIN: 91-1698185 UEI: C8USBK5DLRF2;
- (xlii) Federal Award Identification Number (FAIN): TBD
- (xlili) The Federal Award Date (as defined in 2 CFR 200.39): TBD;
- (xliv) The amount of Federal Funds Obligated by this action by the City of Tacoma to the Subrecipient is \$341,255.00;
- (xlv) The total amount of Program Income (PI) Obligated to the Subrecipient by the Tacoma Community Redevelopment Authority (TCRA) is \$142,558.00;
- (xlvi) The total amount of the Federal Award and Program Income committed to the Subrecipient by the City of Tacoma and TCRA is \$483,813.00;
- (xlvii) The Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA): The TCRA will be the administrator of the City of Lakewood's HOME funds with the intent to promote affordable housing for low-income households through the acquisition, construction, or rehabilitation of non-luxury housing, and by providing loans and technical assistance to income qualified homeowners, homebuyers, and to organizations that develop, own and/or sponsor affordability housing. In certain instances, where the need and/or opportunity is identified, the Subrecipient may reserve the right to directly acquire and/or develop projects to meet the intent of this Agreement.
- (xlviii) The name of:
 - Federal awarding agency: United States Department of Housing and Urban Development
 - Pass-through entity: City of Tacoma
- (xlix) Contact information for awarding official of the pass-through entity: Director of Community & Economic Development; 747 Market St, Room 900, Tacoma, WA 98402; (253) 591-5139; jrobinson@cityoftacoma.org
- (l) CFDA Number: 14.239; Name: HOME Investment Partnerships Program (HOME);
- (li) This award to the Subrecipient is a non-Research and Development award; and
- (lii) The Subrecipient shall not charge an indirect cost rate to the Federal award under this Subrecipient Agreement.

2) Program Budget Breakdown:

<u>2023-2024 HOME Budget</u>	
<u>Eligible Activities</u>	<u>New HOME Award and Program Income Funds</u>
HOME Administration (PI)	\$ 14,255.00
HOME Affordable Housing Fund*	\$ 469,558.00
Total	\$ 483,813.00

*\$341,255 from grant, \$128,303 from PI

Exhibit E - Amended

Additional subaward requirements pursuant to 2 CFR 200.331(a)(1) are included as follows:

3) Federal Award Identification:

- (liii) Subrecipient name: City of Lakewood;
- (liv) Subrecipient's unique identifiers: EIN: 91-1698185 UEI: C8USBK5DLRF2;
- (lv) Federal Award Identification Number (FAIN): TBD
- (lvi) The Federal Award Date (as defined in 2 CFR 200.39): TBD;
- (lvii) The amount of Federal Funds Obligated by this action by the City of Tacoma to the Subrecipient is \$341,255.00;
- (lviii) The total amount of Program Income (PI) Obligated to the Subrecipient by the Tacoma Community Redevelopment Authority (TCRA) is \$68,755;
- (lix) The total amount of the Federal Award and Program Income committed to the Subrecipient by the City of Tacoma and TCRA is \$410,010.00;
- (lx) The Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA): The TCRA will be the administrator of the City of Lakewood's HOME funds with the intent to promote affordable housing for low-income households through the acquisition, construction, or rehabilitation of non-luxury housing, and by providing loans and technical assistance to income qualified homeowners, homebuyers, and to organizations that develop, own and/or sponsor affordability housing. In certain instances, where the need and/or opportunity is identified, the Subrecipient may reserve the right to directly acquire and/or develop projects to meet the intent of this Agreement.
- (lxi) The name of:
 - Federal awarding agency: United States Department of Housing and Urban Development
 - Pass-through entity: City of Tacoma
- (lxii) Contact information for awarding official of the pass-through entity: Director of Community & Economic Development; 747 Market St, Room 900, Tacoma, WA 98402; (253) 591-5139; jrobinson@cityoftacoma.org
- (lxiii) CFDA Number: 14.239; Name: HOME Investment Partnerships Program (HOME);
- (lxiv) This award to the Subrecipient is a non-Research and Development award; and
- (lxv) The Subrecipient shall not charge an indirect cost rate to the Federal award under this Subrecipient Agreement.

4) Program Budget Breakdown:

<u>2023-2024 HOME Budget</u>	
<u>Eligible Activities</u>	<u>New HOME Award and Program Income Funds</u>
HOME Administration (PI)	\$ 6,875.00
HOME Affordable Housing Fund*	\$ 403,135.00
Total	\$ 410,010.00

*\$341,255 from grant, \$68,755 from PI



CITY OF TACOMA
COMMUNITY AND
ECONOMIC DEVELOPMENT
2024 Tacoma-Lakewood HOME
Consortium
Annual Action Plan
Draft

INTRODUCTION

The 2024 Annual Action Plan outlines the City of Tacoma's yearly spending plan for federal and non-federal resources. Annual planning ensures that activities meet needs and goals identified in the 2020-2024 Consolidated Plan.

Contents

Executive Summary.....	3
AP-05 Executive Summary - 91.200(c), 91.220(b)	3
PR-05 Lead & Responsible Agencies - 91.200(b)	6
AP-10 Consultation - 91.100, 91.200(b), 91.215(l)	7
AP-12 Participation - 91.401, 91.105, 91.200(c)	15
AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)	19
AP-35 Projects - 91.420, 91.220(d)	24
AP-38 Project Summary	26
AP-50 Geographic Distribution - 91.420, 91.220(f)	34
AP-55 Affordable Housing - 91.420, 91.220(g)	36
AP-60 Public Housing - 91.420, 91.220(h)	37
AP-65 Homeless and Other Special Needs Activities - 91.420, 91.220(i)	42
AP-75 Barriers to affordable housing -91.420, 91.220(j)	47

Executive Summary

AP-05 Executive Summary - 91.200(c), 91.220(b)

1. Introduction

The 2024 Annual Action Plan (AAP) is the spending plan for the fifth year of the 2020-2024 Consolidated Plan for the Tacoma and Lakewood HOME Consortium. Annual plans provide a consolidated framework for addressing housing, community and economic development, and human services needs within these cities. The plan is required by the US Department of Housing and Urban Development (HUD) to receive funds from three federal programs: the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and for the City of Tacoma, Emergency Solutions Grants (ESG).

HUD sets the eligibility criteria for the CDBG, HOME, and ESG programs, which benefit low- to moderate-income residents. Annual grant dollars are assigned to program activities through the implementation of the City of Tacoma's Participation Plan (CPP). The CPP outlines components of the City's partnership with community members on identifying needs and priorities to be met by program activities that meet HUD requirements. It also describes the roles of the Tacoma Community Redevelopment Authority, the Human Services Commission, and the Continuum of Care in forming recommendations to the Tacoma City Council on projects to be funded each program year.

Through Annual Action Plans, the City of Lakewood's HOME funds are also assigned to the Tacoma Community Redevelopment Authority for administration.

For the 2024 Program year the City of Tacoma has been awarded following grant allocations contingent upon approval of the AAP by HUD: CDBG - \$2,393,848, HOME - \$1,458,355, ESG - \$209,987.

In addition to new grant allocations, the City will allocate \$356,491 in HOME program income and an estimate of \$300,000 in CDBG program income.

2. Summarize the objectives and outcomes identified in the Plan

The development of the Consolidated Plan provides the Tacoma-Lakewood HOME Consortium with an assessment of needs and market analysis that drives the overall strategy of the five-year cycle. Annual Action Plans specify the activities and projects identified to meet Consolidated Plan objectives each program year, which lasts from July 1st to June 30th.

For the 2024 yearly planning cycle, Tacoma and Lakewood seek to achieve the following Consolidated Plan goals:

- Stabilize existing residents (including housing, economic, and emergency stabilization)
- Increase diverse rental and homeownership opportunities
- Prevent and reduce homelessness

3. Evaluation of past performance

Progress towards those annual goals and objectives are then evaluated in the Consolidated Annual Performance Evaluation Report in the months following the close of each program year. While numeric outcomes for the 2023 program year are not available during the yearly drafting of Annual Action Plans, program activities provided:

- Health- and safety-related home repairs for low-income households, persons living with disabilities, families with children, and elderly households;
- Technical assistance, lease negotiations, financial management, and microloans to low- and moderate-income business owners, creating jobs and preventing commercial displacement;
- Support to community-based organizations providing housing stabilization, legal services, and food assistance to persons experiencing homelessness;
- Funding to support organizational operations of the Homeless Management Information System;
- Rapid re-housing and emergency assistance;
- Down payment assistance to eligible, low-income homebuyers; and
- Financial assistance to renters, homeowners, and business owners whose incomes were impacted by the COVID-19 pandemic.

Construction on eight single-family homes was completed in South Tacoma in 2023 and were purchased by eight eligible low moderate income first-time homebuyer households with down payment assistance from the City.

- Three multifamily projects using City subsidies that also leveraged County, state and federal funds in 2023, adding 224 new affordable units into the construction pipeline with completion dates expected in 2024 and 2025: KWA 15th & Tacoma Senior Housing is a 5-story new construction project with a community Learning Center and full-service kitchen for Korean Women's Association's meal site program on the ground floor. The building includes 87 affordable units, 48 studio and 39 one-bedroom apartments, serving seniors at 50% AMI and below. Twenty units will receive operating subsidy through the HUD 202 program and residents will pay 30% of their actual incomes for rent and utilities. Eighteen units will be set-aside for seniors leaving homelessness, with 15 of these units targeted to veterans through the Veterans Affairs Supportive Housing (VASH) vouchers.
- Patsy Suhr Place is a six-story new construction multifamily rental apartment that is permanent supportive housing for seniors 55 and older. It will comprise 78 residential units (including one manager's unit) above ground-floor commercial space and lobby. The apartments included 47 studio and 31 one-bedroom units. Thirty-nine units will be reserved for households exiting homelessness and case management services will be provided on-site.
- Shiloh New Life Apartments is a 60-unit multifamily project in two buildings consisting of 40 one-bedroom and 20 two-bedroom apartments serving a combination of individuals and families who are experiencing homelessness or are at risk of becoming homeless, adults in recovery and low-income households at 50% AMI and below.

4. Summary of Citizen Participation Process and consultation process

Funding recommendations for allocations of Community Development Block Grant (CDBG) for projects related to infrastructure, community development, economic development, and housing are made by the Tacoma Community Redevelopment Authority.

Recommendations for CDBG Public Services and Emergency Shelter Grant (ESG) funds are made by City of Tacoma Neighborhood and Community Services staff with input from the Human Services Commission and the Tacoma/Lakewood/Pierce County Continuum of Care.

The Tacoma-Lakewood HOME Consortium 2024 Annual Action Plan allocates HOME and CDBG funds to be administered by the TCRA in support of Affordable Housing projects.

The thirty-day period for examination and review of the AAP begins on March 29, 2024 and ends on April 29, 2024. Written comment is accepted during this time. In addition, a public hearing is held during a regularly scheduled City Council meeting on April 23, 2024 during which verbal comment is accepted. The City provides public notice on March 28, 2024 in the Legal section of the Tacoma publication The News Tribune for print and online viewing. Notice is also provided several weeks in advance of the public hearing via the Tacoma Daily Index.

A copy of the public notice is shared via email with partner agencies, including agencies serving communities who are low-income, elderly, minorities, other-abled, youth, or have limited English proficiency. Due to the pandemic, draft copies were not available for in-person viewing and instead were offered via post upon request. The AAP is also posted on the City's website. Public comments are documented and submitted with the plan, along with an explanation of whether or not they are incorporated into the plan and why.

5. Summary of public comments

This section will be completed after the Public Comment Period. Public comments will be accepted from March 29, 2024 – April 29, 2024.

6. Summary of comments or views not accepted and the reasons for not accepting them

This section will be completed after the Public Comment Period.

7. Summary

The City of Tacoma leverages Consolidated Plan resources with other local funding sources including General Funds, HB 1590 Sales and Use Tax, HB 1406 Washington State Sales Tax Credit, and the City of Tacoma Mental Health Tax to provide for human services, affordable housing, and community and economic development. The City of Tacoma and the Tacoma Community Redevelopment Authority administers its federal housing and community development resources in coordination with the City of Lakewood, Pierce County, and the State of Washington.

