



Legislation Passed November 28, 2023

The Tacoma City Council, at its regular City Council meeting of November 28, 2023, adopted the following resolutions and/or ordinances. The summary of the contents of said resolutions and/or ordinances are shown below. To view the full text of the document, click on the bookmark at the left of the page.

Resolution No. 41299

A resolution authorizing the execution of a grant agreement with the Washington State Department of Commerce, in the amount of \$1,000,000, and accepting and depositing said sum into the Special Revenue Fund, together with \$500,000 in matching City funds, budgeted from the Affordable Housing Sales Tax Fund, for a cumulative total of \$1,500,000; and authorizing the execution of an agreement with the Tacoma Community Redevelopment Authority, in the amount of \$1,500,000, through November 1, 2050, for homebuyer education and first-time homebuyer down payment assistance.

[Felicia Medlen, Housing Division Manager; Jeff Robinson, Director, Community and Economic Development]

Resolution No. 41300

A resolution appointing individuals to the Commission on Immigrant and Refugee Affairs, Community's Police Advisory Committee, Human Rights Commission, Human Services Commission, and the Tacoma Area Commission on Disabilities.

[Nicole Emery, City Clerk; Chris Bacha, Interim City Attorney]

Resolution No. 41301

A resolution appointing Devynee Ye to the Sustainable Tacoma Commission.

[Nicole Emery, City Clerk; Chris Bacha, Interim City Attorney]

Ordinance No. 28912

An ordinance amending Chapter 12.10 of the Municipal Code, relating to Water - Regulations and Rates, by amending Section 12.10.301, entitled "Fire hydrant services fee," and Section 12.10.400, entitled "Rates - Inside and outside City limits," effective January 1, 2024.

[Jodi Collins, Financial Stewardship Manager; Scott Dewhirst, Water Superintendent]

Ordinance No. 28913

An ordinance authorizing an increase in the Ad Valorem general property tax revenue collection in terms of both dollars and percentage for the general property tax levy in 2024.

[Reid Bennion, Budget Officer; Andy Cherullo, Director, Finance]

Ordinance No. 28914

An ordinance fixing the amount of the Ad Valorem tax levies necessary to identify the amount of the estimated revenues from property tax levies to match estimated expenditures for debt service and other funding requirements.

[Reid Bennion, Budget Officer; Andy Cherullo, Director, Finance]

Ordinance No. 28915

An ordinance authorizing an increase for the Emergency Medical Services property tax levy in terms of both dollars and percentage.

[Reid Bennion, Budget Officer; Andy Cherullo, Director, Finance]

Ordinance No. 28916

An ordinance authorizing an increase for the Emergency Medical Services property tax levy in terms of both dollars and percentage.

[Reid Bennion, Budget Officer; Andy Cherullo, Director, Finance]

Ordinance No. 28917

An ordinance modifying the 2023-2024 Biennial Operating Budget to appropriate funds for contractual obligations, transfers, and other budget adjustments; authorize interfund transfers and contributions; and accept, deposit, and appropriate miscellaneous donations, contributions, and/or fees.

[Reid Bennion, Budget Officer; Andy Cherullo, Director, Finance]

Ordinance No. 28918

An ordinance modifying the 2023-2024 Capital Budget to recognize changes in transfers, additional revenues, and budget adjustments.

[Reid Bennion, Budget Officer; Andy Cherullo, Director, Finance]



RESOLUTION NO. 41299

1 A RESOLUTION relating to community, economic development, and
2 neighborhood and community services; authorizing the execution of a
3 grant agreement with the Washington State Department of Commerce,
4 in the amount of \$1,000,000, and accepting and depositing said sum into
5 the Special Revenue Fund, together with \$500,000 in matching City
6 funds, budgeted from the Affordable Housing Sales Tax Fund, for a
7 cumulative total of \$1,500,000; and authorizing the execution of an
8 agreement with the Tacoma Community Redevelopment Authority, in the
9 amount of \$1,500,000, through November 1, 2050, for homebuyer
10 education and first-time homebuyer down payment assistance.

11 WHEREAS the City has applied for and been awarded \$1,000,000, in
12 grant funding from the Washington State Department of Commerce for
13 homebuyer down payment assistance, and

14 WHEREAS the City also has \$500,000 budgeted for homebuyer down
15 payment assistance and homebuyer education services, and

16 WHEREAS the department's recommendation is based on a
17 homeownership disparities study that was commissioned by the City Council
18 and completed in 2021, and

19 WHEREAS the study evidenced that systemic policies and practices by
20 government institutions had disproportionately impacted Black households,
21 creating a system that was less likely to allow them to become homeowners
22 compared to white households, and

23 WHEREAS the study also identified that the current type of homebuyer
24 programs funded by the City were not substantially utilized by Black
25 households and did little to remove the barriers they often experience when
26 trying to purchase a home, and



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WHEREAS the study further identified the need for more down payment assistance options at higher amounts to help bridge the gap between home prices and a mortgage that is affordable, and

WHEREAS the City's Community and Economic Development Department recommends contracts be awarded to the Tacoma Community Redevelopment Authority in the amount of \$1,500,000, through November 1, 2050, for homebuyer education and first-time homebuyer down payment assistance, and

WHEREAS, under the grant process guidelines, the City Council must approve acceptance of grant funding; Now, Therefore,

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

Section 1. That the proper officers of the City are hereby authorized to accept grant funding from the Washington State Department of Commerce in the amount of \$1,000,000, for deposit into the Special Revenue Fund, together with funding of \$500,000 in City funds, budgeted from the Affordable Housing Sales Tax Fund, for a cumulative total of \$1,500,000, for the purpose of providing homebuyer education and first-time homebuyer down payment assistance.

Section 2. That the proper officers of the City are hereby authorized to execute a grant agreement and any associated term extensions with the Washington State Department of Commerce for the administration of the funding accepted pursuant to Section 1, said document to be substantially in the form of the proposed grant agreement on file in the office of the City Clerk.



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Section 3. That the City’s Community and Economic Development

Department is authorized to enter into contracts with the Tacoma Community
Redevelopment Authority in the amount of \$1,500,000, through
November 1, 2050, for homebuyer education and first-time homebuyer down
payment assistance, consistent with Exhibit “A.”

Section 4. That the Council of the City of Tacoma concurs with the

Community and Economic Development Department to adopt the
recommendation for award as set forth in the attached Exhibit “A”.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney



Capital Funding Contract between:

City of Tacoma

and

**Washington State Department of Commerce
Homeownership Unit**

Washington State Housing Trust Fund Program
Homeownership Project

For: City of Tacoma DPA

Contract Number: 22-94115-002

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CONTRACT FACE SHEET
Contract Number: «Contract_Number»
Washington State Department of Commerce
Homeownership Unit (HOU)

1. Contractor City of Tacoma 747 Market St Tacoma, WA 98402		2. Contractor Doing Business As (optional) N/A	
3. Contractor Representative Elizabeth Pauli, City Manager Phone: 253-591-5135 Email: Epauli@cityoftacoma.org		4. Commerce Representative Project Manager: Jamee Tovey Phone: 360-742-1196 Email: Jamee.Tovey@commerce.wa.gov	
5. Contract Amount \$1,000,000	6. Funding Source Federal: <input type="checkbox"/> State: <input checked="" type="checkbox"/>	7. Contract Start Date Date of last signature below	8. Contract End Date «End_date_of_Commitment»
9. Federal Funds Included in Contract Amount above (as applicable): N/A		Federal Agency N/A	CFDA Number N/A
10. Tax ID# 91-6001283	11. SWV# SWV0000318-02	12. UBI# 278-012-338	13. UEI# N/A
14. Contract Purpose The purpose of this Contract is to fund the down payment assistance of twenty (20) single family homes to serve first time homebuyers to serve the population identified in attachment B – Scope of Work. The DEPARTMENT, defined as the Washington State Department of Commerce, including its successor agency, and the CONTRACTOR, as identified above and defined below (“the parties”), agree to enter into and acknowledge and accept the terms of this Contract (as defined herein) and its Parts and Attachments, and have executed this Contract on the date of the last signature below, which shall also be the effective date of this Contract (the “Contract Start Date”). The rights and obligations of both parties to this Contract are governed by this Contract including all of its Parts and Attachments incorporated into this Contract as identified in the Table of Contents.			
FOR CONTRACTOR: _____ Signature <u>Elizabeth Pauli</u> _____ Name <u>City Manager</u> _____ Title _____ Date		FOR DEPARTMENT: _____ Signature <u>Corina Grigoras, Assistant Director</u> _____ Housing Division _____ Date APPROVED AS TO FORM ONLY: <u>September 15, 2021</u> _____ <u>Sandra Adix, Assistant Attorney General</u>	

PART 1 – SPECIAL TERMS AND CONDITIONS

This “Part 1 – Special Terms and Conditions” applies to all project types and funding sources, unless otherwise indicated below or in the other Parts of this Contract.

1.1. DEFINITIONS

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

- A. “Authorized Representative” shall mean the Director of the DEPARTMENT and/or the designee authorized in writing to act on the Director’s behalf.
- B. “Commerce Representative” shall mean a person acting on behalf of the DEPARTMENT, as identified on the Contract Face Sheet or his or her successor.
- C. “Commitment Period” shall mean the period during which the CONTRACTOR shall use and keep the Property as affordable housing serving the target population identified in, and subject to the terms of, Attachment B – Scope of Work. The Commitment Period shall commence at the time the Property is placed in service (the “Placed in Service Date” as defined below) to serve the target population identified in Attachment B and shall end on the later of the Contract End Date as identified on the Contract Face Sheet, or the period specified in any Covenant in favor of Department that is executed in accordance with this Contract.
- D. “Contract Amount” shall mean the funding amount approved by the DEPARTMENT for the CONTRACTOR to undertake the Project, which is the maximum amount that the CONTRACTOR can receive under this Contract.
- E. “Contract” shall mean this entire written agreement between the DEPARTMENT and the CONTRACTOR, including all the Parts, Attachments, Exhibits, and documents or materials incorporated by reference. The Contractor’s email transmission of a signed and scanned copy of this entire Contract shall be the same as delivery of an original, provided that the Contractor shall deliver the original signed document to the DEPARTMENT within thirty (30) days of Commerce execution.
- F. “Contractor Representative” shall mean the CONTRACTOR’s Executive Director and/or the designee authorized in writing to act on the CONTRACTOR’s behalf, as identified on the Contract Face Sheet, or his or her successor.
- G. “CONTRACTOR” shall mean the Eligible Organization identified on the Contract Face Sheet performing service(s) under this Contract, and its successors and assigns, and shall include all employees and agents of the CONTRACTOR.
- H. “DEPARTMENT” shall mean the Washington State Department of Commerce or its successor agency.
- I. “Eligible Organization” shall mean a local government, local housing authority, behavioral health administrative assistance organization established under chapter 71.24 RCW, nonprofit community or neighborhood-based organization, federally recognized Indian Tribe in the State of Washington, or a

regional or statewide nonprofit housing assistance organization, and which is in compliance with the revenue and taxation laws, as applicable to such organization.

- J. “Escrow Office” shall mean the neutral third party authorized by the CONTRACTOR as being responsible for collecting and disbursing funds and documents for the DEPARTMENT, CONTRACTOR, and other primary transacting parties related to the execution of this Contract and related legal documents.
- K. “First-time Homebuyer” shall mean:
- a. an individual or his or her spouse or domestic partner who have not owned a home during the three-year period prior to purchase of a home;
 - b. a single parent who has only owned a home with a former spouse while married;
 - c. an individual who is a displaced homemaker as defined in 24 C.F.R. Sec. 93.2 as it existed on the effective date of this section, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section, and has only owned a home with a spouse;
 - d. an individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; or
 - e. an individual who has only owned a property that is discerned by a licensed building inspector as being uninhabitable..
- L. “Homeownership Project” shall mean a project or program funded by this Contract, which shall provide home buying opportunities to First-time Homebuyers who are Low-income Households. Homeownership Project conditions are described in Part 3 of this Contract.
- M. “Housing Trust Fund Handbook” or “HTF Handbook” shall mean the set of program policies and guidelines that the CONTRACTOR shall apply to the Project, which is published and made available on the DEPARTMENT’s website at www.commerce.wa.gov, as may be amended by the DEPARTMENT from time to time. The Housing Trust Fund Handbook is incorporated in this Contract by reference.
- N. “Low-income Household” shall mean a single person, family or unrelated persons living together whose adjusted income is less than eighty percent of the median family income, adjusted for household size, for the county where the Project is located.
- O. “Low-income Units” shall mean the affordable housing units or beds to be acquired, constructed or improved under this Contract and which shall be occupied by Low-income Households, as described in Attachment B – Scope of Work.
- P. “Multifamily Rental Project” or “Multifamily Project” shall mean an affordable housing project consisting of two or more multifamily household units, in one or more separate buildings or real properties, and which are being rented or leased to eligible tenants as identified in Attachment B – Scope of Work.
- Q. “Placed in Service Date” shall mean the date that the DEPARTMENT has deemed the Project is placed in service for the intended target population as defined in Attachment B and pursuant to the terms of Housing Trust Fund Handbook as evidenced by the issuance of a certificate of occupancy by the applicable regulatory authority or such other evidence as the DEPARTMENT deems adequate.

- R. "Permanent supportive housing" is subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors. Permanent supportive housing is paired with on-site or off-site voluntary services designed to support a person living with a complex and disabling behavioral health or physical health condition who was experiencing homelessness or was at imminent risk of homelessness prior to moving into housing to retain their housing and be a successful tenant in a housing arrangement, improve the resident's health status, and connect the resident of the housing with community-based health care, treatment, or employment services. Permanent supportive housing is subject to all of the rights and responsibilities defined in chapter 59.18 RCW. (For reference purposes, refer to RCW 36.70A.030)
- S. "Project" shall mean the project funded and undertaken under this Contract, as described in Attachment B – Scope of Work.
- T. "Property" shall mean the real property or properties plus any improvements described in the legal description and address, as specified in Attachment B – Scope of Work.
- U. "State" shall mean the State of Washington.
- V. "Subcontractor" shall mean a person or business not in the employment of the CONTRACTOR, who is providing all or part of the work or materials in relation to this Contract under a separate contract with the CONTRACTOR. The terms "subcontractor" and "subcontractors" mean Subcontractor(s) in any tier.

1.2. AUTHORITY

The DEPARTMENT has received appropriations from the Washington State Legislature under the authority of Chapters 43.185 RCW, "Housing Assistance Program," and 43.185A RCW, "Affordable Housing Program," to provide financial assistance to Eligible Organizations to assist Low-income Households in meeting their basic housing needs.

The DEPARTMENT is contracting with the CONTRACTOR as an Eligible Organization to receive funding to undertake a local affordable housing project that furthers the goals and objectives of the Housing Assistance and/or Affordable Housing Programs (the Project).

1.3. ORDER OF PRECEDENCE

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

- A. Applicable Federal and State of Washington statutes and regulations.
- B. All Parts contained in this Contract including all terms and conditions, and all Attachments, and documents attached hereto and incorporated into this Contract.
- C. Any other provision, term, or material specifically identified and incorporated by reference in this Contract.

1.4. CONTRACT AMOUNT

The dollar value of the Contract Amount is identified on the Contract Face Sheet and is structured as one or more loans or recoverable grants, or a combination of both, as outlined in Attachment A – Loan or Grant Terms. Subject to the terms and conditions in the Contract regarding payment and drawdown of funds, the DEPARTMENT shall pay to the CONTRACTOR, directly or through an Escrow Office identified by the CONTRACTOR, a dollar amount up to the Contract Amount for the work outlined in Attachment B – Scope of Work and in Attachment C – Development Budget.

The Contract Amount is funded by the following Washington State funding sources:

- A. \$1,000,000.00 from the “Capital Community Assistance Account” Fund 26V, which was appropriated in the 2022 Supplemental Budget, SSB 5651 Laws of 2022. The parties hereby acknowledge that these funds are proceeds from State of Washington taxable bonds issued in accordance with RCW 43.100A and other applicable provisions of state and federal law.

The CONTRACTOR shall take note of the source(s) of funds identified above and comply with applicable state and federal law in the use of funds under this Contract.

1.5. PROMISSORY NOTE AND DEED OF TRUST

All amounts loaned or granted as identified in Attachment A – Loan or Grant Terms, shall be evidenced by one or more promissory note(s) (the “Promissory Note(s)”) and shall be secured by one or more deed(s) of trust in favor of the DEPARTMENT (the “Deed(s) of Trust”). Multiple Deeds of Trust may be necessary for Projects that include multiple properties. Each Deed of Trust shall be recorded in the county or counties in which the Property or Properties is or are located. The CONTRACTOR shall ensure that each original Deed of Trust shall be returned to the DEPARTMENT after recordation. The CONTRACTOR shall also ensure each original Promissory Note shall be returned to the DEPARTMENT at Contract execution. Each Deed of Trust shall secure the following:

- A. Payment in the amount of the Contract Amount, together with interest thereon according to the terms of each Promissory Note and Attachment A – Loan or Grant Terms, including all renewals, modifications and extensions thereof, and
- B. Performance of each agreement, term and condition set forth in each Deed of Trust, Covenant, any Priority and Subordination Agreement executed in accordance with this Contract, and this Contract, including, without limitation, payment of any Shared Appreciation due pursuant to the terms of this Contract.