PR-05 Lead & Responsible Agencies - 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	Felicia Medlen	Community and Economic Development/City of Tacoma
HOME Administrator	Felicia Medlen	Community and Economic Development/City of Tacoma
ESG Administrator	Jason McKenzie	Neighborhood and Community Services/City of Tacoma

Table 1 – Responsible Agencies

Narrative

Tacoma and Lakewood receive HOME Investment Partnership Program funds jointly as a Consortium. The Council-appointed Tacoma Community Redevelopment Authority administers housing, community, and economic development programs using both HOME and Community Development Block Grant (CDBG) funds with support from City staff. In Lakewood, the City of Lakewood Community Development Department administers projects funded with CDBG, with public oversight by the Council-appointed CDBG Citizen’s Advisory Board.

Consolidated Plan Public Contact Information

Felicia Medlen, Housing Division Manager
City of Tacoma, Community and Economic Development
747 Market Street, Ninth Floor
Tacoma, WA 98402-3793
Ph. 253-591-5238
Email fmedlen@cityoftacoma.org

AP-10 Consultation - 91.100, 91.200(b), 91.215(l)

1. Introduction

The City of Tacoma's Participation Plan outlines the network of appointed boards and commissions that bring a broad range of expertise to Consolidated Plan implementation. To develop Annual Action Plans, the City of Tacoma's Housing Division and Neighborhood and Community Services convene the Tacoma Community Redevelopment Authority, the Human Services Commission, and the Pierce County Continuum of Care to provide direction on annual projects to receive federal and non-federal resources to carry out Consolidated Plan objectives. These advisory groups serve as a valuable channel to the City's stakeholders, improving the ability of City staff and elected officials to make community-competent decisions throughout the planning cycle.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

The City of Tacoma's Housing Division, Neighborhood Community Services Department, and Lakewood's Community and Economic Development Department staff coordinate as part of the HOME Consortium, and participate in regional efforts to plan and deliver services. Tacoma staff participate in weekly meetings with service providers and coordinate on the development of plans and strategies. The City also works alongside public- and assisted-housing providers, governmental agencies for health, mental health, and other service providers to deliver programs focused on economic development, transportation, public services, special needs, homelessness, and housing.

As the need for affordable housing and services continues to increase, the Cities of Tacoma and Lakewood, and Pierce County collaborate on long-term priorities to leverage limited funding to meet the needs of the community.

Coordination is also carried out through the Tacoma Community Redevelopment Authority (TCRA), Human Service Commission, Continuum of Care and the Lakewood Community Service Advisory Board who provide oversight and review. Tacoma and Lakewood also coordinate service delivery with Tacoma Housing Authority (THA) and Pierce County Housing Authority (PCHA).

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The Tacoma/Lakewood/Pierce County Continuum of Care Board currently provides guidance and input on the pending updated chapter review, new drafted "Continuum of Care 5 Year Plan," and participate in the Collective applicant improvement subcommittee. The Continuum of Care board consists of representatives from a variety of sectors, including local government, public housing authorities,

schools, health care, law enforcement and faith-based communities. Pierce County Human Services is designated by the Continuum of Care Committee as the Collaborative Applicant and the Homeless Management Information System (HMIS) lead. For clarification, the Continuum of Care Committee is not a County entity.

The City of Tacoma and Pierce County coordinate on services provided through ESG, including the development of a shared ESG Desk Manual that provides consistent policies and procedures across ESG sub recipients who receive funding through the County and City. The City of Tacoma continues to coordinate ESG funding allocations with those made by Pierce County. Pierce County oversees data quality control and data reporting.

The City of Tacoma rejoined the Continuum of Care committee in September 2023 in anticipation to support the board's community wide commitment to ending homelessness through policy and resource alignment, including strategy alignment, by implementing activities to achieve the goals and objectives.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

Jurisdictions that receive an ESG grant must describe the consultation with the CoC that serves the jurisdiction's geographic area in:

1. Determining how to allocate ESG funds:

The City of Tacoma staff present funding recommendations and solicit feedback and questions from the Continuum of Care to determine how to allocate ESG funds in the community and best serve homeless individuals and families living unsheltered, sheltered, accessing housing options, and prevention. The City of Tacoma also present funding recommendations and solicit feedback from the City's Human Service Commission which helps make funding recommendations for the City's funding for human services.

2. Developing performance standards for and evaluating outcomes of projects and activities assisted by ESG funds: The City of Tacoma developed and aligned performance standards within HUD guidelines to ensure episodes of homelessness are rare, brief and one-time. Measures include, but are not limited to:

- Length of time persons remain homeless
- Number of homeless persons in the system
- Exits to permanent housing and returns to homelessness
- Successful housing placement
- Length of time persons remain in shelter
- Length of time persons remain in housing

3. Developing funding, policies, and procedures for the operation and administration of HMIS: Pierce County Human Services is the lead on HMIS and adheres to all HUD and additional federal guidelines

and regulation on the database. The City of Tacoma and sub-recipients of ESG funds, are required to adhere to all policies and procedures related to HMIS.

2. Agencies, groups, organizations and others who participated in the process and consultations

Agency/Group/Organization		Tacoma Community Redevelopment Authority
Agency/Group/Organization Type		Public Development Authority
What section of the Plan was addressed by Consultation?		AP-35 Projects Table, AP-38 Projects Summary
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?		The Tacoma Community Redevelopment Authority (TCRA) reviews proposals for minor capital projects and community and economic development activities for inclusion in the Annual Action Plan. Through the Annual Action Plan, City Council allocates funds directly to the TCRA to administer its Economic Development Fund and Affordable Housing Fund.
Agency/Group/Organization		Human Services Commission
Agency/Group/Organization Type		Advisory Group
What section of the Plan was addressed by Consultation?		AP-35 Projects Table, AP-38 Projects Summary
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?		The Human Services Commission reviews funding recommendations for human service programs supported with CDBG public services funding and ESG funding.

Agency/Group/Organization		Tacoma Lakewood Pierce County Continuum of Care Oversight Committee
Agency/Group/Organization Type		Regional Planning Group for Homeless Services
What section of the Plan was addressed by Consultation?		AP-35 Projects Table, AP-38 Projects Summary
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?		The Tacoma Lakewood Pierce County Continuum of Care reviews funding recommendations for human service programs supported with CDBG Public Services funding and ESG funding.
Agency/Group/Organization		Lakewood Community Services Advisory Board
Agency/Group/Organization Type		Advisory Group
What section of the Plan was addressed by Consultation?		AP-35 Projects Table, AP-38 Projects Summary
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?		The Lakewood Community Services Advisory Board reviews and recommends proposals funded through the Tacoma Lakewood HOME Consortium agreement for projects to be included in the Consortium's Annual Action Plan.
Agency/Group/Organization		Tacoma Housing Authority
Agency/Group/Organization Type		Public Housing Authority, Moving to Work Agency
What section of the Plan was addressed by Consultation?		AP-60 Public Housing
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?		The City of Tacoma partners with the Tacoma Housing Authority on service delivery and affordable housing development.

Agency/Group/Organization	Pierce County Housing Authority
Agency/Group/Organization Type	Public Housing Authority
What section of the Plan was addressed by Consultation?	AP-60 Public Housing
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City of Tacoma and the City of Lakewood partner with the Pierce County Housing Authority on service delivery and affordable housing development in Pierce County.

Table 2 – Agencies, groups, organizations who participated

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
One Tacoma – Housing Element, Economic Development Element	City of Tacoma	Outlines land-use planning strategies for meeting citywide housing goals. The City is required under the Washington Growth Management Act to create a comprehensive plan with elements on Affordable Housing and Economic Development.
Tacoma 2025	City of Tacoma	Defines strategic indicators, established by the community, that guide the City in decision-making and resource allocation, as well as performance-tracking and reporting
Affordable Housing Action Strategy	City of Tacoma	Identifies key challenges and strategic approaches to developing and maintaining affordable housing options in Tacoma
Racial Equity Action Plan	City of Tacoma	Each City of Tacoma department has a Racial Equity Action Plan to operationalize anti-racism through hiring processes, resource allocation, and community partnerships.
Pierce County Comprehensive Plan to End Homelessness	Tacoma/Lakewood/Pierce County Continuum of Care	Identifies the existing resources, goals and priorities for the Tacoma/Lakewood/Pierce County Continuum of Care
Pierce County SPARC	Pierce County	The SPARC Report provides data on how people are experiencing the accrual of systemic racism and makes recommendations towards systems transformation.

Table 3 – Other local / regional / federal planning efforts

Narrative

Each process required for Consolidated Planning is different and requires a unique form of public involvement. Each process, including the Annual Action Plan, will use the form of Civic Engagement most appropriate to the project's purpose. During the Annual Action Plan, opportunities for input and comment are provided throughout the process.

AP-12 Participation - 91.401, 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

Funding recommendations for allocations of Community Development Block Grant (CDBG) for projects related to infrastructure, community development, economic development, and minor housing improvements are made by the Tacoma Community Redevelopment Authority.

Recommendations for CDBG Public Services and Emergency Shelter Grant (ESG) funds are made by City of Tacoma Neighborhood and Community Services staff with input from the Human Services Commission and the Tacoma/Lakewood/Pierce County Continuum of Care.

The Tacoma-Lakewood HOME Consortium 2024 Annual Action Plan allocates HOME and CDBG funds to be administered by the TCRA in support of Affordable Housing projects.

The thirty-day period for examination and review of the AAP begins on March 29, 2024 and ends on April 29, 2024. Written comment is accepted during this time. In addition, a public hearing is held during a regularly scheduled City Council meeting on April 23, 2024 during which verbal comment is accepted. The City provides public notice on March 28, 2024 in the Legal section of the Tacoma publication The News Tribune for print and online viewing. Notice is also provided several weeks in advance of the public hearing via the Tacoma Daily Index.

A copy of the public notice is shared via email with partner agencies, including agencies serving communities who are low-income, elderly, minorities, other-abled, youth, or have limited English proficiency. Draft copies are available for in-person viewing and review at: City of Tacoma, 747 Market Street, Community & Economic Development Department (9th Floor), General Services Department (2nd Floor) with special arrangements for disabled persons advertised, at the City of Lakewood Community Development Department 6000 Main Street SW (2nd Floor) as well as at Tacoma and Lakewood public libraries. The AAP is also posted on both cities' websites. Public comments are documented and submitted with the plan, along with an explanation of whether or not they are incorporated into the plan and why.

Citizen Participation Outreach					
Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons
1	Newspaper Legal Ad	Non-targeted, broad outreach	9/20/2023 Notice of Public Meeting to Provide Overview of Planning Process and Needs Assessment	No comments received	
2	Public Meeting	Non-targeted, broad outreach	10/5/23 Provide Overview of Planning Process and Needs Assessment	No comments received.	
3	Email notification	Affordable Housing Stakeholders, Community and Economic Development Organizations (Including agencies serving non-English speaking communities)	10/18/23 The email that was sent outlined CED NOFA application opportunity, NOFA workshop, important dates, and where to find application.	No comments received	
4	Newspaper Legal Ad	Non-targeted, broad outreach	10/18/23 Outlined CED NOFA application opportunity, NOFA workshop, important dates, and where to find application. Ads placed in two newspapers.	No comments received.	

Citizen Participation Outreach					
Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons
5	Virtual Zoom Workshop	Organizations interested in applying for funds through the CED NOFA	Members of the community attended the workshop and participated in the discussion and questions and answers.	For the Rehab and Preservation Programs, is there a particular area of focus in Tacoma that CoT has for this funding? Can this NOFA apply towards acquisition? Is this NOFA considered a federal Grant? What email address should requests for an application submission folder be sent to by the 22nd? Can you review the letters of reference for the Microenterprise assistance program? Would you mind clarifying/expanding on this aspect of the application at your earliest convenience: "Uses CDBG funds to leverage funds from other sources CDBG funding will be expended within 12 to 24 months"	All comments were accepted.
					URL (if applicable)

Citizen Participation Outreach					
Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons
6	Public Meeting	Tacoma Community Redevelopment Authority	10/12/23 Staff provided an overview of the AAP process and CDBG NOFA at the public meeting of the TCRA.	No comments were received.	
7	Internet Outreach	Non-targeted, broad	3/27/24 Post outlining funding recommendations, public comment period dates and times, and instructions for making comment.		
8	Public Hearing	Non-targeted, broad outreach	4/23/24 Presentation during regular City Council meeting on Annual Action Plan and funding recommendations, followed by opportunity to make verbal comment.		