Some Homeownership Projects may be exempt from this provision (refer to Part 3 – Homeownership Project Requirements).

1.6. TITLE INSURANCE

The CONTRACTOR shall purchase an extended coverage lender's policy of title insurance insuring the lien position of the Deed(s) of Trust in an amount not less than the Contract Amount, naming the DEPARTMENT as the insured.

Some Homeownership Projects may be exempt from this provision (refer to Part 3 – Homeownership Project Requirements).

1.7. NOTICE IN THE EVENT OF DEFAULT

A. Monetary Default

If a monetary event of default occurs under the terms of this Contract, the Deed of Trust, the Covenant, or the Promissory Note, including any amendments to the foregoing (together, the "Loan Documents"), prior to exercising any remedies thereunder, the DEPARTMENT shall give the CONTRACTOR, and the LLC, and the Investor Members, if any, simultaneous written notice of such default. The CONTRACTOR, and LLC and/or Investor Members, if any, shall have a period of fifteen (15) days after such notice is given within which to cure the default prior to exercise of remedies by the DEPARTMENT or such longer period of time as may be specified in the Loan Documents. The DEPARTMENT's liability for notification shall be limited to notifying all parties at the last known address as shown in the DEPARTMENT's Contract files. The CONTRACTOR is responsible for ensuring that the DEPARTMENT has current names, addresses and telephone numbers for all parties entitled to notice under the Loan Documents.

B. Non-Monetary Default

If a non-monetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder, the DEPARTMENT shall give the CONTRACTOR, and the LLC and the Investor Members if any, simultaneous written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, the CONTRACTOR and LLC and/or Investor Members, if any, shall have such period to effect a cure prior to exercise of remedies by the DEPARTMENT under the Loan Documents, or such longer period of time as may be specified in the Loan Documents. If the default is such that it is not reasonably capable of being cured within thirty (30) days or such longer period if so specified, and if the CONTRACTOR or LLC and/or Investor Members, if any, (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then the CONTRACTOR or LLC and/or Investor Members, if any, shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by DEPARTMENT.

1.8. COVENANT RUNNING WITH THE LAND

For Multifamily Rental Projects, the CONTRACTOR shall cause to be recorded one or more covenant(s) running with the land (the "Covenant(s)") limiting the use of the Property or Properties to residential rental housing for Low-income Households that at the time of initial occupancy have gross annual household incomes as outlined in Attachment B – Scope of Work.

Homeownership Projects may be exempt from this provision (refer to Part 3 – Homeownership Project Requirements).

1.9. CROSS DEFAULT

The DEPARTMENT shall not cross default or cross collateralize the loan(s) or grant(s) made under this Contract with any other contracts, loans, or grants.

1.10. REIMBURSEMENT OF EXPENSES INCURRED PRIOR TO CONTRACT EXECUTION

Upon the DEPARTMENT's written consent, Contract Amount funds may be used to reimburse costs incurred up to two (2) years prior to the date funds were allocated to the Project, or three (3) years prior to the date of the Contract execution, whichever is earlier. Exceptions allowing the use of the Contract Amount to reimburse earlier expenses must be requested in writing and approved in advance of Contract execution.

Unless otherwise noted in this Contract and unless the DEPARTMENT approved funds are to be drawn down at Contract execution, drawdown of funds shall be made on a reimbursement basis for expenses incurred after formal execution of this Contract. The CONTRACTOR shall provide appropriate documentation and meet the DEPARTMENT's reporting requirements to support all eligible reimbursement requests.

1.11. REQUIREMENTS FOR DRAWDOWN OF CONTRACT AMOUNT

Except as may be approved by the DEPARTMENT in writing, the CONTRACTOR shall meet the following conditions in order to drawdown the Contract Amount:

- A. Receipt by the DEPARTMENT of the original Promissory Note(s) and the CONTRACTOR's Recording of the DEPARTMENT's Covenant(s) and Deed(s) of Trust, and if applicable, Assignment, Assumption and Consent Agreement and/or Priority and Subordination Agreement in form and substance acceptable to the DEPARTMENT. Some Homeownership Projects may be exempt from this condition (refer to Part 3 – Homeownership Project Requirements).
- B. The CONTRACTOR has in place all applicable construction, land use, environmental, cultural and historical resource, and zoning permits, and other federal, state and local governmental approvals as necessary to undertake the activity to which the specific draw request applies.
- C. If the Project includes acquisition of land and/or buildings, an appropriate appraisal shall have been reviewed and approved by the DEPARTMENT.
- D. The CONTRACTOR shall meet the requirements outlined in Attachment B – Scope of Work within the timeframe specified in Attachment D – Project Schedule. The CONTRACTOR shall be reimbursed for all eligible Project expenditures up to the Contract Amount. The CONTRACTOR shall draw down the entire Contract Amount within six (6) months of the Placed in Service date as referenced in Attachment D – Project Schedule, or the DEPARTMENT may reduce the Contract Amount by the

amount of the unspent funds. For Homeownership projects, the cutoff draw date may be different as identified in Attachment D – Project Schedule.

- E. If applicable and approved by the DEPARTMENT, funds for replacement reserves shall be drawn down from the Contract Amount for deposit into a reserve account in accordance with Attachment C – Development Budget. Reserve account balances and any changes to such balances shall be reported by the CONTRACTOR to the DEPARTMENT on an annual basis, in accordance with the annual reporting requirements as stated in this Contract. Any portion of the Contract Amount used to capitalize replacement reserves and the interest that accrues to the replacement reserve account shall be considered part of the Property in the event of transfer, assignment, or sale to an eligible nonprofit organization approved by the DEPARTMENT.
- F. The CONTRACTOR shall submit reports and back-up documentation, in a form and manner to be established by the DEPARTMENT, with each request for reimbursement (currently known as the “A19 Voucher”) regarding work under this Contract identifying the portion of Contract Amount expended for work or services performed by Subcontractors, at any tier, including but not necessarily limited to minority-owned, woman-owned, and veteran-owned businesses.
- G. All requests for reimbursement submitted by the CONTRACTOR to the DEPARTMENT shall be reviewed by the DEPARTMENT and may be reviewed by a third-party reviewer contracted by the DEPARTMENT to perform such activity, unless funds are drawn down at Contract execution. Reimbursement requests will be reviewed for conformance with the respective Subcontractor construction contract, source of the costs, and to provide a recommendation for funding the reimbursement. Some Homeownership Projects may be exempt from this condition (refer to Part 3 – Homeownership Project Requirements).

1.12. BILLING PROCEDURES AND PAYMENT

The DEPARTMENT may, at DEPARTMENT’s discretion, deliver initial funds to an Escrow Office at Contract execution or to the CONTRACTOR upon completion of work identified in Attachment B – Scope of Work and receipt of properly completed and approved reimbursement requests. Subsequent reimbursement requests shall be timely and regularly submitted to the DEPARTMENT, but shall not be submitted more often than monthly. The CONTRACTOR or Escrow Office shall receive payment from the DEPARTMENT for eligible expenditures through Electronic Funds Transfer whenever possible. Reimbursement requests must be made via the DEPARTMENT’s Internet-based data-system (currently known as the Contracts Management System or CMS) and must be accompanied by all supporting documentation.

Each reimbursement request shall describe and document, to the DEPARTMENT’s satisfaction, the work performed, costs being reimbursed, the progress of the Project, and any applicable fees. Reimbursement requests shall include the Contract Number as identified on the Contract Face Sheet and shall separately identify funds expended by the CONTRACTOR and those expended by its Subcontractors. A receipt or invoice must accompany each request for reimbursement of any single expense in the amount of Fifty and 00/100 Dollars (\$50.00) or more in order to receive reimbursement.

Payment shall be considered timely if made by DEPARTMENT within thirty (30) calendar days after receipt of the properly documented request for reimbursement. Payment shall be sent to the statewide vendor number designated by the CONTRACTOR and identified on the Contract Face Sheet and on the A19 Voucher.

The DEPARTMENT may, in its sole discretion, terminate this Contract or withhold payments requested by the CONTRACTOR for reimbursement if the CONTRACTOR fails to satisfactorily comply with any term or condition of this Contract.

No payments in advance or in anticipation of work to be provided under this Contract shall be made by DEPARTMENT.

Duplication of Billed Costs: The CONTRACTOR shall not bill the DEPARTMENT, and the DEPARTMENT shall not pay the CONTRACTOR, if the CONTRACTOR is entitled to payment or has been or will be paid by any other source, including grants, for that expenditure. The CONTRACTOR shall disclose to the DEPARTMENT when the CONTRACTOR is entitled to payment of, or has been or will be paid by any other source, including grants, for expenditures eligible for reimbursement under this Contract.

Disallowed Costs: The CONTRACTOR is solely responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its Subcontractors.

1.13. TARGET POPULATION AND BENEFIT STANDARD

For the Commitment Period defined in Part 1 above, the Low-income Units funded under this Contract shall serve the target population(s) at the Area Median Income (AMI) level(s) identified in Attachment B – Scope of Work.

The Low-income Units funded under this Contract shall be occupied by households that at the time of initial occupancy have gross annual household incomes at or below the applicable AMI percentage levels, as listed in Attachment B – Scope of Work, for the AMI County and Area identified.

The median income limits can be found on the Annual Reporting page of Commerce’s website. It is the CONTRACTOR’s responsibility to follow the most current HTF Income Limits.

1.14. SHARED APPRECIATION

If the use of the Property changes to something other than that stated in Attachment B – Scope of Work of this Contract prior to completion of the Commitment Period or the end of this Contract, either by the CONTRACTOR, its successors or assigns, or as a result of a sale, transfer or refinance of the Property, the DEPARTMENT shall share in the appreciated value of the Property as described below.

The DEPARTMENT reserves the right in some circumstances to waive its Shared Appreciation, partially or in its entirety, where the funds generated by a sale, transfer or refinance of the Property are to be reinvested in affordable housing for Low-income Households to serve the same population targeted in this Contract, pursuant

to a plan agreed to in writing by the CONTRACTOR and the DEPARTMENT prior to such sale, transfer or refinance.

The DEPARTMENT's Shared Appreciation shall be due and payable, by the then current owner of the Property, if any or all of the following occurs:

- A. Sale, transfer or refinance of the Property, or a portion of the Property, for a use other than that stated in Attachment B – Scope of Work of this Contract.
- B. Change in use.
- C. Contract termination for cause.
- D. Material non-compliance with the terms and obligations of this Contract.

For purposes of Shared Appreciation, "Original Principal" shall mean the Contract Amount awarded under this Contract.

Shared Appreciation is the DEPARTMENT's proportionate share of the appreciated value of the Property, together with the appreciated value of the improvements constructed thereon regardless of whether such improvements are developed by the CONTRACTOR, its assigns, or by any lessee of the Property.

Shared Appreciation (SA) is the product of the Net Proceeds (NP) less Total Original Development Costs (TODC) multiplied by the fraction whose numerator is the Original Principal (OP) amount and whose denominator is the TODC: $SA = (NP - TODC) \times (OP / TODC)$.

The Project's Total Original Development Costs (TODC) shall be the same as the final total Project cost amount from the Certified Final Total Development Cost that the CONTRACTOR shall provide to the DEPARTMENT in accordance with Section 1.18. Certified Project Final Development Costs.

Net Proceeds (NP) shall be calculated as follows:

The value as determined by an appraisal satisfactory to the DEPARTMENT in the event the Property is not sold to a bona fide third party or the sales price if sold to a bona fide third party, any balance remaining in the escrow account for replacement and operating reserves established pursuant to this Contract, and any insurance or condemnation proceeds received. For this purpose, bona fide third party is defined as an Eligible Organization that is eligible to receive Housing Trust Fund funds, has experience managing Housing Trust Fund properties, and intends to continue the purpose and use stated in Attachment B – Scope of Work of this Contract.

Less the actual reasonable approved costs of sale (if the Property is sold), including appraisal, real estate commissions, real property excise tax, escrow fees, recording fees, title, and insurance premiums.

Therefore, the DEPARTMENT's Shared Appreciation percentage is the Original Principal divided by Total Original Development Costs.

Example:

Original Principal (OP) = \$1,000,000
Total Original Development Costs (TODC) = \$3,000,000

Calculation to Determine the Shared Appreciation Percentage: $OP/TODC = SA\%$.

Using the example above: $\$1,000,000 / \$3,000,000 = 33.33\%$.

In this example, 33.33% is the Shared Appreciation percentage the DEPARTMENT shall utilize to calculate its shared appreciation value of the Property.

With regard to this Contract and Project specifically, the **Shared Appreciation percentage** is **66.7%**, based on an **Original Principal amount of \$1,000,000.00 divided by Total Original Development Costs of \$1,500,000.00**. The above number representing Total Original Development Costs is an estimated amount. At the time any Shared Appreciation is due, Total Original Development Costs will be based on actual final project costs as described in **Section 1.18 Certified Project Final Development Costs**.

1.15. ENVIRONMENTAL REVIEW

The CONTRACTOR shall comply with the environmental requirements under the State Environmental Policy Act (SEPA). If this Project is funded in part or in full by the HOME, 24 CFR 58, or the National Housing Trust Fund, 24 CFR 93, programs, then the CONTRACTOR shall also comply with requirements under the National Environmental Policy Act (NEPA).

1.16. CERTIFIED PROJECT FINAL DEVELOPMENT COSTS

The CONTRACTOR agrees to submit to the DEPARTMENT a third-party certification of the Project's Final Total Development Cost no more than 90 days from the time the Project is placed in service, in a format required by the DEPARTMENT. See Section 1.23 for placed in service procedures. If the Project is also financed by the Low-Income Housing Tax Credit program, the 90 day requirement may be extended if the reason for the delay is to comply with procedures or requirements of the Low-Income Housing Tax Credit program.

Alternatively, the CONTRACTOR has the option to obtain the third-party certification of the Project's Final Total Development Cost as part of their organization's annual audit. If such option is selected, the third-party certification of the Project's Final Total Development Cost shall be submitted to the DEPARTMENT no later than 90 days from the end of the organization's fiscal year that is being audited. For example, if the organization's fiscal year ends on December 31, the third-party certification of the Project's Final Total Development Cost shall be submitted to the DEPARTMENT no later than March 30 the following year.

The cost to obtain the third-party certification is reimbursable under this Contract and may be included in the Project's development budget.

1.17. HISTORICAL OR CULTURAL REVIEW, HUMAN REMAINS

Prior to approval and disbursement of any funds awarded under this Contract, CONTRACTOR shall complete the requirements of the Governor's Executive Order 21-02, or shall complete a review under Section 106 of the National Historic Preservation Act, if applicable. CONTRACTOR agrees that the CONTRACTOR is legally and

financially responsible for compliance with all laws, regulations, and agreements related to the preservation of historical or cultural resources and agrees to hold harmless the DEPARTMENT and the state of Washington in relation to any claim related to such historical or cultural resources discovered, disturbed, or damaged as a result of the project funded by this Contract. The DEPARTMENT shall not expend funds for acquisition, demolition, or construction until the Governor's Executive Order 21-02 review and consultation process is complete.

In addition to the requirements set forth in this Contract, CONTRACTOR shall, in accordance with Governor's Executive Order 21-02, coordinate with the Washington State Department of Archaeology and Historic Preservation ("DAHP"), including any recommended consultation with any affected tribe(s), during Project design and *prior to title transfer as well as construction* to determine the existence of any tribal cultural resources affected by Project. CONTRACTOR agrees to avoid, minimize, or mitigate impacts to the cultural resource as a continuing prerequisite to receipt of funds under this Contract.

The CONTRACTOR agrees that if historical or cultural resources are discovered during construction, the CONTRACTOR shall immediately stop construction and notify the local historic preservation officer and the state's historic preservation officer at DAHP. If human remains are uncovered, the CONTRACTOR shall stop work, report the presence and location of the remains to the coroner and local law enforcement immediately, and contact DAHP and the concerned tribe's cultural staff or committee.

The DEPARTMENT is responsible for holding all records related to the Tribal consultation process and is required to demonstrate that the Tribal consultation was completed and must be able to demonstrate compliance by providing such records to DAHP.

In addition to the requirements set forth in this Contract, CONTRACTOR agrees to comply with RCW 27.44 regarding Indian Graves and Records; RCW 27.53 regarding Archaeological Sites and Resources; RCW 68.60 regarding Abandoned and Historic Cemeteries and Historic Graves; and WAC 25-48 regarding Archaeological Excavation and Removal Permits.

Completion of the requirements of Section 106 of the National Historic Preservation Act shall substitute for completion of Governor's Executive Order 21-02.

In the event that the CONTRACTOR finds it necessary to amend the construction work performed under this Contract, the CONTRACTOR may be required to re-comply with Governor's Executive Order 21-02 or Section 106 of the National Historic Preservation Act.

The CONTRACTOR shall require this provision to be contained in all subcontracts for work or services resulting from this Contract.

1.18. LICENSING, ACCREDITATION AND REGISTRATION

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

1.19. CODE REQUIREMENTS

All construction and rehabilitation Projects must satisfy the requirements of applicable local, state, and federal building, mechanical, plumbing, fire, energy and barrier-free codes. Compliance with the Americans with Disabilities Act of 1990 28 C.F.R. Part 35 will be required, as specified by the local building department.