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

Introduction

The City of Tacoma anticipates Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and Emergency Solutions Grant (ESG) funds will be administered under this plan. In addition, state, local, and private resources will be leveraged to maximize the use of federal funds to make annual progress towards the goals in City of Tacoma's 2020-24 Consolidated Plan.

The City of Tacoma partners with the Tacoma Redevelopment Authority on the oversight and administration of the Tacoma Lakewood HOME Consortium.

Approval of the 2024 Annual Action Plan by City Council and HUD is required before the City can receive annual CDBG, HOME, and ESG grants.

For the 2024 Program year the City of Tacoma anticipates receiving the following grant allocations: CDBG - \$2,393,848, HOME - \$1,458,355, ESG -\$209,987. In addition to new grant allocations, the City will allocate program income from both the HOME and CDBG programs.

2024 Program year expected resources are estimates based on the actual grant amounts from the 2023 program year. Methods to adjust proposed projects in the event of more or less funding being received have been included as part of each project's consideration.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	2,393,848	300,000	0	2,693,848	0	
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	1,458,355	356,491	0	1,814,846	0	*Consortium including the cities of Tacoma and Lakewood
ESG	public - federal	Temporary and/or inclement weather shelter, rapid re-housing	209,987	0	0	209,987	0	

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied.

The City of Tacoma matches CDBG and HOME funds with grants, local funds, nonprofit organizations, Low-Income Housing Tax Credits, corporate grants, and donations (among other sources) to increase the benefit and success of projects using federal CDBG, HOME, and ESG dollars. In the past, Tacoma has committed federal CDBG and HOME funds to affordable projects early; the city's upfront support has been critical in anchoring projects and obtaining additional funding.

The Affordable Housing Fund, under the oversight of the Tacoma Community Redevelopment Authority, increases the ability of partners to provide affordable housing by providing a stable source of funding to leverage additional resources. Tacoma also has a local Affordable Housing Trust Fund. Together these two funds generate revenues of approximately \$5,353,000 annually to be used for affordable housing.

HOME match requirements for the Consortium are met through multiple sources, including sources such as private grants and donations, Attorney General Funds, and the State Housing Trust Fund.

In Tacoma, ESG match requirements are met through various sources, depending on the project. Sources in past years have included Washington State, Pierce County, foundations and corporate grants, commercial lending, private donations, and City of Tacoma General Fund dollars.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City of Tacoma has a public land disposition policy that prioritizes affordable housing on publicly owned property. This policy may result in publicly owned property becoming available over this funding cycle. Surplus property listings are provided on the City of Tacoma website by the Joint Municipal Action Committee, a partnership between City of Tacoma, Metro Parks, Tacoma Public Schools, and Pierce County. The TCRA may work in conjunction with the City of Tacoma to make land available for the development of affordable housing units.

The City of Tacoma also consistently reviews its available vacant properties to determine if any are suitable for operation of shelter or any other services to support individuals experiencing homelessness. Should the City identify such property for use that use is discussed with the City Council and a community conversation is conducted prior to any service implementation.

Discussion

The City of Tacoma's use of Consolidated Plan funds is based on eligibility requirements outlined by HUD for the CDBG, HOME, and ESG grant programs, priorities set by City Council, and their applicability to addressing issues presented in the city's Needs Assessment.

To maximize the outcome of federal programs, the City will continue to leverage existing, local funding sources like the Affordable Housing Trust fund while working to identify and lobby for additional sources. Intergovernmental coordination with the City of Lakewood, Pierce County, and the State of Washington will also ensure that funding is efficiently pooled to carry out successful housing, community, and economic development activities.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

The Tacoma-Lakewood HOME Consortium will aim to implement its federal funds in the 2024 program year to accomplish the following goals:

- Stabilize existing residents – Through funds for critical and minor home repairs, home beautification projects, and business support services and technical assistance for local small businesses and entrepreneurs.
- Increase diverse rental and homeownership opportunities – Through funds for down payment and other related costs to homebuyers and the City of Tacoma’s Affordable Housing Trust Fund, which facilitates the development or rehabilitation of rental or homeownership properties.
- Prevent and reduce homelessness – Through funds for a wide range of services and facilities intended to prevent residents from becoming homeless and serving those experiencing homelessness.
- Culturally competent services - Improving the cultural competence of services is an overarching goal for any activities funded through the 2024 Annual Action Plan.

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Stabilize existing residents	2020	2024	Affordable Housing Public Housing Non-Housing Community Development	City Wide	Need for safe, accessible homes and facilities	CDBG: \$1,616,990	Homeowner Housing Rehabilitated: 74 Household Housing Unit
2	Prevent and reduce homelessness	2020	2024	Affordable Housing Homeless	City Wide	Housing instability among residents	CDBG: \$359,077 ESG: \$188,990	Inclement Weather Shelter: 130 persons served Rapid Rehousing: 50 Households Assisted Homeless Person Overnight Shelter: 150 persons served
3	Increase diverse rental and homeownership opportunities	2020	2024	Affordable Housing	City Wide	Limited supply of diverse rental opportunities	HOME: \$1,586,822	Rental units constructed: 16 Homeownership units: 4
4	Increase availability of cultural services	2020	2024	Homeless Non-Housing Community Development	City Wide	Accessible, culturally competent services	CDBG: \$300,000	Businesses assisted: 500 Businesses Assisted

Table 6 – Goals Summary

AP-35 Projects - 91.420, 91.220(d)

Introduction

The projects described in the City of Tacoma-Lakewood HOME Consortium Annual Action Plan were selected for their capacity to support the goals and objectives outlined in the 2020-2024 Consolidated Plan, addressing the needs of low- and moderate-income residents.

#	Project Name
	Temporary and/or Inclement Weather Shelter
	2024 ESG
	CDBG Admin
	City of Tacoma Single Family Rehab Program
	Rebuilding Together South Sound Tacoma Home Repair
	Associated Ministries Paint Tacoma Beautiful
	Spaceworks
	Revby
	Mi Centro
	HOME Admin
	Tacoma Affordable Housing Fund
	Lakewood Affordable Housing Fund

Table 7 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Allocation priorities are identified through the combined direction from elected leaders; input from community members; concurrent strategies and plans; the ability to serve priority needs among Tacoma residents; and the ability to leverage additional local and state funding.

Housing

A. Development of new affordable housing B. Repairs and major rehabilitation benefitting low-income homeowners C. Second mortgages, and/or loans for closing costs benefitting low-income homeowners D. Down payment assistance for first-time homebuyers E. Maintain and expand rental housing affordable to low-income households F. Provide supportive housing for homeless and/or special needs individuals and families, including emergency and transitional shelters, and special needs-housing with support services.

Community Development

A. Street-related improvements such as sidewalk repair or replacement in lower income neighborhoods
B. Public infrastructure improvements
C. Off-site infrastructure improvements for affordable housing projects
D. Improvements to public facilities

Economic Development

A. Business services for lower-income neighborhoods and/or lower income groups
B. Financial and technical assistance for disadvantaged persons who own or plan to start a business
C. Revitalization of blighted or low-income business districts
D. Prevention of health and safety concerns through code enforcement.

Human Services

A. Emergency shelter
B. Rapid re-housing

Declining resources relative to growing need among low-income households is an obstacle. The resources available to support the creation and preservation of affordable housing units are insufficient to meet demand. The Affordable Housing Action Strategy (AHAS) estimates a 3,000 unit gap for low-income households. It defines the connection between the lack of affordable homes and homelessness, affecting nearly 3,300 persons in Tacoma/Pierce County (HMIS data from Pierce County Human Services, November 2021).

Tacoma has experienced an increase in private investment; however, the city's existing resources can only leverage a few new affordable housing developments each year. Statewide resources, such as the Low-Income Housing Tax Credit and the state housing trust fund, are in high demand. AHAS stakeholders shared that projects serving extremely- and very low-income households often do not receive essential tax credits or substantial local investment to compete for state resources.

Existing resources are also inadequate. Fair Market Rents and HOME rents have increased more slowly than overall increases in median home values and contract rents, and are lower, across bedroom sizes, than the average rent in Tacoma. As a result, tenant-based and project-based rental assistance are insufficient.

Affordable homeownership provides stability and wealth-building capacity for low-income households. The City of Tacoma uses allocates significant HOME and CDBG funds to assist first-time homebuyers and to invest in home repair/rehabilitation. Tacoma residents of color experiencing systemic racism have been impeded from accessing resources required for homeownership, thus face a significant disproportionately lower rate of homeownership.

The Cities of Tacoma and Lakewood will coordinate with local and regional partners, its regional HUD field office, community members, and across its departments to address obstacles and maximize limited, federal dollars. AHAS implementation will establish new revenue sources and partnerships and land use tools to support more affordable, diverse housing options.

AP-38 Project Summary

Project Summary Information

	Project	Goals Supported	Geograph ic Areas	Needs Addressed	Funding
	Tacoma Affordable Housing Fund	Increase diverse rental and homeownership opportunities	City Wide - Other	Limited supply of diverse rental opportunities	HOME : \$1,230,228
	Description	Development of rental and homeownership housing units.			
	Target Date for Completion	06/30/2025			
1	Estimate the number and type of families that will benefit from the proposed activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	At least 20 households will benefit from this project.			
	Location Description (additional information for this discussion may be available on the AP-36 Project Detail screen)				
	Planned Activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	Development of a combination of rental and homeownership units, at least 20 total housing units.			
	Lakewood Affordable Housing Fund	Increase diverse rental and homeownership opportunities		Limited supply of diverse rental opportunities	HOME : \$403,135
	Description	Provides funding for the development of rental housing units.			
	Target Date for Completion	06/30/2025			
2	Estimate the number and type of families that will benefit from the proposed activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	25 households will benefit from this project			

	Location Description (additional information for this discussion may be available on the AP-36 Project Detail screen)	This project is in the City of Lakewood.			
	Planned Activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	Development of 25 rental housing units.			
3	2023 HOME Admin				HOME : \$176,312
	Description	Administration of activities to meet consolidated Plan and HOME program requirements.			
	Target Date for Completion	06/30/2025			
	Estimate the number and type of families that will benefit from the proposed activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	This is for Administration only			
	Location Description (additional information for this discussion may be available on the AP-36 Project Detail screen)				
	Planned Activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	Administration, management, coordination, monitoring, evaluation of the HOME Program and related requirements.			
4	Tacoma Pierce County Chamber of Commerce - Spaceworks 2023	Increase availability of cultural services	City Wide - Other	Accessible, culturally competent services	CDBG : \$150,000
	Description	Spaceworks provides business support services for emerging entrepreneurs. Incubator services will include at least 4 business training cohorts (12-36 hour programs) focused on business plan development, workshops, one-on-one coaching, technical assistance, site consultation, and facilitated peer-to-peer support. Training includes: business plan development, marketing plan development, lease negotiations, and financial management.			

	Target Date for Completion	06/30/2025			
	Estimate the number and type of families that will benefit from the proposed activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	200 businesses will be assisted			
	Location Description (additional information for this discussion may be available on the AP-36 Project Detail screen)				
	Planned Activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	Staff salaries, supplies, and contracted services.			
5	Mi Centro	Increase availability of cultural services		Accessible, culturally competent services	CDBG : \$51,000
	Description	This program strives to increase the likelihood that those eligible to become a small business not only have the capacity to be successful, but also have access to covering the start-up costs involved in becoming such a business. The funding will specifically support two elements. Of primary importance is Mi Centro's capacity to provide direct client support (where the needs are evident) to purchase necessary licenses, Insurances, Food Handler's Cards and even equipment repair when client need exceeds their financial capacity to move forward, resulting in their being entrenched in their current way of existing. We will provide small business mentoring and support to approximately 180 businesses in the City of Tacoma. We are anticipating the provision of financial assistance to approximately 90 of those clients in an amount not to exceed \$400. Secondly, we would like to be able to dedicate 0.05% of the requested funding to offset the costs of the accounting department staff that will manage the processing of purchase orders and creating/sending payment to vendors, etc.			
	Target Date for Completion	06/30/2025			
	Estimate the number and type of families that will benefit from the proposed activities (additional information	180 microenterprise businesses will be assisted.			

	for this discussion may be available on the AP-36 Project Detail screen)				
	Location Description (additional information for this discussion may be available on the AP-36 Project Detail screen)				
	Planned Activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	Staff salaries, training facilitation, outreach and marketing, technical assistance, program administration.			
	2023 CDBG Administration				CDBG : \$478,769
	Description	Administration to implement and manage CDBG funded activities.			
	Target Date for Completion	06/30/2025			
7	Estimate the number and type of families that will benefit from the proposed activities (additional information for this discussion may be available on the AP-36 Project Detail screen)				
	Location Description (additional information for this discussion may be available on the AP-36 Project Detail screen)	This is administration only.			
	Planned Activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	Administration, management, coordination, monitoring, evaluation of CDBG funded activities			
8	City of Tacoma Single Family Housing Rehabilitation- 2023	Stabilize existing residents	City Wide - Other	Need for safe, accessible homes and facilities	CDBG : \$919,322
	Description	Program provides no-interest loans to City of Tacoma homeowners living in single-family homes to correct health and safety issues in their homes. This program is designed to provide rehabilitation and repair to correct components of the house not in compliance with			

		Housing Quality Standards, Uniform Physical Conditions Standards, and local building codes.			
	Target Date for Completion	6/30/2025			
	Estimate the number and type of families that will benefit from the proposed activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	12 households will benefit from this project.			
	Location Description (additional information for this discussion may be available on the AP-36 Project Detail screen)				
	Planned Activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	Program provides no-interest loans up to \$60,000 to City of Tacoma homeowners living in single-family homes to correct health and safety issues in their homes. This program is designed to provide rehabilitation and repair to correct components of the house not in compliance with Housing Quality Standards, Uniform Physical Conditions Standards, and local building codes.			
9	ESG24 Tacoma	Prevent and reduce homelessness		Housing instability among residents	ESG: \$209,987
	Description	ESG EN Administration \$15,749 HMIS Operations \$5,248 Emergency Shelter \$125,990 Rapid Re-Housing \$63,000			
	Target Date for Completion	06/30/2025			
	Estimate the number and type of families that will benefit from the proposed activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	50 households will be assisted by rapid re-housing 130 persons will be assisted by emergency shelter			
	Location Description (additional information for this discussion may be available on the AP-36 Project Detail screen)	Citywide			

	Planned Activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	Administration, management, coordination, monitoring, evaluation, and reporting for ESG funds. Rapid rehousing, temporary/inclement weather shelter services.			
	Revby	Increase availability of cultural services	City Wide - Other	Accessible, culturally competent services	CDBG : \$99,000
	Description	The program's objective is to provide microenterprise technical assistance that benefits low-moderate income people start or expand a business through a cohort-based workshop series and ongoing support over the term of the cohort.			
	Target Date for Completion	06/30/2025			
10	Estimate the number and type of families that will benefit from the proposed activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	20 microenterprise businesses will benefit from this project.			
	Location Description (additional information for this discussion may be available on the AP-36 Project Detail screen)				
	Planned Activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	Provide Technical assistance to microenterprise businesses.			
	Rebuilding Together South Sound - Community Revitalization Partnership- 2023	Stabilize existing residents		Need for safe, accessible homes and facilities	CDBG : \$572,680
11	Description	The Community Revitalization Partnership combines two RTSS programs (Rebuilding Day and Safe at Home) that provide health, accessibility and safety related home repairs and rehabilitation to owner-occupied, single-family residences for low-income (up to 50% AMI) homeowners who are elderly, disabled or families living with children. All repairs and modifications are done at no cost to homeowners and include roof leaks, plumbing, electrical, security (door/window/lighting), gutter repairs, carpentry, caulking, weather-			

		stripping, temporary fencing, mechanical servicing, CO/smoke alarms and waterproofing.			
	Target Date for Completion	06/30/2025			
	Estimate the number and type of families that will benefit from the proposed activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	35 households will benefit from this project.			
	Location Description (additional information for this discussion may be available on the AP-36 Project Detail screen)				
	Planned Activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	Salaries of staff, as well as associated expenses and materials (including for lead safe practices), licensing, permits, and overhead for making repairs.			
1 2	Associated Ministries - Paint Tacoma Beautiful- 2023	Stabilize existing residents	City Wide - Other	Need for safe, accessible homes and facilities	CDBG : \$64,000
	Description	Associated Ministries seeks support for its Paint Tacoma Beautiful (PTB) program providing free exterior house painting for low-income homeowners. Painting preserves housing by sealing the house and helping to prevent damage caused by exposure. Volunteers scrape and sand old paint, pressure wash the house, apply primer, and paint the house and trim.			
	Target Date for Completion	06/30/2025			
	Estimate the number and type of families that will benefit from the proposed activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	18 households will be assisted by this project.			
	Location Description (additional information for this discussion may be available on the				

	AP-36 Project Detail screen)				
	Planned Activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	Personnel costs for the staff, travel expenses (travel for volunteer outreach, and to and from homes being assessed and/or painted), printing/ advertising/ outreach/recruiting and postage; supplies, space, and indirect costs.			
1 3	Temporary and/or Inclement Weather Shelter	Prevent and reduce homelessness	City Wide - Other	Housing instability among residents	CDBG : \$359,077
	Description	Provide shelter on a temporary basis as needed or during times of inclement weather.			
	Target Date for Completion	06/30/2025			
	Estimate the number and type of families that will benefit from the proposed activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	150 persons will be assisted by this project.			
	Location Description (additional information for this discussion may be available on the AP-36 Project Detail screen)	Citywide			
	Planned Activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	Provide shelter on a temporary basis as needed or during times of inclement weather.			

AP-50 Geographic Distribution - 91.420, 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The City of Tacoma allocates its funds citywide. It does not concentrate its funding through a “Target Area” as defined by HUD. Acknowledging that federal and local policies have produced a disparate impact on the neighborhoods of Tacoma, several geographic tools aid our strategic planning for increased spatial equity throughout the city.

City of Tacoma Equity Index

In 2019, the City’s Office of Equity and Human Rights released the Tacoma Equity Index. The Index is one of the primary tools that city staff, community members, partners, and other decision-makers can use to help ensure that policy and funding decisions address Tacoma 2025 strategic indicators. These indicators were established by the community to improve access to opportunity for all Tacoma residents.

This relates to any decisions in the City’s Consolidated Planning that require City Council approval. City staff are required to outline which of these indicators their recommendations support and describe how those indicators will be met should recommended actions be approved.

In 2021, the Equity Index expanded to include Pierce County data.

Tacoma Human Services Strategic Plan: Equity and Empowerment Framework

For the development of the Tacoma Human Services Strategic Plan, City staff conducted GIS mapping of local conditions and the human services system, including the:

- Location/distribution of programs offering services to Tacoma residents,
- Number and location of clients served by city-funded programs,
- Location of programs currently funded, and
- Geography of cost-burdened households, race and language barriers across the City.

Geographic Distribution

Target Area	Percentage of Funds
N/A	N/A

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The City of Tacoma does not allocate investments geographically.

Discussion

While the City of Tacoma does not concentrate its funding through a "Target Area" as defined by HUD, the organization has invested in valuable geographic tools that support our staff and community partners' ability to make decisions that leverage federal funds to meet specific, localized needs.

Tools such as the Equity Index, GIS mapping of local conditions and the human services system, and the Housing Market Policy Dashboard allow decision-makers to understand how concentrations of low-income households produce specific outcomes and increased need for affordable housing, community and economic development, and public service investments.

Affordable Housing

AP-55 Affordable Housing - 91.420, 91.220(g)

Introduction

The City of Tacoma continues to maximize federal funding and leverage local resources to develop new affordable housing units; preserve existing affordable housing; create opportunities for homeownership to low-income households; and provide supportive housing in the form of emergency, transitional, and special needs housing with support services.

One Year Goals for the Number of Households to be Supported	Tacoma	Lakewood
Homeless	-	-
Non-Homeless	94	25
Special-Needs	-	-
Total	94	25

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	Tacoma	Lakewood
Rental Assistance	-	-
The Production of New Units	20	25
Rehab of Existing Units	74	-
Acquisition of Existing Units	-	-
Total	94	25

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion

The Tacoma-Lakewood HOME Consortium will support households through the following affordable housing activities:

- Rental assistance
- Production of new units
- Acquisition of existing units
- Rehabilitation of existing units

Lakewood

The City of Lakewood will produce 25 new rental housing units.

Tacoma

The City of Tacoma will produce 20 new rental units and rehabilitate 74 homeowners housing units.

AP-60 Public Housing - 91.420, 91.220(h)

Tacoma Housing Authority

Introduction

The Tacoma Housing Authority (THA) provides high quality, stable and sustainable housing and supportive services to people in need. With regard to THA's housing portfolio, THA owns over 1,600 housing units, with the majority subsidized through Project Based Vouchers or RAD Project Based Vouchers. THA subsidizes housing for approximately 3,000 voucher holders. Additionally, THA subsidizes over 450 units through local subsidy programs, including providing subsidies for the chronically homeless through investments in the county's Rapid Rehousing programs. Finally, THA delivers supportive services with focus areas that include whole family programming, youth programming, employment and educational opportunities, crisis response and community building.

In 2022, THA's Board of Commissioners adopted a strategic plan to steer the agency's efforts over the next five years. The strategic objectives set by THA are as follows:

- Increase the amount of available housing for low-income families
Increase Housing Access & Stability
- Embed Principles of Diversity, Equity, Inclusion & Belonging (DEIB) in THA's programs, culture & priorities
- Make THA a Great Place to Work

Actions planned during the next year to address the needs to public housing

Housing and Supportive Services: THA's work will continue to focus on building partnerships and uncovering resources to give households the supports they need to stay healthy, stably housed, and economically secure. This includes seeking opportunities assisting voucher holders leasing on the private market, such as late rent and security deposit assistance. THA continues its partnerships with service providers, including the Salishan Center for Strong Families and the 2Gen program, which utilizes cross-sector partnerships to provide multi-generational mentorship programs, tutoring, and social emotional learning.

Creating and Preserving Affordable Housing: THA is currently under construction with Housing Hilltop, which is closely guided by the community's 2019 Hilltop Community Framework Plan. The site includes 231 units of housing, retail, and community public space. THA is planning the redeveloping of its James Center North property to create a vibrant, mixed-use, transit-oriented development that will include up to 150 units of affordable housing. This year we will also continue to search for acquisition opportunities to make existing housing permanently affordable.

Actions to encourage public housing residents to become more involved in management and

participate in homeownership

THA will continue to invest in supportive services for the tenants living in its portfolio, including pathways to homeownership, such as those provided in the Family Self-Sufficiency program. In 2023, THA's Board approved prioritizing a portion of THA's Hillside Heights site for affordable homeownership. THA's landlord engagement specialist successfully partnered with a service provider and participating landlords to develop a "Renter Readiness" course and Certification. Participating landlords would reduce screening criteria for THA households that have successfully completed the course, which has been met with overwhelmingly positive reviews from Finally, THA continues to provide self-sufficiency supports through its Center for Strong Families site which combines coaching for employment and financial management, and income supports.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

THA is not in designated as a troubled PHA.

Discussion

The strategic objectives identified below advance THA's mission to provide high-quality housing and supportive services to people with low incomes, with a focus on those facing the greatest marginalization. As we look toward the next several years, we will set goals, metrics, and strategies to support the four goals:

Increase the amount of available housing for low-income families

- By 2028:
 - o Add at least 500 new units of affordable housing through development or partnerships.
 - o Purchase at least 200 housing units that can be prioritized for voucher holders.
 - o Rehabilitate and or refinance at least 100 units of existing housing to improve quality of life for tenants and long-term viability of the property.
- By end of 2023, continue to explore programs for homeownership opportunities.

Increase Housing Access & Stability

- By end of 2025:
 - o Maintain a 98% occupancy rate or higher in THA's portfolio.
 - o Develop a strategy for measuring customer success.
- By end of 2024, maintain the percent of households able to secure housing with a voucher of more than 60%.