1.20. PREVAILING WAGE LAW

The CONTRACTOR hereby certifies that all contractors and subcontractors performing work on the Project shall comply with state Prevailing Wages on Public Works, Chapter 39.12 RCW, as applicable, including but not limited to the filing of the “Statement of Intent to Pay Prevailing Wages” and “Affidavit of Wages Paid” as required by RCW 39.12.040. The CONTRACTOR shall maintain records sufficient to evidence compliance with Chapter 39.12 RCW and shall make such records available for the DEPARTMENT’s review upon request.

If the funding under this Contract is in the form of a repayable loan that is incurring interest, is not forgivable, and is required to be repaid in full, this loan in and of itself is not expected to trigger a requirement that state prevailing wages be paid on the Project. Notwithstanding the foregoing, the CONTRACTOR acknowledges that the full set of facts for its Project must be considered to ascertain the applicability of Prevailing Wages law, Chapter 39.12 RCW, and a definitive determination can only be obtained from the Washington State Department of Labor and Industries. If the Project is receiving other public funds and/or the CONTRACTOR is a public entity (e.g., a city, county, housing authority), the CONTRACTOR may be required to pay prevailing wages on the Project. The CONTRACTOR agrees that the CONTRACTOR is responsible for determining if Prevailing Wages laws, Chapter 39.12 RCW, apply to the Project and that the DEPARTMENT shall not make such a determination.

The CONTRACTOR shall be responsible for any prevailing wage payments that may be required by law. The DEPARTMENT strongly recommends that the CONTRACTOR consult with the Washington State Department of Labor and Industries and/or private legal counsel to determine whether or not prevailing wages must be paid on the Project and, if so, what wage rates apply. The CONTRACTOR acknowledges that failure to secure a determination from the Washington State Department of Labor and Industries prior to commencement of work on the Project can result in significant additional cost to the Project.

If the funding provided under this Contract is in whole or in part a grant or a forgivable loan, the CONTRACTOR agrees that Prevailing Wages on Public Works, Chapter 39.12 RCW, shall apply to the Project, and all contractors and subcontractors performing work on the Project shall consult with Washington State Department of Labor and Industries, as necessary, and file the “Statement of Intent to Pay Prevailing Wages” and “Affidavit of Wages Paid” as required by RCW 39.12.040.

1.21. PERFORMANCE REPORTING

A. Annual Reporting

Annual performance reports must be completed by the CONTRACTOR and submitted to the DEPARTMENT in a form and manner as prescribed by the DEPARTMENT. The DEPARTMENT reserves the right to change the reporting requirements, in which case the DEPARTMENT shall notify the CONTRACTOR within a reasonable

period of time. Reserve account balances shall be carried forward each year and reserve account activity shall be identified in the Annual Report. Failure to file timely annual performance reports in accordance with DEPARTMENT requirements may result in penalties that may include, but are not limited to, the termination of this CONTRACT, a notice of default, and/or the DEPARTMENT denying the CONTRACTOR's application in future funding rounds.

1.22. PROJECT CLOSEOUT

A. Placed In Service

The CONTRACTOR shall comply with placed in service procedures as outlined in Housing Trust Fund Handbook. The placed in service procedures shall be completed within the timeframe identified in Attachment D – Project Schedule.

B. Final Contract Close Out

Upon the expiration of the Commitment Period and, if applicable, payment in full of the Promissory Note(s), the DEPARTMENT shall complete a Contract Close Out. Any Deed(s) of Trust and Covenants recorded against the Property shall be reconveyed and the Promissory Note(s) shall be marked "Paid" or "Released" as applicable and returned to the CONTRACTOR of record at the time the Commitment Period expires. Any excess HTF monies that may be in the CONTRACTOR's possession shall be returned by the CONTRACTOR to the DEPARTMENT.

1.23. SUBCONTRACTING

The parties anticipate that the CONTRACTOR shall subcontract work contemplated under this Contract. The CONTRACTOR shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, the DEPARTMENT in writing may: (a) require the CONTRACTOR to amend its subcontracting procedures as they relate to this Contract; (b) prohibit the CONTRACTOR from subcontracting with a particular person or entity; or (c) require the CONTRACTOR to rescind or amend a subcontract.

Every subcontract shall bind the Subcontractor to follow all applicable terms of this Contract. The CONTRACTOR is responsible to the DEPARTMENT if its Subcontractors fail to comply with any applicable term or condition of this Contract. The CONTRACTOR shall appropriately monitor the activities of its Subcontractors to assure fiscal conditions of this Contract. In no event shall the existence of a subcontract operate to release or reduce the liability of the CONTRACTOR to the DEPARTMENT for any breach in the performance of the CONTRACTOR's duties.

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

1.24. CONTRACTOR ORGANIZATION INSURANCE

The CONTRACTOR shall provide insurance coverage as set out in this section. The intent of the required insurance is to protect the DEPARTMENT should there be any claims, suits, actions, costs, damages or expenses arising from any loss, or negligent or intentional act or omission of the CONTRACTOR or Subcontractor, or agents of either, while performing under the terms of this Contract.

The insurance required shall be issued by an insurance company authorized to do business within the State of Washington. The insurance shall name the State of Washington Department of Commerce, its agents, officers, and employees as additional insureds under the insurance policy. All policies shall be primary to any other valid and collectable insurance. The CONTRACTOR shall instruct the insurers to give DEPARTMENT thirty (30) calendar days advance notice of any insurance cancellation, non-renewal or modification.

The CONTRACTOR shall submit to DEPARTMENT, within fifteen (15) calendar days of the Contract start date, a certificate of insurance which outlines the coverage and limits defined in this insurance section. During the term of the Contract, the CONTRACTOR shall provide renewal certificates if requested prior to expiration of each policy required under this section.

The CONTRACTOR shall provide insurance coverage that shall be maintained in full force and effect during the term of this Contract, as follows:

A. Commercial General Liability Insurance Policy

Provide a Commercial General Liability Insurance Policy, including contractual liability, written on an occurrence basis, in adequate quantity to protect against legal liability arising out of contract activity but no less than \$1,000,000.00 per occurrence. Additionally, the CONTRACTOR is responsible for ensuring that any Subcontractors provide adequate insurance coverage for the activities arising out of subcontracts.

B. Automobile Liability

In the event that performance pursuant to this Contract involves the use of vehicles, owned or operated by the CONTRACTOR or its Subcontractor, automobile liability insurance shall be required. The minimum limit for automobile liability is \$1,000,000.00 per occurrence, using a Combined Single Limit for bodily injury and property damage.

C. Professional Liability, Errors and Omissions Insurance

In the event the CONTRACTOR provides professional services, the CONTRACTOR shall maintain Professional Liability Insurance in such limits as are appropriate in light of the type and extent of services provided. The CONTRACTOR shall maintain Errors and Omissions Insurance, minimum limits of no less than \$1,000,000.00 per occurrence to cover all activities by the CONTRACTOR and licensed staff employed or under contract to the CONTRACTOR. The State of Washington, its agents, officers, and employees need *not* be named as additional insureds under this policy.

D. Fidelity Insurance

Every officer, director, employee, or agent who is authorized to act on behalf of the CONTRACTOR for the purpose of receiving or depositing funds into program accounts or issuing financial documents, checks, or other instruments of payment for program costs shall be insured to provide protection against loss:

- The amount of fidelity coverage secured pursuant to this Contract shall be \$100,000.00 or the highest of planned reimbursement for the Contract period, whichever is lowest. Fidelity insurance secured pursuant to this paragraph shall name the DEPARTMENT as beneficiary.
- Subcontractors that receive \$10,000.00 or more per year in funding through this Contract shall secure fidelity insurance as noted above. Fidelity insurance secured by Subcontractors pursuant to this paragraph shall name the CONTRACTOR as beneficiary.
- The CONTRACTOR shall provide, at the DEPARTMENT's request, copies of insurance instruments or certifications from the insurance issuing agency. The copies or certifications shall show the insurance coverage, the designated beneficiary who is covered, the amounts, the period of coverage, and that the DEPARTMENT shall be provided thirty (30) days advance written notice of cancellation.

E. Contractors and Local Governments that Participate in a Self-Insurance Program

A CONTRACTOR that participates in a Self-Insured/Liability Pool or Self-Insured Risk Management Program may seek approval from the DEPARTMENT to have the above liability/fidelity/property insurance requirements met under a self-insured/liability pool or self-insured risk management program satisfactory to the DEPARTMENT. In its request to the DEPARTMENT, the CONTRACTOR shall provide: (1) a description of its self-insurance program, and (2) a certificate and/or letter of coverage that outlines coverage limits and deductibles.

All self-insured risk management programs or self-insured/liability pool financial reports must comply with Generally Accepted Accounting Principles (GAAP) and adhere to accounting standards promulgated by:

- 1) Governmental Accounting Standards Board (GASB),
- 2) Financial Accounting Standards Board (FASB), and
- 3) Washington State Auditor's annual instructions for financial reporting.

A CONTRACTOR that participates in a joint risk pool shall maintain sufficient documentation to support the aggregate claim liability information reported its own balance sheet reporting its assets and liabilities. If the pool is prohibited from naming third parties as additional insureds, the State of Washington, its agents, and employees need not be named as additional insured, provided sufficient proof of such prohibition is provided to the DEPARTMENT.

CONTRACTOR shall provide to the DEPARTMENT annually, on the anniversary of the start date of this Contract, a summary of coverages and a letter of self-insurance, evidencing continued coverage under CONTRACTOR's self-insured/liability pool or self-insured risk management program.

1.25. CASUALTY, CONDEMNATION, ETC.

In the event of any fire or other casualty to the Property or eminent domain proceedings resulting in condemnation of the Property or any part thereof, the CONTRACTOR shall have the right to rebuild the Property, and to use all available insurance or condemnation proceeds therefore, provided that:

- A. Such proceeds are sufficient to keep the loan in balance and rebuild the Property in a manner that provides adequate security to the DEPARTMENT for repayment of the loan, or if such proceeds are insufficient to provide adequate security or to keep the loan in balance, then the CONTRACTOR has funded any deficiency,
- B. The DEPARTMENT shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement, and such approval shall not be unreasonably withheld, and
- C. No uncured material default then exists under this Contract, the Promissory Note, the Deed of Trust or the Covenant. If the casualty or condemnation affects only part of the Property and total rebuilding is infeasible, then such insurance and/or condemnation proceeds may be used for partial rebuilding and partial repayment of the loan in a manner that provides adequate security to the DEPARTMENT for repayment of the remaining balance of the Contract Amount.

The DEPARTMENT shall specifically be named as a lender loss payee on all policies, and all policies shall be primary to any other valid and collectable insurance.

1.26. NON-RECOURSE AWARD

Notwithstanding anything to the contrary herein, the CONTRACTOR, its assigns and their respective members, partners, officers, directors, employees, agents and subcontractors shall have no personal liability for payment of the indebtedness evidenced hereby or performance of the covenants set forth in the Promissory Note, in the Deed of Trust or in this Contract, and the sole recourse of the holder of the Promissory Note shall be confined to the exercise of its rights under the Deed of Trust, provided that nothing shall diminish the CONTRACTOR's liability for damages or deficiencies resulting from theft, waste, fraud, material misrepresentation and misuse of rents.

1.27. PROJECT AND RELATED PRESS RELEASES

The CONTRACTOR shall identify the DEPARTMENT as a Project financier or capital funder on any press releases about the Project. If signage is erected during construction or rehabilitation, signage shall identify the Project as one funded by the "Washington State Department of Commerce" and "Washington State Housing Trust Fund."

The CONTRACTOR may affix, in a publicly viewed common area, a plaque or other approved permanent signage that identifies the DEPARTMENT, program, and housing as an investment of the people of the State of Washington.

1.28. AUDIT

Except as otherwise approved by the DEPARTMENT, the CONTRACTOR shall provide the DEPARTMENT with annual audits that meet the requirements of the Housing Trust Fund Handbook.

1.29. RECEIPT OF OTHER PUBLIC OR PRIVATE FUNDING

The CONTRACTOR shall notify the DEPARTMENT, upon receipt and in its Annual Report, of any other public or private subsidy for the Project at any time during the Commitment Period. Such written notification shall explain the source of the funds, conditions and the effect upon the Project. The DEPARTMENT reserves the right to amend, reduce, and restructure its Contract Amount to the CONTRACTOR based upon the CONTRACTOR's receipt of additional project funding.

1.30. STORED MATERIALS FOR CONSTRUCTION AND REHABILITATION PROJECTS

The DEPARTMENT may withhold any disbursement for materials or fixtures ("Stored Materials") for the Project until such time as the same have been incorporated into the improvements and permanently affixed to the real property. Any disbursement of funds, in whole or in part, to pay for any Stored Materials will be made on a case-by-case basis and will be subject, in addition to satisfaction of the other conditions to disbursements contained in this Contract, and to the DEPARTMENT's receipt of evidence reasonably acceptable to the DEPARTMENT that such:

- A. Stored Materials are included within the coverages of insurance policies carried by the CONTRACTOR in accordance with this Contract;
- B. Stored Materials have been, or upon disbursement of the requested advance will be, fully paid for with the ownership thereof vested in the CONTRACTOR free of any liens or claims of third parties;
- C. Stored Materials are stored either on the Property or in a bonded warehouse;
- D. Stored Materials are suitably protected against casualty, theft or damage; and
- E. Stored Materials, if they are finished components, are ready for installation and are appropriate for purchase during the current stage of construction.

1.31. NONDISCRIMINATION

The CONTRACTOR shall make the Project facilities available in a manner that assures fair, equal, and non-discriminatory treatment to all persons. During the performance of this Contract, the CONTRACTOR shall comply with all federal and state nondiscrimination laws, including but not limited to chapter 49.60 RCW, Washington's Law Against Discrimination; Chapter 51-50 WAC, Washington State's Building Code; 42 U.S.C. 12101 et seq., the American with Disabilities Act ("ADA"); and Title VII of the Civil Rights Act of 1964, Public Law 88-352 the Federal Fair Housing Act; and 24 CFR Part 100, Housing for Older Persons Act of 1995.

The funds provided under this Contract shall not be used to fund religious worship, exercise, or instruction. The CONTRACTOR shall not require persons to participate in any religious services as a condition of receiving shelter, housing, or any other housing-related assistance.

1.32. COMPLIANCE WITH THE HOUSING TRUST FUND HANDBOOK

The parties acknowledge and agree that the work under this Contract is subject to the Housing Trust Fund Handbook, which is a set of program policies and guidelines available on the DEPARTMENT's website (currently at <http://www.commerce.wa.gov/htf>), and that the Housing Trust Fund Handbook may be amended by the DEPARTMENT from time to time. The DEPARTMENT reserves the right to require changes to an approved Management Plan, reporting requirements, placed in service procedures, or other requirements or procedures identified in this Contract, consistent with amendments to the Housing Trust Fund Handbook.

1.33. CONSTRUCTION OF CONTRACT, ENTIRE AGREEMENT

All Parts, terms and provisions in this Contract, as well as the Attachments, shall be construed in accordance with their ordinary and customary meaning.

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

1.34. RIGHTS AND OBLIGATIONS

All rights and obligations of the parties to this Contract shall be subject to and governed by all Parts contained in the text of this Contract instrument including all Attachments. Furthermore, the following are incorporated into this Contract by reference:

- HTF Income Limits found on the DEPARTMENT's website.
- The CONTRACTOR's Housing Trust Fund application for funds (if any).
- The DEPARTMENT's Deed(s) of Trust, including all renewals, modifications and extensions thereof, if applicable.
- The DEPARTMENT's Promissory Note(s), including all renewals, modifications and extensions thereof.
- The DEPARTMENT's Low Income Housing Covenant Agreement(s), including all renewals, modifications and extensions thereof, if applicable.
- The Housing Trust Fund Handbook, as it may be modified or amended from time to time.
- The Priority and Subordination Agreement, if applicable.
- The Assignment, Assumption and Consent Agreement, if applicable.

PART 2 – GENERAL TERMS AND CONDITIONS

2.1. ALL WRITINGS CONTAINED HEREIN

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

2.2. AMENDMENTS

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

2.3. AMERICANS WITH DISABILITIES ACT (ADA)

The CONTRACTOR must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

2.4. APPROVAL

This Contract shall be subject to the written approval of the DEPARTMENT's authorized representative and shall not be binding until so approved. This Contract may be altered, amended or waived only by a written amendment executed by both parties.

2.5. ASSIGNMENT

Neither this Contract, nor any claim arising under this Contract, shall be transferred or assigned by the CONTRACTOR without prior written consent of the DEPARTMENT.

2.6. ATTORNEYS' FEES

Unless expressly permitted under another provision of this Contract, in the event of litigation or other action brought to enforce Contract terms, each party agrees to bear its own attorney's fees and costs.

2.7. AUDIT

A. General Requirements

The CONTRACTOR is to procure audit services based on the following guidelines.

- The CONTRACTOR shall maintain its records and accounts to facilitate audits and shall ensure that Subcontractors also maintain auditable records.

- The CONTRACTOR is responsible for any audit exceptions incurred by its own organization or that of its Subcontractors.
- DEPARTMENT reserves the right to recover from the CONTRACTOR all disallowed costs resulting from the audit.
- Responses to any unresolved findings and disallowed or questioned costs shall be included with the audit report. The CONTRACTOR must respond to DEPARTMENT requests for information or corrective action concerning audit issues within thirty (30) days of the date of request.

B. State Funds Requirements

In the event an audit is required, if the CONTRACTOR is a state or local government entity, the Office of the State Auditor shall conduct the audit. Audits of nonprofit organizations are to be conducted by a certified public accountant selected by the CONTRACTOR.

The CONTRACTOR shall include the above audit requirements in any subcontracts. In any case, the CONTRACTOR’s records must be available for review by the DEPARTMENT.

C. Documentation Requirements

The CONTRACTOR must send a copy of any audit report no later than nine (9) months after the end of the CONTRACTOR’s fiscal year(s) by sending a scanned copy to auditreview@commerce.wa.gov or a hard copy to:

Department of Commerce
 ATTN: Audit Review and Resolution Office
 1011 Plum Street SE
 PO Box 42525
 Olympia WA 98504-2525

In addition to sending a copy of the audit, when applicable, the CONTRACTOR must include:

- Corrective action plan for audit findings within three (3) months of the audit being received by DEPARTMENT.
- Copy of the Management Letter and Management Decision Letter, where applicable.

If the CONTRACTOR is required to obtain a Single Audit consistent with Circular A-133 requirements, a copy must be provided to DEPARTMENT; no other report is required.

2.8. CONFIDENTIALITY/SAFEGUARDING OF INFORMATION

A. “Confidential Information” as used in this section includes:

- All material provided to the CONTRACTOR by the DEPARTMENT that is designated as “confidential” by the DEPARTMENT;
- All material produced by the CONTRACTOR that is designated as “confidential” by the DEPARTMENT; and

- All personal information in the possession of the CONTRACTOR that may not be disclosed under state or federal law. “Personal information” includes but is not limited to information related to a person’s name, health, finances, education, business, use of government services, addresses, telephone numbers, social security number, driver’s license number and other identifying numbers, and “Protected Health Information” under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- B. The CONTRACTOR shall comply with all state and federal laws related to the use, sharing, transfer, sale, or disclosure of Confidential Information. The CONTRACTOR shall use Confidential Information solely for the purposes of this Contract and shall not use, share, transfer, sell or disclose any Confidential Information to any third party except with the prior written consent of the DEPARTMENT or as may be required by law. The CONTRACTOR shall take all necessary steps to assure that Confidential Information is safeguarded to prevent unauthorized use, sharing, transfer, sale or disclosure of Confidential Information or violation of any state or federal laws related thereto. Upon request, the CONTRACTOR shall provide the DEPARTMENT with its policies and procedures on confidentiality. The DEPARTMENT may require changes to such policies and procedures as they apply to this Contract whenever the DEPARTMENT reasonably determines that changes are necessary to prevent unauthorized disclosures. The CONTRACTOR shall make the changes within the time period specified by the DEPARTMENT. Upon request, the CONTRACTOR shall immediately return to the DEPARTMENT any Confidential Information that the DEPARTMENT reasonably determines has not been adequately protected by the CONTRACTOR against unauthorized disclosure.
- C. Unauthorized Use or Disclosure. The CONTRACTOR shall notify the DEPARTMENT within five (5) working days of any unauthorized use or disclosure of any confidential information, and shall take necessary steps to mitigate the harmful effects of such use or disclosure.

2.9. CONFORMANCE

If any provision of this Contract violates any statute or rule of law of the State of Washington, it is considered modified to conform to that statute or rule of law.

2.10. COPYRIGHT PROVISIONS

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

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

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

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

2.11. DISPUTES

Except as otherwise provided in this Contract, when a dispute arises between the parties and it cannot be resolved by direct negotiation, either party may request a dispute hearing with the Director of the DEPARTMENT, who may designate a neutral person to decide the dispute.

The request for a dispute hearing must:

- be in writing;
- state the disputed issues;
- state the relative positions of the parties;
- state the CONTRACTOR’s name, address, and Contract number; and
- be mailed to the Director and the other party’s (respondent’s) Contract Contact within three (3) working days after the parties agree that they cannot resolve the dispute.

The respondent shall send a written answer to the requestor’s statement to both the Director or the Director’s designee and the requestor within five (5) working days. The Director or designee shall review the written statements and reply in writing to both parties within ten (10) working days. The Director or designee may extend this period if necessary by notifying the parties. The decision shall not be admissible in any succeeding judicial or quasi-judicial proceeding. The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

Nothing in this Contract shall be construed to limit the parties’ choice of a mutually acceptable alternate dispute resolution (ADR) method in addition to the dispute hearing procedure outlined above.

2.12. DUPLICATE PAYMENT

The CONTRACTOR certifies that work to be performed under this Contract does not duplicate any work to be charged against any other contract, subcontract, or other source.

2.13. ETHICS/CONFLICTS OF INTEREST

Notwithstanding any determination by the Executive Ethics Board or other tribunal, the DEPARTMENT may, in its sole discretion, by written notice to the CONTRACTOR terminate this Contract if it is found after due notice and examination by the DEPARTMENT that there is a violation of the Ethics in Public Service Act, Chapters 42.52 RCW and 42.23 RCW; or any similar statute involving the CONTRACTOR in the procurement of, or performance under this Contract.

Specific restrictions apply to contracting with current or former state employees pursuant to chapter 42.52 of the Revised Code of Washington. The CONTRACTOR and their subcontractor(s) must identify any person employed in any capacity by the State of Washington that worked on the Housing Trust Fund including but not limited to formulating or drafting the legislation, participating in grant procurement planning and execution, awarding grants, and monitoring grants, during the twenty-four (24) month period preceding the start date of this Contract. Identify the individual by name, the agency previously or currently employed by, job title or position held, and separation date. If it is determined by the DEPARTMENT that a conflict of interest exists, the CONTRACTOR may be disqualified for an award.

In the event this Contract is terminated as provided above, the DEPARTMENT shall be entitled to pursue the same remedies against the CONTRACTOR as it could pursue in the event of a breach of this Contract by the CONTRACTOR. The rights and remedies of the DEPARTMENT provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law. The existence of facts upon which the DEPARTMENT makes any determination under this clause shall be an issue and may be reviewed as provided in the "Disputes" clause of this Contract.

2.14. GOVERNING LAW AND VENUE

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

2.15. INDEMNIFICATION

To the fullest extent permitted by law, the Contractor shall indemnify, defend, and hold harmless the state of Washington, COMMERCE, agencies of the state and all officials, agents and employees of the state, from and against all claims for injuries or death arising out of or resulting from the performance of the contract. "Claim" as used in this contract, means any financial loss, claim, suit, action, damage, or expense, including but not limited to attorney's fees, attributable for bodily injury, sickness, disease, or death, or injury to or the destruction of tangible property including loss of use resulting therefrom.

The Contractor's obligation to indemnify, defend, and hold harmless includes any claim by Contractor's agents, employees, representatives, or any subcontractor or its employees.

The Contractor's obligation shall not include such claims that may be caused by the sole negligence of the State and its agencies, officials, agents, and employees. If the claims or damages are caused by or result from the concurrent negligence of (a) the State, its agents or employees and (b) the Contractor, its subcontractors, agents, or employees, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Contractor or its subcontractors, agents, or employees.

The Contractor waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless the state and its agencies, officers, agents or employees.

2.16. INDEPENDENT CAPACITY OF THE CONTRACTOR

The parties intend that an independent contractor relationship will be created by this Contract. The CONTRACTOR and its employees or agents performing under this Contract are not employees or agents of the State of Washington or DEPARTMENT. The CONTRACTOR shall not hold itself out as or claim to be an officer or employee of DEPARTMENT or of the State of Washington by reason hereof, nor shall the CONTRACTOR make any claim of right, privilege or benefit which would accrue to such officer or employee under law. Conduct and control of the work shall be solely with the CONTRACTOR.

2.17. INDUSTRIAL INSURANCE COVERAGE

The CONTRACTOR shall comply with all applicable provisions of Title 51 RCW, Industrial Insurance. If the CONTRACTOR fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees as may be required by law, DEPARTMENT may collect from the CONTRACTOR the full amount payable to the Industrial Insurance Accident Fund. DEPARTMENT may deduct the amount owed by the CONTRACTOR to the accident fund from the amount payable to the CONTRACTOR by DEPARTMENT under this Contract, and transmit the deducted amount to the Department of Labor and Industries, (L&I) Division of Insurance Services. This provision does not waive any of L&I's rights to collect from the CONTRACTOR.

2.18. LAWS

The CONTRACTOR shall comply with all applicable laws, ordinances, codes, regulations and policies of local and state and federal governments, as now or hereafter amended including, but not limited to:

United States Laws, Regulations and Circulars (applicable if this Contract includes federal funds)

A. Audits

2 CFR Part 200

B. Environmental Protection and Review

Coastal Barrier Resources Act of 1982, 16 U.S.C. 3501 et seq.

HUD's implementing regulations at 24 CFR parts 50 or 58, as appropriate.

Lead Based Paint Poisoning Prevention Act, 42 U.S.C. 4821-4846 also 24 CFR 982.401(j).

National Environmental Policy Act of 1969, 42 U.S.C. 4321 et seq. and the Implementing Regulations of 24 CFR 58 (HUD) and 40 CFR 1500-1508 (Council on Environmental Quality) Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 USC 4851-4856.

C. Flood Plains

Flood Disaster Protection Act of 1973, 42 USC 4001-4128.

D. Labor and Safety Standards

All Rental Units Assisted with Federal Funds Must Meet the Section 8 Housing Quality Standards (HQS) and Local Housing Code Requirements for the duration of the Affordability Period.

Convict Labor, 18 U.S.C. 751, 752, 4081, 4082.

Davis Bacon Act, 40 U.S.C. 276a-276a-5.

Drug-Free Workplace Act of 1988, 41 USC 701 et seq.

Federal Fair Labor Standards Act, 29 U.S.C. 201 et seq.

Work Hours and Safety Act of 1962, 40 U.S.C. 327-330 and Department of Labor Regulations, 29 CFR Part 5.

Title IV of the Lead Based Paint Poisoning Prevention Act, 42 U.S.C. 4831, 24 CFR Part 35.

E. Laws against Discrimination

Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101-07, 45 CFR Part 90 Nondiscrimination in Federally Assisted Programs.

Americans with Disabilities Act of 1990, Public Law 101-336.

Equal Employment Opportunity, Executive Order 11246, as amended by Executive Order 11375 and supplemented in U.S. Department of Labor Regulations, 41 CFR Chapter 60.

Executive Order 11246, as amended by EO 11375, 11478, 12086 and 12102.

Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR part 100. Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8.

Fair Housing, Title VIII of the Civil Rights Act of 1968, Public Law 90-284, 42 U.S.C. 3601-19.

Employment under Federal Contracts, Rehabilitation Act of 1973, Section 503, 29 U.S.C. 793.

Nondiscrimination under Federal Grants, Rehabilitation Act of 1973, Section 504, 29 U.S.C. 794.

Minority Business Enterprises, Executive Order 11625, 15 U.S.C. 631.

Minority Business Enterprise Development, Executive Order 12432, 48 FR 32551.

Nondiscrimination and Equal Opportunity, 24 CFR 5.105(a).

Nondiscrimination in benefits, Title VI of the Civil Rights Act of 1964, Public Law 88-352, 42 U.S.C. 2002d et seq. 24 CFR Part 1.

Nondiscrimination in employment, Title VII of the Civil Rights Act of 1964, Public Law 88-352.

Nondiscrimination in Federally Assisted Programs.

Nondiscrimination in Federally Assisted Construction Contracts, Executive Order 11246, 42 U.S.C. 2000e, as amended by Executive Order 11375, 41 CFR Chapter 60.

Section 3, Housing and Urban Development Act of 1968, 12 USC 1701u (See 24 CFR 570.607(b)).

F. Office of Management and Budget

2 CFR Part 200.

G. Other

Anti-Kickback Act, 18 U.S.C. 874; 40 U.S.C. 276b, 276c; 41 U.S.C. 51-54.

Governmental Guidance for New Restrictions on Lobbying; Interim Final Guidance, Federal Register 1, Vol. 54, No. 243\Wednesday, December 20, 1989.

Hatch Political Activity Act, 5 U.S.C. 1501-8.

Lobbying and Disclosure, 42 USC 3537a and 3545 and 31 USC 1352 (Byrd Anti-Lobbying Amendment). 31 U.S.C. 1352 provides that CONTRACTORS who apply or bid for an award of \$100,000 or more must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or other award covered by 31 U.S.C. 1352. Each tier must disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.

Non-Supplanting Federal Funds.

Section 8 Housing Assistance Payments Program.

H. Privacy

Privacy Act of 1974, 5 U.S.C. 522a.

I. Relocation

Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970 and implementing regulations at 49 CFR part 24.

Section 104(d) of the Housing and Community Development Act of 1974 and the implementing regulations at 24 CFR part 570.

Washington State Laws and Regulations

- A. Affirmative action, RCW 41.06.020 (1).
- B. Affordable housing program, RCW 43.185A
- C. Boards of directors or officers of nonprofit corporations – Liability - Limitations, RCW 4.24.264.
- D. Disclosure-campaign finances-lobbying, Chapter 42.17A RCW.
- E. Discrimination-human rights commission, Chapter 49.60 RCW.
- F. Ethics in public service, Chapter 42.52 RCW.
- G. Housing assistance program, Chapter 43.185 RCW
- H. Interlocal cooperation act, Chapter 39.34 RCW.
- I. Noise control, Chapter 70.107 RCW.
- J. Office of minority and women’s business enterprises, Chapter 39.19 RCW and Chapter 326-02 WAC.
- K. Open public meetings act, Chapter 42.30 RCW.
- L. Prevailing wages on public works, Chapter 39.12 RCW.
- M. Public records act, Chapter 42.56 RCW.
- N. Relocation assistance - real property acquisition policy, Chapter 8.26 RCW.
- O. Shoreline management act of 1971, Chapter 90.58 RCW.
- P. State budgeting, accounting, and reporting system, Chapter 43.88 RCW.
- Q. State building code, Chapter 19.27 RCW and Energy-related building standards, Chapter 19.27A RCW, and Provisions in buildings for aged and handicapped persons, Chapter 70.92 RCW.

- R. State Coastal Zone Management Program, Publication 01-06-003, Shorelands and Environmental Assistance Program, Washington State Department of Ecology.
- S. State environmental policy, Chapter 43.21C RCW.
- T. State Executive Order 21-02 Archeological and Cultural Resources.

2.19. LICENSING, ACCREDITATION AND REGISTRATION

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

2.20. LIMITATION OF AUTHORITY

Only the Authorized Representative or Authorized Representative's designee by writing (designation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this Contract.

2.21. LOCAL PUBLIC TRANSPORTATION COORDINATION

Where applicable, the CONTRACTOR shall participate in local public transportation forums and implement strategies designed to ensure access to services.

2.22. NONCOMPLIANCE WITH NONDISCRIMINATION LAWS

During the performance of this Contract, the CONTRACTOR shall comply with all federal, state, and local nondiscrimination laws, regulations and policies. In the event of the CONTRACTOR's non-compliance or refusal to comply with any nondiscrimination law, regulation or policy, this Contract may be rescinded, canceled or terminated in whole or in part, and the CONTRACTOR may be declared ineligible for further contracts with the DEPARTMENT. The CONTRACTOR shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.

2.23. NOTIFICATION OF TENANT RIGHTS/RESPONSIBILITIES

The CONTRACTOR shall provide all tenants, if any, with information outlining tenant rights and responsibilities under the Washington State Landlord Tenant laws, Title 59, Revised Code of Washington.

The CONTRACTOR shall also provide all occupants of property acquired with U.S. Department of Housing and Urban Development (HUD) funds notice regarding their eligibility for relocation assistance. Such notices will be provided as required by the Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as amended and referenced in 49 CFR part 24 and Section 104(d) of the Housing and Community Development Act of 1974, as amended and referenced in 24 CFR 570 and noted in HUD's Handbook No. 1378. Notifications shall include but not be limited to:

- General Information Notice
- Notice of Displacement/Non-Displacement

2.24. PAY EQUITY

The CONTRACTOR agrees to ensure that “similarly employed” individuals in its workforce are compensated as equals, consistent with the following:

- a. Employees are “similarly employed” if the individuals work for the same employer, the performance of the job requires comparable skill, effort, and responsibility, and the jobs are performed under similar working conditions. Job titles alone are not determinative of whether employees are similarly employed;
- b. The CONTRACTOR may allow differentials in compensation for its workers if the differentials are based in good faith and on any of the following:
 - (i) A seniority system; a merit system; a system that measures earnings by quantity or quality of production; a bona fide job-related factor or factors; or a bona fide regional difference in compensation levels.
 - (ii) A bona fide job-related factor or factors may include, but not be limited to, education, training, or experience that is: Consistent with business necessity; not based on or derived from a gender-based differential; and accounts for the entire differential.
 - (iii) A bona fide regional difference in compensation level must be: Consistent with business necessity; not based on or derived from a gender-based differential; and account for the entire differential.

This Contract may be terminated by the DEPARTMENT, if the DEPARTMENT or the Department of Enterprise Services determines that the CONTRACTOR is not in compliance with this provision.

2.25. POLITICAL ACTIVITIES

Political activity of the CONTRACTOR employees and officers are limited by the State Campaign Finances and Lobbying provisions of Chapter 42.17A RCW and the Federal Hatch Act, 5 USC 1501 - 1508.