- By end of 2023:
 - o Maintain THA's MTW requirement to serve substantially the same number of households.
 - o Ensure no more than 25% of households are paying more than 40% of their income for housing.

Embed Principles of Diversity, Equity, Inclusion & Belonging (DEIB) in THA's programs, culture & priorities

- By end of 2025:
 - o Review THA policies and practices related to housing, procurement, and employment and revise them to make them more equitable.
- By end of 2024:
 - o Increase percentage of minority and women-owned businesses receiving contracts with THA or with THA funds.
- By end of 2023:
 - o Increase percentage of invoices paid within 30 days from date of invoice.
 - o Review where and how we set goals related to use of Universal Design.
 - o Raise awareness and increase understanding of the foundational definitions of DEIB.
 - o Develop an inclusive governance and collaboration structure and ensure THA's decision-making structures are audited through a DEIB lens.

Make THA a great place to work

- By end of 2024, maintain THA retention of at least 85%, increase the number and hours worked of THA residents and low-income Tacomans hired into THA jobs and THA funded work, and increase the number and percentage of THA staff earning a housing wage.
- By 2025, develop a strategy for measuring staff satisfaction and publish baseline data.

Pierce County Housing Authority (Lakewood)

Introduction

Pierce County Housing Authority (PCHA) serves just over 5,000 individuals. PCHA offers project based and tenant-based vouchers in addition to the Family Self Sufficiency Homeownership program. Based on the 2022 Annual PHA Plan, PCHA has identified four goals: 1. Increase the provision of safe, decent, affordable housing 2. Expand Fair Housing Choice 3. Increase Economic Stability for Section 8 and Public Housing Residents 4. Increase Electronic information for participants, landlords and citizens. To further the goals, PCHA began the process of a Section 18 Repositioning to sell all of our public housing scattered site homes in the County (19 located in area code 98444 and 98445).

Actions planned during the next year to address the needs to public housing

1. Increase the provision of safe, decent, affordable housing

Increase the number of Housing Choice Vouchers by: 1) Consider applications through HUD NOFA, such as, but not limited to, Section 811 Non-Elderly Disabled, and Family Reunification Vouchers. 2) Accept/Apply for Tenant Protection Vouchers when made available by HUD. 3) Request additional Veterans Affairs Supportive Housing (VASH) when funding is available. 4) Continue implementing 124 new Tenant Protection Voucher Transition away from Low-Income Public Housing. 5) Continue the planning process for the Faircloth-to RAD conversion of 150 additional units.

Increase and improve partnerships with community organizations to expand availability of affordable housing: 1) Continue to participate in community organizations, such as the Pierce County Affordable Housing Consortium and the Continuum of Care, 2) Seek partnerships with local governments, including Tacoma Housing Authority, Pierce County, and continue partnership with South Sound Housing Affordability Partners. 3) Seek partnerships using Project Based Vouchers. 4) Seek to increase the community's knowledge/awareness of the need for additional affordable housing homes and the mechanisms for creation. 5) Work with selected nonprofits in the process of selling 124 LIPH units via Negotiated Sale for low income home buyers. 6) Seek capital and community partners to begin the development of additional affordable units in the county to leverage the anticipated \$40 million in new PCHA capital from the sale of our public housing single family homes.

Increase lease-up success rate for Section 8 participants: 1) Seek opportunities to introduce households on the Section 8 waitlist to Ready to Rent 2) Increase efforts to expand participation of community landlords - Conducting quarterly landlord appreciation events, Support landlord adherence to Source of Income Discrimination protections, and Enhance the landlord's customer service experience.

2. Expand Fair Housing Choice

Improve organizational awareness: 1) Actively partner with entities such as the Fair Housing Center of Washington to increase internal (PCHA) awareness and external (participating landlord) awareness of impediments to fair housing choice, 2) Seek new, and improve existing, partnerships with organizations that are historically underserved, and 3) Assess practices that will expand housing choice among Section 8 participants, this may include Adopting Small Area Fair Market Rents, Provide targeted outreach to landlords in areas of higher opportunity, Improve participant materials, and Adopting preferences for the Section 8 waitlists

Actions to encourage public housing residents to become more involved in management and participate in homeownership

Increase Economic Stability for Section 8 and Public Housing Residents by:

1. Expand PCHA's Family Self Sufficiency (FSS) program
2. Increasing Homeownership opportunities by prioritizing, when feasible, the sale of the Single-Family Public Housing units to low-income homebuyers,

3. Providing rental vouchers and assistance in relocating the current clients to homes that efficiently meet their needs and provide opportunities to better their lives

4. Using the net proceeds from the sale of the homes to develop and/or preserve affordable rental housing units for very low-income households in Pierce County.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

PCHC is not designated as troubled.

Discussion

AP-65 Homeless and Other Special Needs Activities - 91.420, 91.220(i)

Introduction

The Continuum of Care Committee (CoC), also called The Road Home, is a body formed and convened to identify five-year goals and strategies to address homelessness across Pierce County. The CoC developed a five-year strategic plan. The strategic priority areas were informed by engaging input by those who experience homelessness, champions in other sectors, and the expertise of CoC members who represent a variety of organizations that connect people experiencing homelessness. The five strategic priority areas include:

1. Housing – Maximize the use of existing housing while advancing for additional housing resources and more affordable housing
2. Stability – Support the stability of individuals experiencing homelessness and those recently housed
3. System and Service Improvements – Create a more responsive, accessible Homeless Crisis Response System
4. Community Partners – Optimize and leverage internal and external partnerships to better prevent and address homelessness
5. The Continuum of Care – Grow awareness of the CoC’s purpose and plan and serve as a central advocacy and coordinating body for addressing homelessness in Pierce County.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

The City finalized a five-year strategy on homelessness. That plan details the following goals:

- Ensure affordable housing is available and accessible to Tacoma residents.
- Everyone experiencing homelessness in Tacoma, or impacted by homelessness, can access services and support.
- The shelter system in Tacoma offers all people a safe and dignified experience that is easy to access.
- Tacoma’s homeless service system provides individuals and families with access to a continuum of tailored supports to prevent and end homelessness.
- Tacoma’s homeless service system provides Individuals and families with access to permanent, stable housing in order to end the cycle of homelessness.

Preventing people from becoming homeless by ensuring there is enough affordable housing is the single most effective strategy for addressing homelessness in our community. The Affordable Housing Action Strategy (AHAS) is the guide by which we will continue to work as an organization to address housing affordability in Tacoma by implementing the twenty-four actions outlined in the strategy. The City is also working to align our programming and funding decisions with Pierce County and their Comprehensive Plan to End Homelessness to achieve the goals listed above.

- In the next the staff will be making recommendations on the following actions to progress the City’s strategy:
 - Create and maintain a “By-Name list”
 - Develop a target approach for BIPOC populations from homelessness into sustainable housing
 - Collect data and disaggregated racial demographics and collaborate with system
 - Standardize training with providers in Diversity, Equity, and Inclusion
 - Supporting existing providers to expand permanent supportive housing providers
 - Prioritize funding that provide tailored interventions that reduce racial disparities
 - Coordinate internal and external partners before people exit facilities into homelessness.
 - Invest in direct MHSUD interventions that meet best-practice standards.

Addressing the emergency shelter and permanent housing needs for people who are experiencing homeless persons

Emergency shelter can be the first step towards stability and should be made available to anyone in need. However, some shelter beds remain empty due to lack of coordination and data sharing across shelters. A goal of the CoC is to reduce the average length of stay in temporary and emergency projects, including emergency shelter, transitional housing, and save havens, to less than 90 days. To meet this goal, the first strategy is to engage through the CoC committee level groups of where they projects may represent to include current and potential shelter and transitional housing providers, experts, local funders, and Pierce County Coalition to End Homelessness.

Persons transitioning out of homelessness often have a variety of needs including behavioral health and mental health care, employment, education, childcare and parenting support, legal support, and more. To increase the chances of maintaining permanent housing for more than two years after exiting the Homeless Crisis Response System, a “care coordination” model that provides a wraparound service when a household first enters the system following then following a move to permanent housing is a key strategy.

Helping homeless persons (especially chronically homeless households) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

1. Goal to ensure affordable housing is available and accessible to Tacoma residents. Preventing people from becoming homeless by ensuring there is enough affordable housing is the single most effective strategy for addressing homelessness in our community.
 - a. Create more housing for more people by leveraging publicly and partner-owned land for affordable housing. An example would be the 35th and Pacific property and its transition into mixed housing, including affordable housing
 - b. Preserve existing affordable housing by increasing prevention services and funding for people who are on the verge of homelessness, and streamlining processes for households applying for and using rental assistance
 - c. Help people stay in their homes and communities by establishing Workforce Development and Financial Empowerment program across the support system
 - d. Reduce barriers for people who often experience them by creating flexibility in contracting so providers can address various barriers
2. Goal to ensure that everyone experiencing homelessness in Tacoma, or impacted by homelessness, can access services and support.
 - a. Provide access to hygiene, outreach, and seasonal weather shelter for unhoused residents of Tacoma by maintaining the variety of shelter models that meet needs across the spectrum and eliminate known barriers into shelter access such as past bans at other shelters, drug free sites, weekly Urinary Analysis, prohibiting pets, and photo identification requirements
 - b. Streamline access to services through improved tracking and coordination to support unhoused residents in Tacoma by coordinating outreach workers, service providers and hospital social workers to collaborate on appropriate exit planning before people exit facilities into homelessness
 - c. Deploy targeted strategies to reduce barriers and increase access for priority by gathering information for each individual situation of unsheltered homelessness and create a “By-Name List” that is continually updated in service of reaching and maintaining functional zero populations to shelter, treatment and permanent housing.
 - d. Collaborate with community and businesses to mitigate the impacts of homelessness.
3. Goal to support a shelter system in Tacoma that offers Tacoma residents a safe and dignified experience that is easy to access.
 - a. Ensure and maintain adequate shelter capacity through diversity of shelter models.
 - b. Support Faith-based and non-profit organizations shelter capacity and ability to provide access to everyone and the permitting process and funding for homeless shelters
 - c. Reduce barriers to shelter for all individuals experiencing homelessness by continuing to

engage with targeted populations to identify needs and find alternative solutions and providers

4. Goal to support the homeless service system to provide households with access to a continuum of tailored support to prevent and end homelessness.
 - a. Ensure access to services that feel welcoming and dignified and reflect the City's commitment to ensuring evidence-based models that are antiracist and trauma informed by Prioritize programming that provides direct trauma-informed care treatment and interventions that have positive behavioral health and substance use disorder outcomes
 - b. Ensure the system of supports includes welcoming and culturally appropriate mental and behavioral health services, including substance-use supports by standardizing training with providers in Diversity, Equity, and Inclusion
 - c. Ensure the system of supports includes transportation, education, financial, employment, and recreational services that empower individuals to thrive by Increase temporary financial assistance in contracting so providers can offer flexible funds to assist persons getting into permanent housing or maintaining housing.
5. Goal to support Tacoma's homeless service system provides individuals and families with access to permanent, stable housing in order to end the cycle of homelessness.
 - a. Increase the number of permanent and stable housing opportunities for people experiencing homelessness.
 - b. Ensure adequate supportive services for permanent and stable housing opportunities by supporting existing service and shelters providers transition into providing housing and housing services to maintain continuum of care
 - c. Streamline access and reduce disproportionalities to permanent and stable housing placement with targeted strategies that address barriers experienced by residents by targeting funding that expands and diversifies housing models to help address needs and barriers for people who are homeless

6. **Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.**

Tacoma Housing Authority (THA)

THA deploys several special programs designed to meet the specific needs of individuals and families at-risk of homelessness. These include non-elderly adults with disabilities exiting skilled living facilities, young adults aging out of foster care, justice-involved individuals, family or drug court involved

households, families fleeing domestic violence, and homeless youth and young adults. THA serves these populations through special voucher programs, via property-based subsidy programs, and at properties in which it has project-based vouchers.