No Contract Amount funds may be used for working for or against ballot measures or for or against the candidacy of any person for public office.

2.26. PROHIBITION AGAINST PAYMENT OF BONUS OR COMMISSION

The funds provided under this Contract shall not be used in payment of any bonus or commission for the purpose of obtaining approval of the application for such funds or any other approval or concurrence under this Contract provided, however, that reasonable fees or bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as Project costs.

2.27. PUBLICITY

The CONTRACTOR agrees not to publish or use any advertising or publicity materials in which the State of Washington or the DEPARTMENT's name is mentioned, or language used from which the connection with the State of Washington's or the DEPARTMENT's name may reasonably be inferred or implied, without the prior written consent of the DEPARTMENT.

2.28. RECAPTURE

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

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

2.29. RECORDS MAINTENANCE

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

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

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

2.30. REGISTRATION WITH DEPARTMENT OF REVENUE

If required by law, the CONTRACTOR shall complete registration with the Washington State Department of Revenue.

2.31. RIGHT OF INSPECTION

At no additional cost all records relating to the CONTRACTOR's performance under this Contract shall be subject at all reasonable times to inspection, review, and audit by the DEPARTMENT, the Office of the State Auditor,

and federal and state officials so authorized by law, in order to monitor and evaluate performance, compliance, and quality assurance under this Contract. The CONTRACTOR shall provide access to its facilities for this purpose.

2.32. SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the execution date of this Contract and prior to its normal completion, the DEPARTMENT may terminate this Contract under the "Termination for Convenience" clause without the ten (10) business day notice requirement. In lieu of termination, this Contract may be amended to reflect the new funding limitations and conditions.

2.33. SEVERABILITY

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

2.34. SURVIVAL

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

2.35. TAXES

All payments accrued on account of payroll taxes, unemployment contributions, the CONTRACTOR's income or gross receipts, any other taxes, insurance or expenses for the CONTRACTOR or its staff shall be the sole responsibility of the CONTRACTOR.

2.36. TERMINATION FOR CAUSE

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

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

The DEPARTMENT reserves the right to suspend all or part of this Contract, withhold further disbursement of funds awarded by this Contract, or prohibit the CONTRACTOR from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the CONTRACTOR or a

decision by the DEPARTMENT to terminate this Contract. A termination shall be deemed a “Termination for Convenience” if it is determined that the CONTRACTOR: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of the DEPARTMENT provided in this Contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

2.37. TERMINATION FOR CONVENIENCE

Except as otherwise provided in this Contract, the DEPARTMENT may, by ten (10) business days written notice, beginning on the second (2nd) day after the written notice, terminate or suspend this Contract, in whole or in part. If this Contract is so terminated or suspended, then DEPARTMENT shall be liable only for payment required under the terms of this Contract for services rendered or goods delivered prior to the effective date of termination or suspension.

The Washington State Constitution Article 8 Section 4 and RCW 43.88.130 and RCW 43.88.290 prohibit the expenditure or commitment of state funds in the absence of appropriation. In the event that funding or appropriation is not available at the time the request for reimbursement and supporting documentation are submitted, the issuance of payments will be delayed or suspended until such time as funds or appropriation become available.

If the Contract Amount is not fully drawn down and should the Washington State Legislature fail to enact a Capital Budget appropriating funds to fulfill the contractual obligation outlined in this Contract by midnight of June 30 of each odd-number year, the CONTRACTOR shall immediately suspend all reimbursable work under this Contract and take all reasonable steps necessary to minimize the cost of performance directly attributable to such suspension until the suspension is cancelled.

The DEPARTMENT shall notify the CONTRACTOR immediately upon the lifting of the Contract suspension.

2.38. WAIVER

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

2.39. WORK HOURS AND SAFETY STANDARDS

If this Contract includes federal funds, all contracts awarded by recipients in excess of \$100,000 for construction and other purposes that involve the employment of mechanics or laborers must include a provision for compliance with Section 102 and 107 of the Contract Work Hours Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, each subcontractor is required to compute the wages of every mechanic and laborer on the basis of a standard work week of forty (40) hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not

less than one and one-half (1½) times the basic rate of pay for all hours worked in excess of forty (40) hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic is required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

PART 3 – HOMEOWNERSHIP PROJECT REQUIREMENTS

3.1. HOMEBUYER ELIGIBILITY

The CONTRACTOR shall ensure that only First-time Homebuyers, as defined in Part 1 of this Contract, whose adjusted income is less than eighty percent (80%) of the median family income, adjusted for household size, for the county where the project is located, are eligible for assistance using the Contract Amount under this Contract. Further housing production provided by the CONTRACTOR with program income funds resulting from this Contract may be provided to other Low-Income Homebuyers who need not be First-time Homebuyers, as provided in the Housing Trust Fund Handbook. See Section 3.5. 3.5 Program Income, Accounting Systems.

3.2. HOMEBUYER EDUCATION

The CONTRACTOR shall ensure that all Low-income Homebuyers receiving assistance resulting from this Contract shall complete a pre-purchase homebuyer education program certified by the Washington State Housing Finance Commission, the U.S. Department of Housing and Urban Development, or the Neighborhood Reinvestment Full-Cycle Lending program.

3.3. REQUIREMENTS FOR DRAWDOWN OF CONTRACT AMOUNT

The following is in addition to Section 1.10 in Part 1 of this Contract.

The CONTRACTOR shall provide First-time Homebuyer and real property documentation as specified by the DEPARTMENT relevant to the transaction or the drawdown of the Contract Amount.

Within three (3) years from the execution date of this Contract, the CONTRACTOR shall draw down funds up to the Contract Amount to produce the number of homes required under this Contract, or de-obligate unspent funds from the Contract Amount as identified in the Attachment D – Project Schedule, or the DEPARTMENT shall reduce the Contract Amount by the amount of the unspent funds.

3.4. HOMEBUYER LOANS

Whenever the CONTRACTOR provides funds from the Contract Amount directly to a First-time Homebuyer, those funds shall be provided to the homebuyer as a loan (the “Homebuyer Loan”).

If Homebuyer Loans are provided, the CONTRACTOR may structure the terms of the Homebuyer Loan based on the First-time Homebuyer’s income level and affordability as outlined in the Housing Trust Fund Handbook. Any interest rates charged by the CONTRACTOR on the Homebuyer Loan, shall not exceed three percent (3%). Other fees and charges must be reasonable and customary for the area.

3.5. PROGRAM INCOME, ACCOUNTING SYSTEMS

Any proceeds resulting from this Contract, such as from the sale of any homes, release of leasehold interests, or payments of Homebuyer Loans funded under this Contract that are repaid to the CONTRACTOR (collectively “Program Income”), shall be used to produce additional housing for other eligible Low-income Homebuyers as currently described in Attachment B – Scope of Work.

When producing additional housing using Program Income, the CONTRACTOR shall comply with the then current homeownership policies and guidelines identified in the Housing Trust Fund Handbook.

The CONTRACTOR may use up to ten percent (10%) of the Program Income for loan servicing or program management costs associated with Attachment B – Scope of Work, Project Description and Property Location.

All Program Income must be identifiable in the CONTRACTOR’s program accounting system and reported to the DEPARTMENT. Any Program Income derived from this Contract may be used to fund additional activities as described in Attachment B – Scope of Work in this Contract.

The CONTRACTOR shall maintain an accounting system capable of tracking any Contract Amount provided under this Contract. The accounting system shall clearly identify the expenditure of Contract Amount, as well as any Program Income and its uses, resulting from the activities undertaken or pursuing to this Contract. The CONTRACTOR shall provide annual reports to the DEPARTMENT identifying the status of funds, any Program Income, and all activities resulting from this Contract.

3.6. FIRE, HAZARD AND LIABILITY INSURANCE

The CONTRACTOR shall ensure that each First-time Homebuyer secures fire, hazard, and liability insurance, which is adequate to cover property loss and which names the CONTRACTOR as additional loss payee. The CONTRACTOR shall maintain documentation in the file that the insurance is current during the Commitment Period.

3.7. PROMISSORY NOTES, DEEDS OF TRUST, AND LOW-INCOME COVENANTS

The CONTRACTOR shall be responsible for all documentation of the Homebuyer’s eligibility verifications, Homebuyer Loans, Deeds of Trust and Covenants, and shall make them available to the DEPARTMENT upon request.

A. When the Homebuyer owns the land:

A Promissory Note, a Deed of Trust, and an Affordability Covenant for a minimum of 25 years in favor of the CONTRACTOR shall be required for each subject property assisted with funds resulting from this Contract. The CONTRACTOR shall include a resale formula in the Affordability Covenant to assure that future home prices will remain affordable to Low-Income Homebuyers for a minimum of 25 years. If during this Contract’s Commitment Period, the CONTRACTOR plans to release or modify, in part or in whole, any Affordability Covenant related to this Contract, the CONTRACTOR shall notify the

DEPARTMENT in writing and seek the DEPARTMENT's approval prior to releasing or modifying said Covenant. Notwithstanding anything to the contrary in the Promissory Note(s) and Deed(s) of Trust from the homebuyer to the CONTRACTOR, the DEPARTMENT reserves the right to require the CONTRACTOR to assign to the DEPARTMENT, without consideration, one or more of such Note(s) and Deeds of Trust, and upon any such demand the CONTRACTOR shall immediately execute and deliver such transfer documents to the DEPARTMENT. Commerce reserves the right to require assignment of one or all Promissory Note(s) and Deed of Trust(s) and reassign as needed.

B. When the Homebuyer does not own the land:

For community land trusts or other homeownership program models in which the Homebuyer does not own the land, the Homebuyer shall own the home that is purchased and the CONTRACTOR shall retain ownership of the land or have a long-term ground lease agreement. Deed(s) of Trust and Affordability Covenants for a minimum of 25 years shall be recorded in favor of the DEPARTMENT and shall be required for each subject property assisted with funds resulting from this Contract. A Promissory Note will also be required from the CONTRACTOR in favor of the DEPARTMENT for each subject property.

C. Condominiums:

In the case of condominiums, the CONTRACTOR shall record a condominium Affordability Covenant for a minimum of 25 years in favor of the DEPARTMENT which accomplishes the same long-term affordability goal as the ground lease. The Affordability Covenant shall include a resale formula to assure that future home prices will remain affordable to Low-Income Homebuyers. A Promissory Note will also be required from the CONTRACTOR in favor of the DEPARTMENT.

3.8. PROGRAM AND HOMEBUYER RECORDS

The CONTRACTOR shall maintain all records related to the Homeownership Program in an orderly and safe manner at the address designated in this Contract for the length of the Commitment Period, unless otherwise approved in writing by the DEPARTMENT. All records related to the homebuyer program, including individual loan files must be available to the DEPARTMENT for inspection and monitoring.

In a timeframe specified by the DEPARTMENT, which shall not be unreasonable, the CONTRACTOR shall provide a completed Homebuyer Information Form on all First-time Homebuyers who receive assistance under this Contract.

3.9. PROGRAM DISSOLUTION, CONTRACTOR NON-COMPLIANCE

If the CONTRACTOR's legal entity is dissolved, liquidated or the CONTRACTOR's Homeownership Program is discontinued before the end of the Commitment Period, or if the CONTRACTOR is materially out of compliance with the terms and conditions of this Contract, any funds up to the amount of the Contract Amount and any Program Income funds (if any) shall be returned to the DEPARTMENT within thirty (30) days, and any outstanding Homebuyer Loans shall be assigned, including security instruments, to the DEPARTMENT. The CONTRACTOR shall notify the DEPARTMENT of any action to dissolve, liquidate or discontinue the Homeownership Program in a timely manner.

ATTACHMENT A – LOAN OR GRANT TERMS

The CONTRACTOR agrees to the following loan and/or grant terms and conditions.

1. Contract Amount:

The total Contract Amount is one million and 00/100 Dollars (\$1,000,000.00) and is structured as outlined in the tables below. The CONTRACTOR shall draw down the entire Contract Amount within three (3) years from contract execution date, or the DEPARTMENT may reduce the Contract Amount by the amount of the leftover funds.

Any Recoverable Grants identified below shall have no expectation of repayment subject to the condition that all of the terms and conditions of this Contract have been met through the Commitment Period, as defined in Part 1.

TABLE A – Recoverable Grant

Table A-1. Loan/Grant Types, Amounts, Fees & Periods							
Loan/Grant #	Type	Funding Source	Amount	Fees	Loan/Grant Term (Years)	Start Date	End Date
1	Recoverable Grant	Capital Community Assistance Account Fund 26V (2022)	\$1,000,000.00	N/A	Not less than 25 years	Date of last signature	25 years from date of sale of last home

Table A-3. Repayment Terms	
Recoverable Grant #	
1	The Recoverable Grant will have no expectation of repayment if the terms and conditions of the Contract have been met through the Commitment Period, as defined in Section 1.1(C.) of this Contract. However, if the Property is sold, refinanced, transferred, the use changes during the Commitment Period, or the CONTRACTOR is materially out of compliance with the terms and conditions of this Contract, the award amount, plus a proportional share of the appreciated value of the Property will be due and payable to the DEPARTMENT within thirty (30) days of such event.

ATTACHMENT B – SCOPE OF WORK

The CONTRACTOR agrees to perform the scope of work described in this Attachment B.

1. PROJECT DEVELOPMENT:

The purpose of this Project is to fund down payment assistance of 20 single family residences for Low Income First-time Homebuyers (the “Project”). All Homebuyers participating in or receiving assistance from the Project shall complete a pre-purchase homebuyer education program as described in Part 3 or this Contract.

2. LEGAL DESCRIPTION OF PROPERTY:

To be determined upon house selection.

3. TARGET POPULATION TO BE SERVED BY PROJECT ONCE PROJECT IS PLACED IN SERVICE:

The following target population shall be housed on the Property from the time the Property is Placed in Service to the end of the Commitment Period.

Table B-1. Area Median Income (AMI) Counties and Areas	
County	AMI Area
Pierce	Seattle-Tacoma-Bellevue, WA Metropolitan Statistical Area

Table B-2. Income Levels and Target Populations			
Income Levels and Home Counts		Homebuyers Assisted	
% of Area Median Income	Homes	Population Type	Homebuyers
At or Below 80%	20	General population	20
Total =	20	Total =	20

In addition to the definition of "first-time home buyer" in RCW 43.185A.010, for the purposes of this contract only, "first-time home buyer" also includes:

- (I) A single parent who has only owned a home with a former spouse while married;
- (II) An individual who is a displaced homemaker as defined in 24 C.F.R. Sec. 93.2 as it existed on the effective date of this section, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section, and has only owned a home with a spouse;
- (III) An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; or
- (IV) An individual who has only owned a property that is discerned by a licensed building inspector as being uninhabitable.

ATTACHMENT C – DEVELOPMENT BUDGET

The following is a summary of the anticipated Development Budget approved by the DEPARTMENT at the time of the execution of this Contract. Some variations to the anticipated Development Budget are expected. The CONTRACTOR agrees to submit to the DEPARTMENT a third-party certification of the Project’s Final Total Development Cost in accordance with the terms and conditions of this Contract.

Cost Category	Total Cost	Residential Costs	Non-Residential Costs	HTF Amount (“Contract Amount”)
Acquisition DPA	\$1,500,000	\$1,500,000		\$1,000,000
Construction				
Soft Costs (e.g., -----)				
Pre-Development				
Construction Financing				
Permanent Financing				
Capitalized Reserves				
Other: _____				
Other: _____				
TOTAL DEVELOPMENT COST	\$1,500,000	\$1,500,000		\$1,000,000

ATTACHMENT D – PROJECT SCHEDULE

The following is a summary of the anticipated Project Schedule that was approved by the DEPARTMENT at the time of the execution of this Contract. Some variations to the anticipated Project Schedule are expected. The CONTRACTOR shall notify and consult with the DEPARTMENT whenever an event materially affects the timely completion of the Project.

The entire Contract Amount, less the 5% retainage (if applicable), shall be drawn down by the CONTRACTOR within three (3) years of the Execution date referenced below or the DEPARTMENT may reduce the Contract Amount by the amount of the leftover funds. The CONTRACTOR will have three (3) months from such date to provide all necessary documentation for the contract to be Placed in Service, at such time as all documentation is received and approved by the department, the 5% retainage may be requested and paid. 5% retainage does not apply to DPA only projects.

Table D-1. Summary of Anticipated Project Schedule		
Category	Tasks	Anticipated Date of Completion
Site Control	Purchase & Sale Agreement executed	N/A
	Site closing	N/A
Feasibility/Due Diligence	All required 3 rd party reports complete	N/A
	SEPA/NEPA clearance complete	N/A
	Cultural resources/archeological completed	N/A
Relocation	All relocation activities complete (if applicable)	N/A
Financing	Allocation of LIHTC from WSHFC	N/A
	Capital financial closing	N/A
Design/Permitting	Building permits issued	N/A
	Final plans and specs completed	N/A
Construction	Begin construction	N/A
	Construction completion	N/A
	Certificate of Occupancy	N/A
Final Draw Down Date	Funds will be fully drawn down	3 years from contract execution date
Placed in Service	Refer to Housing Trust Fund Handbook	Date of sale of last home or 3 months from last draw
Commitment Period	Start of the Commitment Period	Date of sale of last home or 3 months from last draw
	End of the Commitment Period	25 years from the date of sale of last home

**DRAFT AGREEMENT BETWEEN THE CITY OF TACOMA AND
TACOMA COMMUNITY REDEVELOPMENT AUTHORITY
Homebuyer Services Agreement**

This contractual agreement, subsequently referred to as the "Agreement", is comprised of these General Terms and Conditions, any attached Exhibits, and subsequent Amendments. The Agreement is a contract between the **CITY OF TACOMA**, subsequently referred to as the "City", and the **TACOMA COMMUNITY REDEVELOPMENT AUTHORITY (TCRA)**, subsequently referred to as the "TCRA". TCRA agrees to the terms and conditions set forth in this Agreement, including the following Exhibits:

- Exhibit A** Applicable Definitions
- Exhibit B** Scope of Work
- Exhibit C** Compensation and Financial Requirements
- Exhibit D** Contract Compliance; and

1. PERIOD OF PERFORMANCE

The period of performance for this Agreement begins **November 1, 2023** and terminates **November 1, 2050**. 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 TCRA during the period specified in this Agreement. Notification of intent to contract for additional periods between the City and the TCRA will occur prior to the expiration of this Agreement.

2. CONSIDERATION

The maximum consideration for this Agreement shall not exceed **One Million Five Hundred Thousand Dollars and No/100 (\$1,500,000)**.

3. SCOPE OF WORK AND REIMBURSEMENT

- A. The City agrees to pay the TCRA for services outlined in Exhibit B, Scope of Work, and in accordance with Exhibit C, Compensation and Financial Requirements. Payment by the City is subject to receipt of such funds by the City from the funding source.
- B. Total funds provided under this Agreement cannot be modified and administrative costs cannot be increased without the express prior written approval of the City.

- C. If the TCRA dissolves during the contract period, the period of affordability, or the period after the period during which the subrecipient must maintain project files, all project files and documentation that were required by the subrecipient to maintain will be held by the City. All funds that were distributed to the Subrecipient will be held by the City.

4. AMENDMENTS

- A. All Amendments to this Agreement shall be in writing and approved by both parties to this Agreement.
- B. No Amendments to this Agreement shall be implemented without prior written approval by the City, provided that the City may administratively extend the time for performance under this contract without needing City Council approval.
- C. Changes to the general scope of the services to be performed under this Agreement or to any other provisions of this Agreement shall be made by written Amendment.

5. NON-DISCRIMINATION IN EMPLOYMENT AND CLIENT SERVICES

- A. During the performance of this Agreement, the TCRA shall comply with all applicable federal, state, and local laws including, but not limited to:
- Section 703, Titles VI and VII of the Civil Rights Act of 1964 [42 U.S.C. 2000d and e], the Civil Rights Act of 1991 [42 U.S.C. 1981],
 - The Americans with Disabilities Act of 1990 (ADA) [42 U.S.C. 12101 *et seq.*],
 - Sections 503 and 504 of the Rehabilitation Act of 1973 [29 U.S.C. 793 and 794], the Age Discrimination in Employment Act of 1967 [29 U.S.C. 62'1],
 - The Age Discrimination Act of 1975 [42 U.S.C. 6102],
 - The Vietnam Era Veterans Readjustment Assistance Act of 1974 [38 U.S.C. 2011],
 - Any relevant Executive Order (E.O.) issued by the President of the United States
 - The Washington State Law Against Discrimination [Chapter 49.60 RCW], and

- Administrative Code (WAC) and Revised Code of Washington (RCW), or any subsequent amendments to these provisions, as applicable.
- B. Requirements of the City's Non-discrimination Plan are incorporated by reference to this Agreement and include, but are not limited to paragraphs listed below.
- C. The TCRA shall not discriminate against any employee or applicant for employment, nor conduct any unlawful employment practices because of race, color, religion, creed, national origin, sex, sexual orientation, age, marital status, veteran status, or the presence of any sensory, mental, or physical disability, or the use of a trained guide dog or service animal by a disabled person. This requirement does not apply, however, to a religious corporation, association, or educational institution with respect to the employment of individuals of a particular religion to perform work connected with the operation of such corporation, association, or educational institution, in pursuit of its activities.
- D. The TCRA will not, on the basis of race, color, religion, creed, national origin, sex, age, disability, sexual orientation, marital status, or veteran status:
1. Deny an eligible individual any services or other benefits provided under this Agreement or any subcontracts awarded pursuant to this Agreement;
 2. Provide any services or other benefits to an individual which are different, or are provided in a different manner from those provided to others under this Agreement or any subcontracts awarded pursuant to this Agreement;
 3. Subject an individual to unlawful segregation or separate treatment, or unlawful discriminatory treatment in any manner related to the receipt of any services and/or the use of the TCRA's facilities, or other benefits provided under this Agreement; nor
 4. Deny any individual an opportunity to participate in any service provided by this Agreement, or afford an opportunity to do so which is different from that afforded others under this Agreement. In determining: (i) the types of service or the benefits to be provided; (ii) the class of individuals to whom, or the situation in which, such services or other benefits will be provided; or (iii) the class of individuals to be afforded an opportunity to participate in any service or other benefits; the TCRA will not utilize criteria or methods of administration which have the effect of subjecting individuals to discrimination because of their race, color, religion,

creed, national origin, sex, sexual orientation, age, marital status, veteran status, or the presence of any sensory, mental, or physical disability, or the use of a trained guide dog or service animal by a disabled person.

- E. As required by Title III of the ADA regarding places of public accommodation, the TCRA will ensure equal opportunity for individuals with disabilities to receive services. The TCRA will make reasonable modifications to policies, practices, and procedures that deny equal access to individuals with disabilities.

6. DRUG-FREE WORKPLACE

The TCRA shall maintain a written drug-free workplace policy, notifying employees that the possession or use of a controlled substance is prohibited in the workplace, and specifying the actions which will be taken against employees for any violation of the policy. The policy shall be developed as soon as practically possible, no later than sixty (60) calendar days after the effective date of this Agreement.

7. RECORDS AND REPORTS

- A. The TCRA shall retain all books, records, documents, reports, and other data relevant to this Agreement, for a minimum of six (6) years after the period of performance ends. If any audit, claim, litigation, or other legal action involving the records is started before applicable retention dates expire, the records shall be maintained until completion and resolution of all issues arising there from or until the end of applicable retention dates, whichever is later.
- B. An adequate audit trail shall be maintained. All transactions are to be clearly documented. The documentation is to be readily available for examination.
- C. The TCRA shall maintain written policy and procedural manuals for all services, information systems, personnel, and loan servicing in sufficient detail such that operations can continue should staff changes or absences occur.
- D. On behalf of the TCRA, the City's Finance Department must establish and maintain an accounting system which adequately and separately identifies all funding sources and all application of funds associated with providing the required services including, but not limited to, local, state and federal grants, fees, donations, federal funds, and all other funds, public or private.

All costs incurred by the TCRA must be accurately identified and recorded even when no revenue is received for services. This accounting system provides the means to gather fiscal data necessary to determine: a) the cost of a unit of service; b) the bid price, as applicable; and c) if funds were generated in excess of allowable costs.

1. These records shall contain information pertaining to projects, contracts, grants, or sub-grant awards, and all authorizations, obligations, non-obligated balances, assets, outlays, liabilities, expenditures, and revenue.
 2. The TCRA shall maintain all books, records, documents, reports, and other evidence of accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in performance of this Agreement. The TCRA shall maintain their fiscal books, records, documents, and other data in a manner consistent with generally accepted accounting principles.
- E. All records required to be maintained by this Agreement or by state and federal regulations, except for exempt medical and treatment records, are public records and shall be maintained and released, when requested, in accordance with applicable laws.

8. RIGHT TO INSPECTION AND USE OF MATERIALS

- A. City representatives and the State Auditor shall have the right to review and monitor the financial and service components of this Agreement. The City's review will occur with reasonable notice, and will include, but is not limited to, on-site inspection by City agents or employees, and inspection of all records or other materials which the City deems pertinent to performance, compliance, or quality assurance in conjunction with this Agreement.
- B. During the term of this Agreement and for one calendar year following termination or expiration of this Agreement, the TCRA shall, upon receiving reasonable notice, provide the City with access to its place of business and to its records that are relevant to compliance with this Agreement.
- C. The City may duplicate, use, and disclose in any manner, for any purpose whatsoever and authorize others to so do, all material created under this Agreement and paid for by the City.

9. RESOLUTION OF DISPUTES

- A. A complaint involving this Agreement is encouraged to first attempt to

resolve the matter with the City informally by telephoning the appropriate City representative or by meeting with that individual in person. If the informal dispute resolution process is unsatisfactory and the TCRA elects to register a formal complaint, a TCRA shall submit a detailed written description of the issues which form the basis of the complaint to the Housing Division Manager of the Community and Economic Development Department at 747 Market Street, Room 900, Tacoma, WA 98402.

- B. Upon receipt of a formal written complaint, the Housing Division Manager or designee will promptly send a written confirmation to the TCRA acknowledging receipt of the complaint. The Housing Division Manager or designee shall also promptly contact the TCRA to establish a meeting to discuss and seek agreement and resolution of the formal complaint. The Housing Manager shall issue a written decision regarding the TCRA's formal complaint no later than fifteen (15) working days following completion of the meeting.
- C. If agreement and resolution are not reached and the TCRA elects to pursue the complaint further, the TCRA may, within five (5) working days after receipt of the Housing Division Manager's written decision, file a written appeal to the Director of Community and Economic Development Department at the address listed in this Agreement. The appeal must state all facts and arguments upon which the appeal is based. The Director or designee will render a written decision within fifteen (15) working days following completion of the meeting.
- D. The TCRA may appeal an adverse decision of the Director of the Community and Economic Development Department to the Tacoma City Manager, 747 Market Street, Room 1200, Tacoma, Washington, 98402. The appeal must be received in writing by the Tacoma City Manager within five (5) working days of the TCRA's receipt of the Director's decision. Upon receipt of a formal written appeal, the Tacoma City Manager or designee will schedule a meeting with the TCRA within fifteen (15) working days of receipt of the appeal. The Tacoma City Manager or designee will issue a written decision within fifteen (15) working days following completion of the meeting.
- E. In the event that any subsequent litigation should arise concerning this Agreement, the venue of such litigation shall be in the courts of Pierce County. This Agreement shall be governed by the laws of the State of Washington.
- F. All mailings by and to the City required in this section of the Agreement shall be by certified mail with return receipt requested to the TCRA's address of record.

10. LOBBYING CERTIFICATION

The TCRA certifies that, to the best of its knowledge and belief:

- A. No appropriated funds have been paid, or will be paid by, or on behalf of the TCRA, or officers or employees, to any person for influencing, or attempting to influence an officer or employee of any governmental agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any contract, the making of any grant, the making of any loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any contract, grant, loan or cooperative agreement.

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

CITY OF TACOMA:	TCRA:
Signature:	Signature:
Name:	Name:
Title:	Title:
Date:	Date:

(City of Tacoma use only - blank lines are intentional)

Director of Finance: _____

Deputy/City Attorney (approved as to form): _____

Approved By: _____

Approved By: _____

Approved By: _____

Approved By: _____

Approved By: _____

Approved By: _____

Exhibit A

Applicable Definitions

Many terms used throughout this Agreement are defined in Title 388 Washington Administrative Code (WAC), as subsequently amended, and have the meanings indicated in that title. Additionally, the following terms shall have the following definitions:

"Acquisition Cost" shall mean that amount expended for property, excluding interest, plus, in the case of property acquired with a trade-in, the book value {acquisition cost less amount depreciated through the date of trade-in) of the property traded in. Non-expendable personal property, the value of which was expended when acquired, has a book value of zero {0) when traded in.

"Budget, Accounting, and Reporting System for Counties and Cities and Other Local Governments" will be referred to as BARS.

"Business Entity" means any person, or group of persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood, whether for profit or not for profit with the City. The term business entity shall include, but not be limited to partnerships, corporations, Sub-recipients, and subcontractors doing business with the City.

"Client", "Consumer", "Participant", "Patient", or "Recipient" shall mean any individual applying for or receiving services under this Agreement.

"Contract" shall mean the Agreement, and any Scope of Work and Exhibits that are attached to and incorporated by reference to the Agreement.

"Contract Budget" shall mean the budget incorporated in this Agreement, identifying a plan for the expenditure of contracted funds.

"Debarment" means an action taken by a federal official to exclude a person or business entity from participating in transactions involving certain federal funds.

"Household" shall mean 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.

"Independent Auditor" shall mean either a certified public accounting firm or a certified public accountant. "Information Technology (IT) Purchases" include, but are not limited to, computers, software, desk, telephones, and cellular telephones, but does not include keyboards and mouse.

"Non-expendable Personal Property" shall mean tangible personal property having a useful life of more than one (1) year and an acquisition cost of \$5,000.00 or more per unit.

"Personal Property" shall mean property of any kind, including small and attractive items and IT equipment, except real property.

"RCW" means the Revised Code of Washington. All references in this Agreement to RCW chapters or sections shall include any successor, amended, or replacement statute. The RCW can be accessed at <http://apps.leg.wa.gov/RCW/>.

"Real Property" shall mean any interest in land.

"Small and Attractive Items" means those items with a value of \$300.00 or more that are particularly vulnerable to loss. Examples of these items include, but are not limited to, communication equipment, cameras, IT accessory equipment such as scanners, office equipment, televisions, cellular telephones, DVDs, VCRs and tablets.

"Subcontract" shall mean any agreement between the Sub-recipient and a Subcontractor or between a Subcontractor and another Subcontractor that is related to this Agreement, provided that the Subcontract does not include the purchase of:

- A. supplies; or
- B. support services that do not directly affect the funded services. The terms Subcontract and Subcontracts shall mean Subcontract(s) in any tier.

"Subcontractor" shall mean any person, partnership, corporation, association, or organization, not in the employment of the Sub-recipient, who is performing part of the contract or Subcontract from a Subcontractor. The terms Subcontractor and Subcontractors shall mean Subcontractor(s) in any tier.

"Sub-recipient" shall mean a non-federal entity that expends funds received from a pass-through entity to carry out a program, but does not include an individual that is a beneficiary of such a program. A Sub-recipient may also be a recipient of other awards directly from the awarding agency.

Characteristics indicative of a federal award received by a Sub-recipient are when the organization:

- A. determines who is eligible to receive what financial assistance;
- B. has its performance measured against whether the objectives of the program are met;
- C. has responsibility for programmatic decision making;
- D. has responsibility for adherence to applicable program compliance requirements;
- E. uses the funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity;

- F. operates on the basis of allowable costs no payment above cost is allowed; and may be required to match or share costs of the program.

"Useful Life" of non-expendable personal property shall mean that useful service life as based upon the United States Department of Treasury, Internal Revenue Service, policies on depreciation for tax purposes, unless the Sub-recipient or Subcontractor documents in writing some different period that the City agrees to in writing.

"Vendor" shall mean a dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of the Sub-recipient's program. These goods or services may be for an organization's own use or for the use of beneficiaries of the TCRA program.

Characteristics indicative of a payment for goods and services received by a vendor are when the organization:

- A. provides the goods and services within normal business operations;
- B. provides similar goods or services to many different purchasers;
- C. operates in a competitive environment;
- D. provides goods or services that are ancillary to the operation of the Sub-recipient's program;
- E. is not subject to compliance requirements of the Sub-recipient's program; and
- F. the scope of work to be performed is defined by the awarding agency (the awarding agency identifies what it is "buying").

"WAC" means the Washington Administrative Code. All references in this Agreement to WAC chapters or sections shall include any successor, amended, or replacement regulation. The WAC can be accessed at <http://apps.leg.wa.gov/wac/>.

"Washington State Department of Social and Health Services" shall be referred to as DSHS.

"Work Order" is a document attached to and incorporated by reference to the Agreement which states the goods, services, and/or benefits to be delivered, and any other terms and conditions that apply to the work.

Exhibit B Scope of Work

1. Intention and Deadlines.

The intent of this Agreement is for the sub recipient to administer the City's 2023 Department of Commerce Housing Trust Fund Down-Payment Assistance Grant. The sub recipient will establish activities of Down-Payment assistance and prioritize serving BIPOC households who are participating in City homebuyer education programs. The use of funds will be measured against the following metrics:

- A. Number of households served with down payment assistance funds within the first two years of the program
- B. Program goal of serving 65% Black Households

Eligible use are:

- A. Down-payment assistance provide per eligible low-income household
- B. Homebuyer education services

Eligibility requirements are:

- A. Target households that make up to 80% of the Tacoma/Pierce County Area Median Income ("AMI")
- B. Recipients of down-payment assistance must have completed a Homebuyer Education Program that meets City and State HTF standards for homebuyer education.

The TCRA will increase the City's investment in affordable homeownership opportunities by providing low interest deferred loans to eligible moderate-income households.

The TCRA will improve on the City's effort to:

- Fill gap for underserved potential buyers further out from purchase
- Mitigate displacement
- Improve the education to homeownership pipeline
- Build capacity for homebuyer service provision in the City
- Improve financial health of residents and reduce racial wealth gaps

Geographical Limits: Properties must be located within the boundaries of the City of Tacoma

Disbursement Deadline: Funding under this Agreement must be disbursed for committed activities no later than the sooner of a date 3 years from the execution of this agreement or June 30, 2025.