Specifically:

- THA continues to strengthen its education-focused partnerships. In 2024, THA will finalize an agreement with Tacoma Public Schools to prioritize McKinney-Vento families for housing vacancies.
- THA is revising its waitlist preferences. In November 2023, THA's Board approved of a preference to households experiencing housing instability or homelessness referred by service partners in which THA entered into MOU agreements to provide lease up and housing stabilization services. THA is seeking to expand the waitlist preference policy to include additional populations who could benefit from additional housing stabilization assistance, including foster youth whose three-year time limit on assistance is ending and households existing PSH.
- THA received 75 new Foster Youth to Independence (FYI) vouchers that were implemented starting 2022. These vouchers require close collaboration with DCYF, Pierce County, and local service providers.
- Arlington Drive Youth Campus was fully completed in 2020 providing 58 units of subsidized housing for young adults ages 18 to 24 years old and a Crisis Residential Center/HOPE Facility (CRC) for homeless youth ages 12-17 years old. The CRC program model has a high success rate of discharging young adults to safe and permanent housing after a short-term stay whereas the Arlington Apartments houses young adults exiting homelessness or young adults who will age out of foster care into homelessness.

Discussion

The City of Tacoma works closely with the Tacoma Pierce County Continuum of Care and Tacoma Housing Authority to reduce homelessness by:

- Addressing the need for emergency shelter
- Help unhoused populations secure permanent housing and independent living
- Deploying specialized programs to help individuals and families avoid becoming homeless

AP-75 Barriers to affordable housing -91.420, 91.220(j)

Introduction

A combination of factors present barriers to providing new affordable housing and retaining existing units in Tacoma and Lakewood: lack of vacant land with infrastructure in place for development; high cost of labor and materials; and, lack of economic incentives for private market investment in redevelopment or new development. Even when affordable units exist, many residents must overcome significant barriers to access them: low household income relative to rising housing costs; lack of sufficient stable, living wage jobs in Tacoma and Lakewood; lack of alignment between unit size or features, such as accessibility features. Many of these challenges are compounded by language barriers, limited knowledge of housing resources and programs; and difficulty qualifying for or securing housing (like meeting security deposit requirements).

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The City of Tacoma developed its Affordable Housing Action Strategy, an urgent response to a changing housing market, increasing displacement pressure among residents, and a widespread need for high-quality, affordable housing opportunities for all. One of the four strategic objectives of the Affordable Housing Action Strategy focus on removing barriers for people who often encounter them. Some of the key actions to accomplish this strategic objective are as follows:

- Increase participation in existing first-time homebuyer programs and resources for new homebuyers.
- Target existing resources to improve the livability of existing owner-occupied homes.
- Encourage more diverse types of housing development through relaxed land use standards, technical assistance, and financial incentives (with a focus on technical assistance and relaxed land use standards).
- Modify inclusionary housing provisions to target unmet need and align with market realities.
- Earmark a portion of new or expanded source of local funding to provide support services in new development.

Tacoma and Lakewood will continue its down payment assistance, coupled with homebuyer education, to support homeownership among low- and moderate-income households. Based on disparities identified through the city's Analysis of Impediments, a concerted effort will be made to reach Black, Native American, and Hispanic residents. Specific actions include promotion and expansion of homeownership program capacity and to more effectively address underserved needs of Black community members and other community members of color.

The City will focus code compliance efforts to connect households with resources that can assist them.

To address other disparities identified through the Analysis of Impediments related in particular to stable housing access for persons living with disabilities, the City will expand its partnerships with agencies providing home modifications at no cost to low and very low income homeowners to provide accessibility features that allow them to remain in their existing housing.

In 2024, the Tacoma City Council will continue its development of zoning, standards and other supportive actions to allow development of diverse housing types including duplex, triplex, townhouse, and multi-family development in neighborhoods across the City which are currently restricted to single-family houses. Removing this regulatory barrier to infill housing is intended to increase housing supply, affordability and choice through market-rate development, and will also increase opportunities for developers who use subsidies to create affordable units to seek project sites.

Tacoma offers a property tax abatement policy for multifamily housing developments that provide rent-restricted affordable units to income eligible residents. This policy is intended to increase the supply of affordable housing. In 2022 changes took effect to expand the geographic area within which housing developers can use the exemption to create rent-restricted units, and deepening the level of affordability required to 70% Area Median Income for the Tacoma Pierce County Metro area..

AP-85 Other Actions - 91.420, 91.220(k)

Introduction

This section describes the Consortium's planned actions to carry out the following strategies to: 1) address obstacles to meeting underserved needs, 2) foster and maintain affordable housing, 3) reduce lead-based paint hazards, 4) reduce the number of poverty-level families, 5) develop institutional structures, and, enhance coordination.

Actions planned to address obstacles to meeting underserved needs

The most significant obstacle to meeting underserved needs is the limited funding available to address all of the needs in the community. The City of Tacoma and the Tacoma Community Redevelopment Authority will continue to use its resources to leverage additional funding. Combined funding and collaboration will be targeted to increase the opportunity for affordable housing development, and to continue support for down payment assistance as a strategy to increase homeownership, coupled with homebuyer education in readiness for ownership.

Many of Tacoma's efforts will be guided and informed by the City's Equity Index, which assists city staff, community members, partners and other decision makers, helping ensure that they are making data-informed decisions that improve access to opportunity for all Tacoma residents. The index uses data points to determine where people are not able to access services or where services do not meet the

community needs.

Actions planned to foster and maintain affordable housing

Tacoma and Lakewood will continue to review policies in their Comprehensive Plan to encourage affordable housing, including such strategies as infill housing and accessory dwellings. They will likewise encourage higher densities, particularly in mixed-use and urban centers. In public “visioning meetings” held to check in with and pass on information to attendees, higher densities were seen as positive (consistent with neighborhood character and design). Increasingly mixed-use centers are seen as offering more amenities, transportation options, choices in housing and other opportunities enriching the neighborhoods and the city.

Tacoma will continue to provide support for nonprofit agencies through funding and collaboration to increase the opportunity for affordable housing development and will continue to support down payment assistance as a strategy to increase homeownership, coupled with homebuyer education in readiness for ownership. Tacoma will continue to support capacity-building activities for local development entities that are planning to include affordable units in new developments.

The City of Tacoma has a public land disposition policy that prioritizes affordable housing on publicly owned property. This policy may result in publicly owned property becoming available over this funding cycle. Surplus property listings are provided on the City of Tacoma website by the Joint Municipal Action Committee, a partnership between City of Tacoma, Metro Parks, Tacoma Public Schools, and Pierce County. The TCRA may work in conjunction with the City of Tacoma to make land available for the development of affordable housing units.

Tacoma will create criteria to assess public infrastructure related to affordable housing development, including target areas for affordable housing policies and programs or planned affordable housing developments.

Tacoma and Lakewood will continue to focus on revitalizing neighborhoods through code enforcement, emergency relocation assistance, crime-free housing, infrastructure and blight removal to stabilize people and neighborhoods. Both cities will work toward increasing access to opportunities by encouraging projects that revitalize and improve the quality of neighborhoods along with projects and policies that increase the capacity of residents. Both cities will continue their fair housing and landlord-tenants’ rights education and outreach activities.

These and other strategic measures will be carried out incrementally through Tacoma’s Affordable Housing Action Strategy (AHAS).

Actions planned to reduce lead-based paint hazards

Consistent with Title X of the Housing and Community Development Act of 1992, the Cities of Tacoma

and Lakewood provides information on lead-safe practices to owners of all properties receiving up to \$5,000 of federally funded assistance. If work on painted surfaces is involved in properties constructed prior to 1978, the presence of lead is assumed, and safe work practices are followed.

In addition to the above, homes with repairs in excess of \$5,000 in federally funded rehabilitation assistance are assessed for risk (completed by a certified Lead Based Paint firm) or are presumed to have lead. If surfaces to be disturbed are determined to contain lead, interim controls are exercised, occupants notified, and clearance test performed by an EPA-certified firm. Properties constructed prior to 1978 and acquired with federal funds are inspected for hazards and acquired rental properties are inspected periodically.

Much of the housing stock in Tacoma and Lakewood was constructed prior to 1978. While not exclusively the case, older units with irregular maintenance may pose a risk to residents. Housing repair projects favor lower-income households by virtue of their eligibility, and at-risk housing units by virtue of their affordability (condition and age). The Cities of Tacoma and Lakewood provides information on lead-safe practices to households involved in the repair programs and have brochures in the offices of the Cities of Tacoma and Lakewood for the general public on the dangers of lead and the importance of safe practices.

Actions planned to reduce the number of poverty-level families

The Cities will continue to support programs and projects that assist low-income persons, including projects that offer solutions to help them out of poverty. The goals emphasize stable and affordable housing and services as a means to address poverty and high-quality infrastructure as a way to revitalize communities.

For instance, the goal of increasing diverse rental and homeownership opportunities includes projects that will provide new housing to lower income households, some with ongoing subsidy and support. Decreasing the share that a household spends on their home is one significant way of increasing their ability to pay for other necessities, such as transportation, healthcare, and food, or save for the future. Down payment assistance programs, along with housing counseling, will allow households to become homeowners and build their wealth. Housing repair programs allow persons to live in safer housing and improve the neighborhood.

The goal of preventing and reducing homelessness focuses on households living in poverty. Household-focused and individual-focused case management, coupled with rapid rehousing can eliminate periods of debilitating homelessness and rebuild attachment to the community, productive employment and education, all of which are challenged during periods of homelessness.

The goal of supporting high-quality public infrastructure and increasing the availability of accessible, culturally competent services also has the capacity to help households and neighborhoods out of poverty. Investing in infrastructure and aligning services with community needs can help revitalize neighborhoods and make them more attractive to other investment and businesses providing jobs.

Projects fund façade improvements and small business development directly, some through revolving loan funds, all of which result in jobs for lower-income persons, some of whom enter the programs from poverty.

Further, CDBG, HOME and ESG funds leverage additional monies to address the same issues. Projects are also the result of long collaborations between agencies and partners, including Pierce County, Tacoma-Pierce County Habitat for Humanity, the Homeownership Center of Tacoma, the Tacoma Housing Authority and the Pierce County Housing Authority.

Funding from other sources – local, state, federal, foundations, private donors – are coordinated for the best benefit given continually declining federal resources. Major barriers to achieving reductions in the number of households in poverty are limited resources (including funding) and broad changes in local economies beyond control of the cities.

Actions planned to develop institutional structure

The table below shows the key responsible entities that make up the institutional delivery system for the federal funds in Tacoma and Lakewood. A discussion of the strengths and gaps of this system is detailed below.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
City of Tacoma Community and Economic Development Department	Government	Funding administrator (CBDG, HOME, ESG)	City of Tacoma
City of Lakewood Community Development Department	Government	Funding administrator (CDBG)	City of Tacoma
Tacoma Community Redevelopment Authority	Redevelopment Authority	Funding administrator (CBDG, HOME)	City of Tacoma and Lakewood

Actions planned to enhance coordination between public and private housing and social service agencies

Strong coordination and process improvements two strategies being used and will continue to be used in 2024 to overcome the gaps in the institutional delivery system.

Lakewood and Tacoma will continue to participate in the Lakewood/Tacoma/Pierce County Continuum of Care, among other collaborations, to identify strategies to strengthen the service delivery system. Tacoma is implementing strategies to align the contracted providers' systems to streamline services and enhance them.

Both are on the subcommittees for SHB2163 and SHB2060 that establish policies and funding priorities for use of document recording fees set by that legislation. Human services are funded in both jurisdictions with General Funds, guided by strategic plans. Importantly, the Tacoma City Council approved a sales tax increase (0.1%) for use in addressing needs of persons with mental health and chemical dependency issues.

In 2021, an additional funding source HB1590 was approved in Tacoma for the development and operations of permanent supportive housing.

Decisions on use of funds and priorities are coordinated across departments in both cities and across agencies in Pierce County. The Lakewood/Tacoma/Pierce County Continuum of Care brings needs, gaps,

and opportunities to the front of the discussion.

Discussion

The City of Tacoma continues to devote resources towards developing long-term solutions to the need for more affordable housing options, ensuring that homeownership and home repair are available to low-income households, and reducing the number of poverty-level families through economic development activities. These long-term solutions, however, are insufficient to meet the existing demand for affordable housing options and cost-burdened households.