2. Scope for Housing

- A. The TCRA shall fully comply with all noted regulations, requirements and conditions as set forth in this Agreement and serve moderate income households residing in the City of Tacoma through their Housing program. Housing activities will be provided in accordance with established guidelines to include any of the following, depending on market, demand, staffing availability and policy direction of the TCRA:
1. Providing loans to low and moderate-income households for purchase of ownership housing in the City of Tacoma;
 2. Review and approve loans for compliance with the TCRA's policies and regulations;
 3. Complete reports providing information as required by the City to demonstrate compliance with regulations, client eligibility, goals and objectives of the program;
 4. Servicing the portfolio loans extended, including tracking of timely payments, maturity, maintaining insurance coverage.
- B. 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 TCRA must submit their request in writing prior to making changes to this Agreement.

3. Client Eligibility

- A. The TCRA 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 80% AMI in effect at the time assistance is provided.
- 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.
- D. The TCRA agrees to utilize one of the following two income determination methods: 24 CFR Part 5 or the Internal Revenue Service's 1040 income calculation method. For either calculation, the TCRA 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 Housing Trust Fund funds must meet the following project requirements:

A. Property Standards

HTF funds are only to be used for existing home purchases. All affordable homes purchased with HTF assistance must meet local building codes and standards for housing that is decent, safe, and good repair.

1. The TCRA is required to adopt and maintain written policies and criteria that are consistent with all federal, state and local Fair Housing laws. The policies must, at a minimum, specify how homeowners will be selected, address the terms of assistance.
2. The TCRA shall ensure that homebuyers assisted do not engage in the following practices:
 - a. Waiving of inspections
 - b. Purchasing a home without the intent to use the home as their primary residence

B. The TCRA will ensure that the following additional requirements are adhered to:

1. The assisted housing must be maintained as the owner's principal residence;
2. The TCRA will ensure that all or part of the down payment assistance invested in the project per this Agreement will be recaptured if the affordability period is not met. The TCRA 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. Recordkeeping and reporting

- A. The TCRA shall maintain all program related reports and records.
- B. The TCRA shall maintain regular sufficient records on HTF activities throughout the term of the Agreement, and maintain these records for six (6) years after the term of the agreement.
- C. The TCRA shall maintain financial and demographic information for the City's AAP and Consolidated Plan, and other required reports including:
 - a. Number of households served by the subrecipient during the program year
 - b. Race/ethnicity of heads of household's served
 - c. Income status
 - d. Other information and reports shall be provided as requested

6. TCRA Responsibilities

- A. The TCRA shall be required to have written agreements prior to providing funding to any other entity (identified as owners, developers,), beneficiaries (identified as homeowners or homebuyers), Sub-recipients, or contractors.
- B. The TCRA will submit timely invoices for expenses to the City. Invoices for programs administered by the TCRA will be submitted at least quarterly. Invoices for development projects will be submitted as the expenses are incurred by the TCRA.

7. 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 to provide loans and other financing opportunities to income eligible homebuyers, 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, Sub-recipients, 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. 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.

2. 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. 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.

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 funds in the following amount to accomplish the scope of services described in Exhibit B – Scope of Work.

Eligible Categories	Award
Down Payment Assistance	\$1,300,000.00
Homebuyer Education	\$200,000.00
Total	\$1,500,000.00

2. Financial Requirements – Payments.

A. Approved Uses

It is expressly understood that Housing Trust Fund revenues may only be used for costs included in the budget above and may not be used for the general administration or operation of the TCRA.

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

B. Funds Disbursement

The TCRA 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. The City will process payment of a reimbursement request upon receipt and approval.

Requests for advances to the TCRA may be requested and will not be reasonably withheld if the need is sufficiently documented in the request. Advances which are not expended in 6 months must be returned to the City upon request, unless additional time is approved. Approved advances will be disbursed upon approval.

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

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

C. Inappropriate Funds Obligation

Under this Agreement, HTF 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.

D. Multiple Funding Sources

TCRA 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.

E. Program Income

In the event that program income is generated from the use of HTF funds, then any and all such income shall be identified, accounted for, and reported to the City 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 shall be deposited and held in the TCRA's account until additional projects are identified. 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 TCRA shall transfer to the City any HTF funds on hand or any account receivables attributable to the use of the AHF funds that do not meet the above requirements.

F. Unexpended Funds and Income

At the conclusion of this Agreement, all unexpended HTF funds, any unallocated and/or unexpended program income remaining in the TCRA'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.

G. Dissolving of the TCRA

If the TCRA, during the contract period or period of affordability (25 years from the time the HTF assistance is used to purchase a home), the TCRA dissolves, the remaining funds, project files, financial records, and any other duties and documentation shall return to the City of Tacoma to maintain.

Exhibit D

Contract Compliance

1. Procurement and Contracts

The TCRA may enter into any contract or procurement action authorized or necessary for the successful completion of this Agreement. All procurement actions and contracts other than incidental procurements shall be structured in accordance with applicable TCRA policies and procedures and state and federal law relating to contracting by public agencies.

The TCRA shall be responsible for loss or damage to all such equipment, materials, operating supplies and other assets in its care and, after completion of use, shall return all such equipment, materials and assets to the City for disposition within thirty (30) days following completion of the project, unless otherwise specified.

If such equipment, materials, operating supplies or assets are partially funded from other sources, the City shall share any funds received as a result of said disposition, at the percentage of value received equal to the percentage of the original costs provided by the individual funding sources.

Any equipment, materials, operating supplies and other assets with per unit fair market value (or total value for supplies) at the time of completion of less than \$5,000.00 may be retained or disposed of by the TCRA. The City retains no financial interest in these items. Any assets whose fair market value is in question should be referred to the City for decision before any disposition action is taken by the TCRA.

2. Monitoring / Assessment Procedures

- A. The City will conduct routine monitoring and performance assessments of all services provided under this Agreement, in the manner and at reasonable times, with reasonable notice, as the City considers appropriate.
- B. Monitoring and assessment activities include, but are not limited to, the review of service and financial reports, including all books, records, documents and other data, facilities, activities, and on-site visits by City staff or their designee, state or representatives.
- C. Unless the City elects to terminate this Agreement for cause, when findings from monitoring efforts or audits show that there are apparent violations of the terms or conditions of this Agreement, the TCRA and the City shall negotiate a mutually agreeable plan of action to address the identified problem. If the parties are unable to come to agreement, the TCRA may file a complaint, as specified in this Agreement.

3. Client Assets and Records

- A. Except as otherwise provided by court order, the TCRA shall ensure that any client shall have unrestricted access to his or her personal property. The TCRA shall not interfere with the client's ownership, possession, or use of such property. Upon termination of the agreement, the TCRA shall immediately release to the client all of the client's personal property.

- B. The TCRA shall maintain all project records required by applicable, state and local regulations, which are incorporated herein by reference. Project or program records must be retained for a period of at least six (6) years after completion or termination of the project or program.

- C. The TCRA shall maintain records and files for this agreement containing the following items:
 - 1. Notice of Award;
 - 2. A copy of this Agreement;
 - 3. Copies of all invoices and reports submitted to the City under this Agreement;
 - 4. Copies of approved invoices;
 - 5. Documentation of client income, demographics and eligibility as required in the Exhibit B – Scope of Work.



RESOLUTION NO. 41300

1 BY REQUEST OF COUNCIL MEMBERS BLOCKER, DANIELS, HINES, AND
2 RUMBAUGH

3 A RESOLUTION relating to committees, boards, and commissions; appointing
4 individuals to the Commission on Immigrant and Refugee Affairs,
5 Community's Police Advisory Committee, Human Rights Commission,
6 Human Services Commission, and the Tacoma Area Commission on
7 Disabilities.

8 WHEREAS vacancies exist on the Commission on Immigrant and Refugee
9 Affairs, Community's Police Advisory Committee, Human Rights Commission,
10 Human Services Commission, and the Tacoma Area Commission on Disabilities,
11 and

12 WHEREAS, at its meeting of November 9, 2023, the Community Vitality and
13 Safety Committee reviewed applicants and recommended the appointment of
14 individuals to said commissions and committee, and

15 WHEREAS, pursuant to City Charter 2.4, the persons named on Exhibit "A"
16 have been nominated to serve on the Commission on Immigrant and Refugee
17 Affairs, Community's Police Advisory Committee, Human Rights Commission,
18 Human Services Commission, and the Tacoma Area Commission on Disabilities;

19 Now, Therefore,

20
21 BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

22 That those nominees to the Commission on Immigrant and Refugee Affairs;
23 Community's Police Advisory Committee, Human Rights Commission, Human
24 Services Commission and the Tacoma Area Commission on Disabilities are hereby
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confirmed and appointed as members of such commissions and committee, for such terms as set forth on the attached Exhibit "A".

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Interim City Attorney



EXHIBIT "A"

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COMMISSION ON IMMIGRANT AND REFUGEE AFFAIRS

Appointing **Andy Mejía** to the "Youth/Young Adult Member" position, to fill an unexpired term, to expire March 31, 2025.

COMMUNITY'S POLICE ADVISORY COMMITTEE

Appointing **Shepherd Southworth** to the "Youth Member" position to fill an unexpired term, to expire June 30, 2024.

HUMAN RIGHTS COMMISSION

Appointing **Lily Nop** to fill an unexpired term, to expire February 28, 2025.

HUMAN SERVICES COMMISSION

Appointing **Addison Atkatsh** to fill an unexpired term, to expire June 30, 2024.

TACOMA AREA COMMISSION ON DISABILITIES

Appointing **Taylor Waltier** to fill an unexpired term, to expire June 30, 2024.



RESOLUTION NO. 41301

1 BY REQUEST OF DEPUTY MAYOR WALKER AND COUNCIL MEMBERS
2 BUSHNELL AND DIAZ

3 A RESOLUTION relating to committees, boards, and commissions; appointing
4 Devynee Ye to the Sustainable Tacoma Commission.

5 WHEREAS a vacancy exists on the Sustainable Tacoma Commission, and

6 WHEREAS, at its meeting of November 8, 2023, the Infrastructure, Planning,
7 and Sustainability Committee reviewed applicants and recommended the
8 appointment of Devynee Ye to said commission, and

9 WHEREAS, pursuant to City Charter 2.4, Devynee Ye has been nominated
10 to serve on the Sustainable Tacoma Commission; Now, Therefore,

11 BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

12 That Devynee Ye is hereby confirmed and appointed as a member of the
13 Sustainable Tacoma Commission to the "Youth Member" position, to fill an
14 unexpired term, to expire June 30, 2024.

15 Adopted _____

16 _____
17 Mayor

18 Attest:
19 _____
20
21 City Clerk

22 Approved as to form:
23 _____
24 Interim City Attorney
25

26



ORDINANCE NO. 28912

1 AN ORDINANCE relating to Water Management, amending Chapter 12.10 of
2 the Tacoma Municipal Code, "Water - Regulations and Rates," by
3 amending Section 12.10.301, entitled "Fire hydrant services fee," and
4 Section 12.10.400, entitled "Rates - Inside and outside City limits," all
5 effective January 1, 2024.

6 WHEREAS the City of Tacoma, through its Department of Public
7 Utilities, Water Division (d.b.a. "Tacoma Water"), is requesting prompt action in
8 response to WestRock's announcement to permanently cease operating its
9 paper mill effective September 30, 2023, which had operated in Tacoma for
10 more than 90 years, and most recently employed around 400 people, and

11 WHEREAS WestRock was Tacoma Water's largest customer, and their
12 operations provided a significant source of income for Tacoma Water, and

13 WHEREAS, specifically, in 2022, WestRock paid approximately
14 \$7.5 million for water, or about 7.3 percent of sales revenue, and consumed
15 about one-third of Tacoma Water's overall water use which is the equivalent of
16 the amount used by 100,000 homes in Tacoma, and

17 WHEREAS the pipes and water system used to provide that amount of
18 water are a part of the overall system which must be maintained in order to
19 continue providing the same supply of clean and reliable drinking water, and
20

21 WHEREAS Tacoma Water is a municipal utility that is owned by the City
22 and can only charge for expenses needed to cover costs, and
23

24 WHEREAS Tacoma Water is currently using cash reserves to mitigate
25 the loss of revenue in the near term and must make up for this ongoing loss of
26 income to maintain the water system and other services, and



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WHEREAS, in order to make up for part of the cash reserves and revenue loss from the WestRock closure, Tacoma Water is proposing an annual system average rate adjustment of 5 percent, effective January 1, 2024, and

WHEREAS the rate adjustments will be implemented across all rate classes and distributed to fixed and variable rate elements where applicable or consistent with policy and contractual provisions, and

WHEREAS the rate increase is in addition to the planned rate increase for 2024 that was approved by the Public Utility Board (“Board”) and City Council in 2022, and

WHEREAS an updated revenue requirement, long-range financial plan, and Cost of Service Analysis will be used to develop the rate proposal for 2025-2026 and is intended to include adjustments to mitigate any remaining revenue losses from the closure of WestRock, and

WHEREAS this proposal includes an increase to the amount available through the Bill Credit Assistance Program (“BCAP”) for income-eligible households to mitigate the impacts of the proposed rate increase for the most vulnerable customers, and

WHEREAS the proposed rate increase will also upsurge the average monthly bill for residential customers who reside inside the City limits by \$2.28 each month, Tacoma water will increase the BCAP credit available by \$3.00 per month to offset the impact of the rate increase, and



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WHEREAS Tacoma Water and the Tacoma Public Utilities Public Affairs and Communication team conducted extensive outreach and engagement with customers and stakeholders including with the Puyallup Tribe of Indians, Neighborhood Councils, franchise cities, large commercial customers, and various community groups, and

WHEREAS additionally, Tacoma Water has presented the impacts of the WestRock closure to the Board at several study sessions and Board meetings, as well as to the Government Performance Finance Committee since the closure announcement on August 1, 2023, Now, Therefore,

BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. That Chapter 12.10 of the Tacoma Municipal Code (“TMC”), “Water - Regulations and Rates,” is hereby amended, to include the modifications to TMC Sections 12.10.301 and 12.10.400, effective January 1, 2024, as set forth in the attached Exhibit “A.”



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Section 2. That the City Clerk, in consultation with the City Attorney's Office,
is authorized to make necessary corrections to this ordinance, including, but not
limited to, the correction of scrivener's/clerical errors, references, ordinance
numbering, section/subsection numbers, and any references thereto.

Passed _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney



EXHIBIT "A"

CHAPTER 12.10

WATER – REGULATIONS AND RATES

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- Sections:
- 12.10.010 Rules established.
- 12.10.020 Definitions.
- 12.10.030 Water service inside/outside City limits.
- 12.10.035 Ability to supply water within City limits.
- 12.10.040 Application for service.
- 12.10.045 Services and meters.
- 12.10.050 Establishment of service account and request for turn-on.
- 12.10.060 Billing.
- 12.10.110 Turn-on and/or - Unauthorized use.
- 12.10.115 Turn-off, turn-on - Responsibility and liability.
- 12.10.120 Turn-off, turn-on - Condemned buildings.
- 12.10.125 Damage of water service installation.
- 12.10.130 Termination of service.
- 12.10.150 Interruption of service.
- 12.10.170 Ownership of water mains and appurtenances.
- 12.10.180 Operation of private water systems.
- 12.10.200 Private contract charges.
- 12.10.220 Cross connections.
- 12.10.250 Water service construction charges.
- 12.10.275 Property-side (private) in public rights-of-way.
- 12.10.300 Fire hydrant installation and relocation.
- 12.10.301 Fire hydrant services fee.
- 12.10.302 System capacity flow testing.
- 12.10.303 *Repealed.*
- 12.10.305 Fire hydrant use (non-firefighting).
- 12.10.310 System development charge ("SDC").
- 12.10.315 Water main charge.
- 12.10.350 Premises not abutting a permanent water main.
- 12.10.400 Rates - Inside and outside City limits.
- 12.10.485 City not liable for damages.
- 12.10.490 Protection of public health.
- 12.10.495 South Tacoma Groundwater Protection.
- 12.10.500 Waivers - By Superintendent.
- 12.10.505 Customer service policies - Additional rules and regulations.
- 12.10.515 Violations - Penalties - Enforcement.
- 12.10.520 Severability.
- 12.10.525 Interference with and/or damage to City water system.

* * *

12.10.301 Fire hydrant services fee.

Pursuant to Chapter 70.315 of the Revised Code of Washington, the Water Division will charge and collect all costs associated with providing fire hydrant services from the customers, "Residential Service," "Commercial and Industrial – General Service," and "Commercial and Industrial – Large Volume Service" rate categories, following the rate schedules below:



Hydrant Service Fee					
Inside City of Tacoma		Outside City of Tacoma		City of University Place	
Rate Effective Dates					
1/1/2023	1/1/2024	1/1/2023	1/1/2024	1/1/2023	1/1/2024
\$2.94	\$2.88	\$3.79	\$3.65	\$4.07	\$3.92

Hydrant Service Fee					
Inside City of Tacoma		Outside City of Tacoma		City of University Place	
Rate Effective Dates					
1/1/2023	1/1/2024	1/1/2023	1/1/2024	1/1/2023	1/1/2024
\$2.94	\$3.02	\$3.79	\$3.83	\$4.07	\$4.12

The customer portion of the fire hydrant service fee shall be calculated on a monthly basis, included in the Ready to Serve charge, invoiced and collected pursuant to the applicable customer service policies.