Program Specific Requirements

AP-90 Program Specific Requirements - 91.420, 91.220(l)(1,2,4)

Introduction

The City of Tacoma participates in the Community Development Block Grant (CDBG), HOME Partnership (HOME) and Emergency Solution Grant (ESG) programs. The following section covers information and requirements that are program or grant specific.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out:

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed: \$300,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan: - 0
3. The amount of surplus funds from urban renewal settlements: - 0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan: - 0
5. The amount of income from float-funded activities: - 0
6. Total Program Income: \$300,000

Other CDBG Requirements

1. The amount of urgent need activities 0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low- and moderate-income: 98%-100%

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.220(l)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The City of Tacoma uses only specified forms of assistance (i.e. 24CFR 92.205b) such as equity investments, interest-bearing loans, deferred payment loans, and grants.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The Tacoma Consortium utilizes Recapture for its homebuyer programs. Recapture includes any HOME investment, including interest, if any, that reduced the initial purchase price from the fair market value to an affordable price (“Direct Subsidy”), but excludes the amount between the initial cost of producing the unit and the fair market value of the property. Recaptured HOME funds are due upon sale, transfer, or if the HOME-assisted property is no longer the primary residence of the homebuyer. The Consortium allows for each subrecipient to determine the method of recapture on a program by program basis, provided it meets one of the two methods outlined below:

- a. Recapture the Entire Amount. The Consortium will recapture the entire outstanding balance of principal and interest, including any late fees, of its total HOME Investment. The amount recaptured will not exceed the total net proceeds available.
 - b. Reduction during Affordability Period. The Consortium may reduce the HOME investment amount to be recaptured on a prorated basis for the time the homeowner has owned and occupied the housing measured against the required affordability period. The Consortium requires a 15-year affordability period when forgiving debt to homebuyers. The HOME investment is decreased in equal amounts over a 10-year amortization schedule beginning in year 6. The amount recaptured will not exceed the total net proceeds available.
3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Each homebuyer is underwritten to ensure that they meet not only income-eligibility requirements, but that the burden of overall mortgage proposed is affordable to that household. Since 2002, the Consortium has had a policy for front and back-end ratios, examining the overall housing debt and the debt of each family, the appropriateness of the assistance, and financial resources to sustain homeownership. Each HOME assisted property will require a promissory note, deed of trust restrictions, and a written HOME agreement during the federal period of affordability with specific terms and conditions established by each Consortium member.

The Consortium's policy adheres to and in some cases is stricter than the affordability requirements set forth in 24 CFR 92.254(a)(4): When the total HOME investment is less than \$15,000, a federal affordability period of not less than 5- years will be required. When the total HOME investment is \$15,000 to \$40,000, a federal affordability period of not less than 10-years will be required; for investments of over \$40,000, the required federal affordability period will be a minimum of 15-years. This federal affordability period is not contingent on loan terms or an amortization period.

Funds that are recaptured from the sale of property by the homebuyer, or if the property is no longer used as their primary residence during the federal affordability period, will be returned to the City of Tacoma, as lead agency of the Consortium. The federal affordability restrictions may terminate upon foreclosure, transfer in lieu of foreclosure, or assignment of an FHA-insured mortgage to HUD.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

At this time the City's priority is on new housing units, not refinancing debt on existing multifamily housing.

Emergency Solutions Grant (ESG)

1. Include written standards for providing ESG assistance (may include as attachment)
2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

Pierce County's centralized intake and assessment system (operated through Coordinated Entry) has been online since January 31, 2011. Features of the Coordinated Entry System (CES) Include:

- Instead of being a standalone "program" or single fixed "front door," CES is a system function that provides activities and services at places where homeless people live or where they seek entry to the system;
- The CES attempts to divert all homeless households from entering the homeless system, particularly those with lower housing barriers;
- The CES prioritizes households with the highest acuity of need (based on vulnerability and housing barriers) for assistance and refer them to available housing interventions. Providers of transitional housing, rapid re-housing and permanent supportive housing contractually obligated to lower their barriers to entry and accept higher need households;
- To remove barriers to access, CES entry points include shelters (adult and family) and mobile outreach teams that seek out unsheltered people;
- The CES conducts a brief assessment to determine prioritization for access to housing resources (based on the household's vulnerability and housing barriers) and their eligibility to enter existing programs;
- The CES maintains priority lists of people assessed. Those not placed on a priority list will have

- been offered diversion assistance; and
- All data and activities related to CES intake, assessment, and referral are entered into the Homeless Management Information System (HMIS).

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The City of Tacoma’s Neighborhood & Community Services Department presents ESG allocation recommendations for programs meeting ESG priorities to the Human Services Commission (HSC) for their feedback. In accordance with the City’s Citizen Participation Plan and process for making funding decisions, these recommendations are then presented to the City Council’s Community Vitality & Safety subcommittee before being presented and approved by the full Council. They are also published for public comment. Programs that are awarded funding then enter into contracts with the City. ESG funds can be used for the following program components: Street Outreach, Emergency Shelter, Homelessness Prevention, and Rapid Re-Housing. There is a cap on Street Outreach and Emergency Shelter as no more than 60% of the total annual HUD allocation may be used for these two categories.

ESG allocation recommendations are also presented to the County’s Continuum of Care for feedback. This is due to regulations issued by HUD that require the City to make ESG funding decisions in consultation with the Pierce County Continuum of Care—the local planning body for homeless services.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The City met the homeless participation requirement by presenting recommendations to the Pierce County Continuum of Care, which includes individuals who have previously experienced homelessness.

5. Describe performance standards for evaluating ESG.

The City will continue to consult with the CoC regarding performance measures of the HEARTH ACT. This will include identifying performance objectives and targets. The following will be tracked through HMIS:

- Length of time persons are homeless
- Exits to permanent housing
- Income
- Performance standards for ESG will include the following:
- Shortening the time people spend homeless (Target: Rapid re-housing clients will find permanent housing within 30 days of the start of services)
- Increasing the percentage of persons who exit to permanent housing or remain in permanent housing at the end of the program year (Target: 85% for rapid re-housing clients)

- Increasing the percentage of persons over 18 who increased their total income at program exit or at the end of the program year (Target: 20% for all ESG clients)

CITY OF TACOMA

PARTICIPATION PLAN FOR HOME, CDBG, AND ESG PROGRAMS

Community and Economic Development Department 747 Market Street, Suite 900
Tacoma, WA 98402-3794

March 1988
Amended June 1995
Amended December 1997
Amended May 2005
Amended December 2013
Amended May 2015
Amended May 2020
Amended May 2024

Table of Contents

Intro	3
Purpose	4
Background.....	4
Planning Activities	5
A. Five Year Consolidated Plan	5
B. Annual Action Plan.....	5
C. Fair Housing	6
D. Consolidated Action Plan Evaluation Report	7
Amendments	7
Contingencies	7
Public Meetings and Hearings	8
Public Hearings	8
Public Meetings	8
Public Review of Documents.....	8
Access to Records	9
Limited English Proficiency	9
Technical Assistance	9
Complaints	10
Implementation	10
Effective Date	10

Intro

In Tacoma, community participation has always been strong, but often this participation has not fully represented all of Tacoma's residents, such as low income, the elderly, minorities, persons with disabilities, youth or persons with limited English proficiency. However, Tacoma's city government and its residents are committed to the growth of Tacoma as a pleasant, safe and united community for all its residents and believe this goal can best be met by increasing opportunities for participation in local government decisions that improve the quality of life in Tacoma.

To receive funding for housing and community development programs from the Department of Housing and Urban Development (HUD), the City must develop a Consolidated Plan and annual action plans for the use of these funds. The Consolidated Plan includes a five-year strategic plan with the applications for the Community Development Block Grant (CDBG), Home Investment Partnership (HOME), and Emergency Solutions Grant (ESG) Programs. The City encourages the participation of all residents in developing the Consolidated Plan, any substantial amendments to plans, and providing feedback on the annual performance report. The City particularly encourages the participation of low-income persons, persons living in low- and moderate-income neighborhoods (neighborhoods with 51% or more at 80% or lower of area median income), persons living in areas targeted for revitalization, residents of public and assisted housing, minorities, non-English speaking persons, persons with disabilities, and other persons affected by the Plan. The City engages with and provides information to community-based representative groups to encourage participation from minorities, non-English speaking persons, and persons with disabilities. In addition, the City encourages businesses, developers, philanthropic organizations, community and faith-based organizations, and public housing authorities to participate in the planning process.

The Participation Plan (the Plan) was initially adopted to encourage involvement in the CDBG Program and was subsequently amended to provide an ongoing mechanism for widespread participation in HUD funded programs.

In 1997, the City Council modified the allocation process for federal funds to make the development of housing projects more effective and efficient. The December 1997 amendment to the Citizen Participation Plan modified the allocation process by separating the housing development allocations from all other allocations of federal CDBG, HOME, and ESG funds.

In 2005, the City Council amended the Plan to further define the responsibilities of the Human Services Commission (HSC) and the Tacoma Community Redevelopment Authority (TCRA), committees appointed by the Council.

In 2013, the City Council amended the Plan to include a new section to facilitate the participation of residents with limited English proficiency. This new section was intended to increase language access to the Consolidated Plan and related documents and to the planning process associated with the development and implementation of these documents. The Plan also updated changes to City department names, federal grant name changes and the responsibilities of the HSC and TCRA.

In 2015, the City Council amended the Plan to include specific language and new responsibilities for the TCRA to directly acquire property for redevelopment through its existing Affordable Housing Fund and newly created Economic Development Fund.

In 2020, in response to the COVID-19 crisis, HUD allowed cities to offer a shortened 5-day public comment period on substantial amendments to the Annual Action Plan for funds related to crisis relief. The City amended the Plan to permit a 5-day public comment period as well as allow for virtual public hearings if attendance could cause a public safety issue.

In 2024, City Council will review an amendment to update the previous Participation Plan for HOME, CDBG, and ESG Programs. This amended plan will streamline the substantial amendment process as well as language access.

Purpose

The purpose of the Plan is to inform residents of opportunities to express their needs and priorities for community improvements and to participate in planning for needed improvements. Additionally, this Plan provides for representation of all of Tacoma's residents by allowing them to have a voice in the decision-making process. Residents are provided an opportunity to participate in the development process for the following plans and reports for affordable housing, community and economic development that guide the City's use of HOME, CDBG, and ESG funds:

1. The Consolidated Plan
2. The Annual Action Plan
3. The Consolidated Annual Performance and Evaluation Report,
4. Fair Housing Plan, and
5. Substantial Amendments to Consolidated Plans and/or Annual Action Plans

Background

The City encourages residents to be involved in the identification of needs, the development of plans and strategies, the review of proposed activities, and the review of program performance. This Participation Plan outlines the opportunities available to residents to participate in improving opportunities for decent housing, a suitable living environment, and economic development, particularly for low- and moderate-income persons.

On the citywide level, several committees are appointed by the City Council to provide advice and input into the process of developing and implementing the Consolidated Plan and Annual Action Plans. These advisory committees, to the extent possible, include low- and moderate-income persons, representatives of community groups, and members of minority groups. The following groups and committees all provide input on housing and community development needs and strategies:

- The Human Services Commission (HSC) reviews applications for funding and/or funding recommendations from Neighborhood & Community Services (NCS) Department staff for ESG funding and human service programs supported with CDBG public services funding for City Council approval. HSC membership must reflect the diversity of our community as to race and culture, gender, age, socioeconomics, geography, and interest in Commission membership. The HSC is supported by staff from the NCS Department.

- The Tacoma Community Redevelopment Authority (TCRA) develops the Funding Priorities Statement for its programs and activities. In addition, TCRA reviews proposals for minor housing/capital projects, public facility projects, and economic development activities, including applications for use of designated housing and community development funds supported with CDBG and HOME monies. The TCRA's board is composed of professionals from the lending, construction, real estate, accounting and legal fields. The TCRA is supported by staff from the Community and Economic Development Department.
- The Tacoma/Lakewood/Pierce County Continuum of Care (CoC) is the local planning body for homeless services. As a result, NCS staff present CDBG Public Services and ESG allocation recommendations to the CoC for their feedback (in accordance with 24 CFR 91.100).

Planning Activities

A. Five Year Consolidated Plan

The City of Tacoma's Consolidated Plan is developed through a collaborative process where the community establishes a unified vision of Tacoma's community development actions. The development of the Consolidated Plan includes the following steps:

1. At least one public hearing is held during the beginning of the planning process, to gather information from and share information with community members. Comments will be accepted during the public hearing.
 - a. A notice of the public hearing will be published in a newspaper of general circulation.
2. Consultation with numerous City and community partners (including the Community and Economic Development [CED] Department, NCS Department, city officials, public agencies, public housing authorities, housing developers and providers, community groups, service providers) and residents.
3. A draft Consolidated Plan will be available for public comment during a 30-day comment period. During the comment period, a public hearing will be held. Free copies of the draft Consolidated Plan will be made available for review in Tacoma Public Library branches, the offices of CED and NCS, and the City's website. A summary of comments received will be incorporated into the final Consolidated Plan.
 - a. A notice for the public comment period and public hearing will be published in a newspaper of general circulation. Instructions for submitting public comments will be included in the notice.
 - b. For the CARES Act or crisis response, a 5-day comment period is permitted regarding all funds associated with the act and responding to community impacts due to COVID-19 or other crisis declarations.
4. After the comment period ends, the final plan will be presented to City Council for approval prior to the submission of the plan to HUD.

B. Annual Action Plan

The Annual Action Plan serves as the one-year spending plan for the HOME, CDBG, and ESG programs. It is developed using the following process:

1. At least one public hearing is held during the beginning of the planning, to gather information from and share information with community members regarding the amount of funds expected to be available, the range of activities that will be considered, and an estimate of the amount of funds that will benefit low-income persons. Comments will be accepted during the public hearing.
2. Through the Annual Action Plan Process, the City Council will allocate CDBG and HOME funds to support affordable housing and/or the economic development programs administered by TCRA. The TCRA will invite developers to submit proposals to the TCRA. Housing proposals are then reviewed, and funds awarded by the TCRA. The TCRA will also conduct an open application process for funding economic development activities.. These activities will also be reviewed and fund awarded by the TCRA. The TCRA may also choose to directly acquire and redevelop real property for housing or economic development activities using HOME or CDBG funds, or directly allocate those funds to a project without an RFP being used. Through the annual planning process, the City Council will also allocate funds directly to TCRA for their operation of direct housing programs such as homeowner rehabilitation and down payment assistance.
3. All CDBG Public Services and ESG funding recommendations are developed by NCS staff by competitive funding processes or direct allocations. Recommendations are then presented to the HSC and CoC (in accordance with 24 CFR 91.100) prior to being presented to the City Council. The final decision for CDBG Public Services and ESG funding recommendations is made by the City Council.
4. A draft Annual Action Plan will be available for public comment. Free copies of the draft Annual Action Plan will be made available for review in Tacoma Public Library branches, the offices of CED and NCS, and the City's website. A summary of comments received will be incorporated into the final Annual Action Plan.
 - a. A notice will be published in the newspaper of general circulation that the public can submit comments during a 30-day period indicated in the notice.
 - b. For the CARES Act or crisis response, a 5-day comment period is permitted regarding all funds associated with the act and responding to community impacts due to COVID-19 or after crisis declarations.
5. After the comment period ends, the final plan will be presented to City Council for approval prior to the submission of the plan to HUD.

C. Fair Housing

The City of Tacoma is responsible for producing an Analysis of Impediments to Fair Housing Choice. The report details the barriers that have been identified, contributing factors, and recommendations for future action. As part of this process, HUD mandates that the City report on progress made towards closing out any identified barriers annually, as part of the Consolidated Plan, in the Consolidated Annual Performance and Evaluation Report (CAPER).

The Analysis of Impediments to Fair Housing Choice is updated during the development of the five-year Consolidated Plan. Stakeholder input and feedback is collected to update the report at the same

time as the Consolidated Plan engagement process. There are no formal comment periods or required approval processes for the Analysis of Impediments to Fair Housing Choice.

D. Consolidated Action Plan Evaluation Report

The City prepares a Consolidated Annual Performance and Evaluation Report (CAPER) for Consolidated Plan programs at the end of each program year. The City publishes a notice in a newspaper of general circulation that the report has been completed and is available for review at least 15 days prior to submission of the CAPER to HUD. Residents are given at least 15 days to submit comments on the report. The City considers any comments received and summarizes the comments in the report.

Amendments

Throughout the year, changes may be necessary to the Consolidated Plan or the Annual Action Plan. Changes to the plan fall into two categories; Substantial and Non-substantial.

A substantial amendment is defined as:

1. A funding increase of more than 30 percent unless the change is less than \$100,000, or
2. A reduction of 30 percent or more in project beneficiaries (i.e., income groups, ethnic groups, limited clientele groups, residents of a targeted area), or
3. A determination is made by the Director of either CED or NCS that the change is substantial, even if it falls below the standards in numbers 1 and 2 above.

When plans or projects are substantially changed, the HSC and/or TCRA are notified and consulted for comments or recommendations. A notice of the proposed change is published in a newspaper of general circulation, which will include the dates for the 30-day comment period (or 5 days if the amendment is responding to impacts of COVID-19 or other emergency declarations) prior to implementation. The HSC and/or TCRA allow for public comment at a regularly scheduled meeting before acting on a substantial amendment. The summary or comments and why comments were accepted or rejected will be attached to the amendment prior to its submission to HUD.

The TCRA provides final approval for substantial amendments under the purview of housing and community and economic development activities and programs. The HSC forwards recommendations for substantial amendments under the purview of human services activities and programs to the NCS director for approval. Outside of these scopes, the NCS and/or CED director will provide final approval for substantial amendments.

TCRA funding decisions that meet the approved criteria of an established loan program or an approved Affordable Housing Fund (AHF) or Economic Development Fund (EDF) allocation are not considered substantial amendments.

Contingencies

TCRA may select alternate projects during a funding cycle to be implemented if a previously approved project does not achieve milestones set at the time of funding, the project is discontinued or postponed, or for whatever other reason an approved project is unable to perform in a timely manner.

If alternative projects are not recommended and a project fails, the funds will be reallocated for a future round of funding.

NCS may recommend alternate projects during a funding cycle to be implemented if a previously approved project does not achieve milestones set at the time of funding, the project is discontinued or postponed, or for whatever other reason an approved project is unable to perform in a timely manner. If alternative projects are not recommended and a project fails, the funds will be reallocated for a future round of funding.

Public Meetings and Hearings

All public hearings, citizen advisory committee meetings and other public meetings are open to the public in accordance with the RCW Chapter 42.30 Open Public Meeting Act.

Public Hearings

The City holds at least two public hearings each year related to HOME, ESG, and CDBG funds. A public hearing is held by the TCRA at the beginning of the planning process to allow residents and applicants the opportunity to identify needs and priorities and comment on prior performance. Another public hearing will be held by City Council during the Consolidated Plan and/or Annual Action Plan adoption process giving citizens and applicants an opportunity to comment on the proposed plan.

Residents and applicants will be notified of the dates, times, places, and procedures of public hearings through newspaper advertisements and/or via email. Public hearings may be held virtually, in-person, or hybrid. When a hearing has an in-person component the physical location must be a facility that is accessible to physically disabled persons. Virtual hearings are close-captioned and amplified hearing devices are available for the hearing impaired.

Public Meetings

Additional meetings may be held as part of the application processes for funds that are included in the Consolidated Plans or Annual Action Plans. Meetings may be held virtually, in-person, or hybrid. When a meeting has an in-person component the physical location must be a facility that is accessible to physically disabled persons. Virtual hearings are close-captioned and auxiliary aids are available.

Residents and applicants will be notified of the dates, times, places, and procedures of public meetings through newspaper advertisements and/or via email.

Public Review of Documents

Draft Consolidated Plans, Annual Action plans and any substantial amendments are published prior to approval to allow time for the public to review and provide comment. Notification of the opportunity to review and/or comment on a draft plan or substantial amendment is provided by an announcement in a general circulation newspaper. Residents are given 30 calendar days to provide comment on the draft plan (or 5 days if the amendment is related to COVID 19 or an emergency declaration). During the review and comment period, copies of the plan are made available online at

the City of Tacoma website, CED and NCS offices, and Tacoma Public Library branches.

Access to Records

All public records, as defined by the State Public Disclosure Act, are available for review in the offices of the CED Department and the NCS Department during normal business hours. Requests for records are handled in accordance with the City of Tacoma's policy for review of public records. A reasonable fee may be charged for copying records for residents.

Limited English Proficiency

The City of Tacoma is a diverse community, with a significant population of foreign-born residents as well as limited English speakers. Residents who do not speak English as their primary language or who have limited ability to speak, read, write or understand English may receive language assistance related to participation in the planning, programming, and implementation of federal CDBG, HOME and/or ESG grant programs by the City of Tacoma. In providing such language assistance, the City will take affirmative steps in complying with Title VI of the Civil Rights Act of 1964, which is the federal law which protects individuals from discrimination. The two primary goals of this policy are to provide specific services to eligible individuals in need of language assistance and to increase participation of residents from all races and national origins comparable to their representation within this community.

Summary information from the Consolidated Plan, Annual Action Plan, or Consolidated Annual Performance Evaluation Report may be made available in multiple languages upon request. Community members may contact the CED Housing Division for assistance at cedhousing@cityoftacoma.org.

Notices of public hearings will be provided to agencies serving non-English speaking residents of the city. Upon request and when feasible, the City may have translation services available during the public hearings. Interested residents must notify CED or NCS 72 hours in advance of the scheduled hearing of the type of translation services needed.

The provision of the language assistance shall be implemented by the CED Department and/or the NCS Department.

Technical Assistance

Any resident, public agency, housing developer, provider, or other funding applicant may contact CED or NCS for technical assistance. Staff provides technical assistance to anyone who is interested in understanding Consolidated Plan programs and federal regulations, the Consolidated Plan, City Council policies, the procedures for submitting a proposal, the Participation Plan and other program requirements so they can effectively participate in the Consolidated Plan and Annual Action Plan development process.

NCS staff will assist nonprofits and other applicants in the development of CDBG and ESG supported human service proposals as part of the application process. CED staff will also advise housing developers and providers, community groups representing low- and moderate-income

persons and residents of lower income or blighted neighborhoods on how to formulate needs statements and project proposals. Staff members from CED and NCS, as applicable, will help the HSC and TCRA in obtaining any information or assistance they need to make their recommendations and decisions.

Complaints

All written complaints are referred to the appropriate staff person(s) for action. Under normal circumstances, the department will respond to the person making the complaint within 15 working days, where practicable. All complaints and responses will be kept on file.

Implementation

Each program is different and requires a unique form of public involvement during the implementation phase. Typical forms of involvement considered by CED and NCS include, but are not limited to, the following: direct participation in a program such as applying for a housing rehabilitation, development or business loan, formation of an advisory committee for the planning and operation of a program, participation in the architectural selection committee for a project, conducting neighborhood surveys, holding meetings, or similar activities. Each project will use the form of community/organization involvement most appropriate to the project's purpose.

There will be an opportunity to comment on the implementation of projects when the City Council considers implementing resolutions for projects requiring Council approval.

Effective Date

This plan, as amended, will be effective May 1, 2024, and will remain in effect as long as Consolidated Plan activities are ongoing or until superseded by a new Participation Plan for HOME, CDBG, and ESG Programs. The public will be given notice and an opportunity to comment on any major revisions to the Participation Plan. This Plan will be made available to the public at the offices of CED and NCS. Persons with disabilities that need special accommodations to review this Plan may make a request to CED or NCS, and reasonable accommodations will be made to provide the document in a form that is accessible to the person making the request.

Resolution No. 41414

Adopted: APR 30 2024

Maker of Motion: Hines

Seconded: Walker

Voice Vote:

MEMBERS	AYES	NAYS	ABSTAIN	ABSENT
CM Bushnell	✓			
CM Daniels	✓			
CM Diaz	✓			
DM Hines	✓			
CM Rumbaugh	✓			
CM Scott	✓			
CM Ushka				X
CM Walker	✓			
Mayor Woodards	✓			

Roll Call Vote:

MEMBERS	AYES	NAYS	ABSTAIN	ABSENT
CM Bushnell				
CM Daniels				
CM Diaz				
DM Hines				
CM Rumbaugh				
CM Scott				
CM Ushka				
CM Walker				
Mayor Woodards				