* * *

12.10.400 Rates – Inside and outside City limits.

The standard charge for water supplied inside and outside the City for residential, and commercial/industrial use shall consist of a customer charge, also termed a “monthly ready to serve charge,” based on the meter size together with the rate for the quantity of water used, and public fire protection fees, where applicable. The standard charge for wholesale shall consist of a monthly ready to serve charge based on contracted peak capacity together with a rate for the quantity of water used.

For water supplied to a single premises which contains multiple dwelling units, i.e., two or more houses under the same ownership, duplexes, apartment buildings, condominiums, mobile home parks, trailer courts, industrial buildings, etc., the monthly charges will be the same as indicated above.

When water is being supplied to an existing multiple premises, i.e., two or more separate premises being served by one service and meter, the “monthly ready to serve charge” will be based on either the existing meter size or on a 5/8-inch meter size for each premises served, whichever is the greater charge.

When more than one service supplies a premises, the consumption of water for each meter shall be computed separately.

A. Standard charges:

1. The monthly ready to serve charge shall be calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies in accordance with the following schedule for residential, commercial/industrial, and commercial/industrial large volume.



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Residential, Commercial & Large Volume – Ready to Serve Charge						
Meter Size (Inches)	Inside City of Tacoma		Outside City of Tacoma		City of University Place	
	Rate Effective Dates					
	1/1/2023	1/1/2024	1/1/2023	1/1/2024	1/1/2023	1/1/2024
5/8	\$26.68	\$27.57	\$32.28	\$33.28	\$34.67	\$35.74
3/4	\$38.55	\$39.92	\$46.52	\$48.10	\$49.97	\$51.66
1	\$62.29	\$64.61	\$75.01	\$77.73	\$80.57	\$83.49
1.5	\$121.64	\$126.33	\$146.23	\$151.79	\$157.06	\$163.04
2	\$192.86	\$200.40	\$231.69	\$240.67	\$248.86	\$258.51
3	\$359.04	\$373.23	\$431.11	\$448.07	\$463.05	\$481.27
4	\$596.44	\$620.13	\$715.99	\$744.35	\$769.04	\$799.51
6	\$1,189.94	\$1,237.38	\$1,428.19	\$1,485.05	\$1,534.02	\$1,595.09
8	\$1,902.14	\$1,978.08	\$2,282.83	\$2,373.89	\$2,451.99	\$2,549.80
10	\$2,733.04	\$2,842.23	\$3,279.91	\$3,410.87	\$3,522.95	\$3,663.62
12	\$4,009.07	\$4,169.32	\$4,811.15	\$5,003.38	\$5,167.65	\$5,374.13

Residential, Commercial & Large Volume - Ready to Serve Charge						
Meter Size (Inches)	Inside City of Tacoma		Outside City of Tacoma		City of University Place	
	Rate Effective Dates					
	1/1/2023	1/1/2024	1/1/2023	1/1/2024	1/1/2023	1/1/2024
5/8	\$26.68	\$28.95	\$32.28	\$34.94	\$34.67	\$37.53
3/4	\$38.55	\$41.92	\$46.52	\$50.51	\$49.97	\$54.24
1	\$62.29	\$67.84	\$75.01	\$81.62	\$80.57	\$87.66
1.5	\$121.64	\$132.65	\$146.23	\$159.38	\$157.06	\$171.19
2	\$192.86	\$210.42	\$231.69	\$252.70	\$248.86	\$271.44
3	\$359.04	\$391.89	\$431.11	\$470.47	\$463.05	\$505.33
4	\$596.44	\$651.14	\$715.99	\$781.57	\$769.04	\$839.49
6	\$1,189.94	\$1,299.25	\$1,428.19	\$1,559.30	\$1,534.02	\$1,674.84
8	\$1,902.14	\$2,076.98	\$2,282.83	\$2,492.58	\$2,451.99	\$2,677.29
10	\$2,733.04	\$2,984.34	\$3,279.91	\$3,581.41	\$3,522.95	\$3,846.80
12	\$4,009.07	\$4,377.79	\$4,811.15	\$5,253.55	\$5,167.65	\$5,642.84



The monthly ready to serve charge shall be in accordance with the following schedule for parks and irrigation.

Parks & Irrigation - Ready to Serve Charge						
Meter Size (Inches)	Inside City of Tacoma		Outside City of Tacoma		City of University Place	
	Rate Effective Dates					
	1/1/2023	1/1/2024	1/1/2023	1/1/2024	1/1/2023	1/1/2024
All	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

The monthly ready to serve charge shall be in accordance with a wholesale customer's contracted peak capacity in MGD times the monthly rate.

Wholesale—Ready to Serve Charge		
Range in MGD (million gallons per day)	Rate Effective Dates	
	1/1/2023	1/1/2024
For each MGD of contracted peak capacity	\$ 2,741.53	\$2,851.19

Wholesale – Ready to Serve Charge		
Range in MGD (million gallons per day)	Rate Effective Dates	
	1/1/2023	1/1/2024
For each MGD of contracted peak capacity	\$ 2,741.53	\$2,993.75

2. The schedule of rates for water used shall be as follows and billed to the nearest CCF (100 cubic feet or approximately 748 gallons):

Residential Service						
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma		City of University Place	
	Rate Effective Dates					
	1/1/2023	1/1/2024	1/1/2023	1/1/2024	1/1/2023	1/1/2024
For each CCF of water consumption during the winter months of October through and including May	\$2.327	\$2.452	\$2.792	\$2.942	\$2.999	\$3.160
For the first five CCF of water consumption per month during the summer months of June through	\$2.327	\$2.452	\$2.792	\$2.942	\$2.999	\$3.160



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and including September						
For each CCF of water consumption over five CCF during the summer months of June through and including September	\$2.909	\$3.065	\$3.490	\$3.678	\$3.749	\$3.950

<u>Residential Service</u>						
<u>Range in CCF (100 cubic feet)</u>	<u>Inside City of Tacoma</u>		<u>Outside City of Tacoma</u>		<u>City of University Place</u>	
	<u>Rate Effective Dates</u>					
	<u>1/1/2023</u>	<u>1/1/2024</u>	<u>1/1/2023</u>	<u>1/1/2024</u>	<u>1/1/2023</u>	<u>1/1/2024</u>
For each CCF of water consumption during the winter months of October through and including May	<u>\$2.327</u>	<u>\$2.575</u>	<u>\$2.792</u>	<u>\$3.089</u>	<u>\$2.999</u>	<u>\$3.318</u>
For the first five CCF of water consumption per month during the summer months of June through and including September	<u>\$2.327</u>	<u>\$2.575</u>	<u>\$2.792</u>	<u>\$3.089</u>	<u>\$2.999</u>	<u>\$3.318</u>
For each CCF of water consumption over five CCF during the summer months of June through and including September	<u>\$2.909</u>	<u>\$3.218</u>	<u>\$3.490</u>	<u>\$3.862</u>	<u>\$3.749</u>	<u>\$4.148</u>



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Commercial and Industrial – General Service						
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma		City of University Place	
	Rate Effective Dates					
	1/1/2023	1/1/2024	1/1/2023	1/1/2024	1/1/2023	1/1/2024
For each CCF of water consumption	\$2.430	\$2.482	\$2.916	\$2.978	\$3.132	\$3.199

Commercial and Industrial - General Service						
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma		City of University Place	
	Rate Effective Dates					
	1/1/2023	1/1/2024	1/1/2023	1/1/2024	1/1/2023	1/1/2024
For each CCF of water consumption	\$2.430	\$2.606	\$2.916	\$3.127	\$3.132	\$3.359

Commercial and Industrial – Large Volume Service *						
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma		City of University Place	
	Rate Effective Dates					
	1/1/2023	1/1/2024	1/1/2023	1/1/2024	1/1/2023	1/1/2024
For each CCF of water consumption	\$1.890	\$1.930	\$2.268	\$2.316	\$2.436	\$2.488
* Customers may qualify for this rate based on an established consumption history greater than 65,000 CCF annually.						

Commercial and Industrial - Large Volume Service *						
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma		City of University Place	
	Rate Effective Dates					
	1/1/2023	1/1/2024	1/1/2023	1/1/2024	1/1/2023	1/1/2024
For each CCF of water consumption	\$1.890	\$2.027	\$2.268	\$2.432	\$2.436	\$2.612
* Customers may qualify for this rate based on an established consumption history greater than 65,000 CCF annually.						

Parks and Irrigation Service						
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma		City of University Place	
	Rate Effective Dates					
	1/1/2023	1/1/2024	1/1/2023	1/1/2024	1/1/2023	1/1/2024
For each CCF of water consumption	\$4.844	\$5.069	\$5.813	\$6.083	\$6.244	\$6.534



<u>Parks and Irrigation Service</u>						
<u>Range in CCF (100 cubic feet)</u>	<u>Inside City of Tacoma</u>		<u>Outside City of Tacoma</u>		<u>City of University Place</u>	
	<u>Rate Effective Dates</u>					
	<u>1/1/2023</u>	<u>1/1/2024</u>	<u>1/1/2023</u>	<u>1/1/2024</u>	<u>1/1/2023</u>	<u>1/1/2024</u>
<u>For each CCF of water consumption</u>	<u>\$4.844</u>	<u>\$5.322</u>	<u>\$5.813</u>	<u>\$6.387</u>	<u>\$6.244</u>	<u>\$6.861</u>

B. Wholesale Service.

Wholesale water service may be provided to community water systems that are in compliance with state Department of Health regulations. All wholesale water agreements are subject to Tacoma Public Utility Board approval. Any customer purchasing wholesale water must adopt or commit, in writing, to a water conservation and water shortage response program substantially equivalent to the Division's program as a condition of service.

1. Water Rates. A wholesale water service customer with contractual agreement from Tacoma Water may choose either a rate schedule below with a corresponding ready to serve charge as described in Section A1 for an outside city customer or a market-based price set by Tacoma Water staff based on an analysis of the wholesale system and their supply alternatives. All wholesale contractual agreements with market-based pricing shall be approved by the Tacoma Public Utility Board and Tacoma City Council.

a. Constant Use Customer:

Wholesale Constant Use Customer		
Range in CCF (100 cubic feet)	Rate Effective Dates	
	1/1/2023	1/1/2024
Per CCF for winter months (October - May)	\$1.370	\$1.377
Per CCF for summer months (June - September)	\$1.713	\$1.721

<u>Wholesale Constant Use Customer</u>		
<u>Range in CCF (100 cubic feet)</u>	<u>Rate Effective Dates</u>	
	<u>1/1/2023</u>	<u>1/1/2024</u>
<u>Per CCF for winter months (October - May)</u>	<u>\$1.370</u>	<u>\$1.446</u>
<u>Per CCF for summer months (June - September)</u>	<u>\$1.713</u>	<u>\$1.807</u>

This option may be considered by those customers using water on a year-round basis where their average summer day use divided by their average winter day use results in a summer/winter use ratio of 2.5 or less.



b. Summer Season, Peaking:

Wholesale Summer Season, Peaking		
Range in CCF (100 cubic feet)	Rate Effective Dates	
		1/1/2023
For each CCF of water consumption	\$2.569	\$2.582

Wholesale Summer Season, Peaking		
Range in CCF (100 cubic feet)	Rate Effective Dates	
		1/1/2023
For each CCF of water consumption	\$2.569	\$2.711

This option will be used for those customers using relatively large amounts of water in the summer months and little or no water in winter months. The ratio of average summer day use divided by average winter day use shall be greater than 2.5.

For purposes of these rates, summer-use months are defined as June through September and winter-use months are October through May.

Existing customers will be classified into one of the two rate schedules upon annual review of their usage patterns. New customers will select a rate based upon anticipated use. This selection will be subject to revision if usage is not consistent with the above options after a six-month period.

2. Additional Water. Additional or new water may be provided by the City to a wholesale customer conditioned upon satisfying the following:

a. For every new customer of the wholesale customer that is provided with water from City's surplus supply, the wholesale customer shall remit to the City (on a monthly basis or by other arrangement as agreed to by the Superintendent) the appropriate SDC for said customer based on meter size in accordance with TMC 12.10.310.

b. That, in lieu of satisfying subsection A above, in the event the wholesale customer is in a water deficient status or later becomes water deficient as determined by the Superintendent in consultation with wholesale customer, then the Superintendent shall establish a SDC equivalent for said wholesale customer. This SDC equivalent shall not be less than what the total "retail customer equivalent" would have been for the total deficiency.

c. That the City and wholesale customer shall enter into a letter agreement setting forth the above requirements and committing the wholesale customer to remit the SDC payment to City. The wholesale customer may be required to provide City with periodic reports, certified to be accurate, detailing pertinent data.

C. Emergency Intertie Service.

Requests for one-way and two-way emergency intertie service between the City and another purveyor will be considered.

The Superintendent may enter into specific agreements, specifying the terms under which water will be furnished or accepted by the Division. Water furnished to a purveyor through an emergency intertie service will be billed as a wholesale service with a ready to serve charge and rate for water used. Billing will be at the constant use rate for up to 30 days. If use exceeds 30 days the Superintendent will have the discretion to change the constant use rate to the summer season peaking rate. Said agreement shall provide that neither party shall be liable for failure to deliver water to the other at any time.



1 D. Fire Protection Service.

2 When a customer does not receive domestic water from the Division and requests a fire service from the
 3 Division the appropriate regular domestic service rates shall apply as detailed above. In addition, all
 4 regular construction fees, main charges and SDC shall apply. Where City water is used for domestic
 5 purposes, such customers are entitled to a separate fire service at the regular fire service rate, payable
 6 monthly as follows:

7 **Fire Protection Service—Ready to Serve Charge**

Meter Size (Inches)	Inside City of Tacoma		Outside City of Tacoma		City of University Place		Maximum Allowable Monthly Water Usage for Testing and Leakage, CCF
	Rate Effective Dates						
	1/1/2023	1/1/2024	1/1/2023	1/1/2024	1/1/2023	1/1/2024	
2	\$29.99	\$30.19	\$35.99	\$36.23	\$38.65	\$38.91	2.99
3	\$43.68	\$43.97	\$52.42	\$52.76	\$56.30	\$56.67	2.99
4	\$72.97	\$73.46	\$87.56	\$88.15	\$94.05	\$94.68	2.99
6	\$163.68	\$164.78	\$196.42	\$197.74	\$210.97	\$212.39	2.99
8	\$291.38	\$293.33	\$349.66	\$352.00	\$375.57	\$378.08	2.99
10	\$455.75	\$458.80	\$546.90	\$550.56	\$587.43	\$591.36	2.99
12	\$728.97	\$733.85	\$874.76	\$880.62	\$939.58	\$945.87	2.99

14 **Fire Protection Service - Ready to Serve Charge**

Meter Size (Inches)	Inside City of Tacoma		Outside City of Tacoma		City of University Place		Maximum Allowable Monthly Water Usage for Testing and Leakage, CCF
	Rate Effective Dates						
	1/1/2023	1/1/2024	1/1/2023	1/1/2024	1/1/2023	1/1/2024	
2	\$29.99	\$31.70	\$35.99	\$38.04	\$38.65	\$40.86	2.99
3	\$43.68	\$46.17	\$52.42	\$55.40	\$56.30	\$59.50	2.99
4	\$72.97	\$77.13	\$87.56	\$92.56	\$94.05	\$99.41	2.99
6	\$163.68	\$173.02	\$196.42	\$207.63	\$210.97	\$223.01	2.99
8	\$291.38	\$308.00	\$349.66	\$369.60	\$375.57	\$396.98	2.99
10	\$455.75	\$481.74	\$546.90	\$578.09	\$587.43	\$620.93	2.99
12	\$728.97	\$770.54	\$874.76	\$924.65	\$939.58	\$993.16	2.99

18 Where such fire service is provided, the monthly rate shall include usage of up to a maximum of 2.99
 19 units of water per month. The 2.99 units of allowable water use is for incidental water use for monthly
 20 leakage and system testing and is the maximum amount allowed in a single month. In any month where
 21 the total consumption is in excess of the amount shown above, the rate for water consumed shall be as
 22 noted below.
 23



Fire Protection Service						
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma		City of University Place	
	Rate Effective Dates					
	1/1/2023	1/1/2024	1/1/2023	1/1/2024	1/1/2023	1/1/2024
For each CCF of water consumption	\$3.960	\$3.960	\$4.752	\$4.752	\$5.104	\$5.104

Fire Protection Service						
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma		City of University Place	
	Rate Effective Dates					
	1/1/2023	1/1/2024	1/1/2023	1/1/2024	1/1/2023	1/1/2024
For each CCF of water consumption	\$3.960	\$4.158	\$4.752	\$4.990	\$5.104	\$5.359

If the Water use in excess of the maximum monthly allowable amount was used in extinguishing fires of incendiary or accidental origin and the customer at the location where the use occurs gives written notice to the Division within ten days from the time of such fire the customer shall pay only for actual water used at the rate noted above. If the Division is not notified the Division will conclude that water is being used for purposes other than extinguishing fires and charge the additional fee noted below of 12 times the monthly rate.

Whenever water from the Division is available on a premise through a service being charged the rate for fire protection only and is used for purposes other than extinguishing fires of incendiary or accidental origin including ongoing leakage of the fire service line and the amount of water used is in excess of the amount shown in the table above, 12 times the ready to serve charge for the specific service in question shall be the monthly minimum charge and the charge for water consumed shall be as noted in the “Fire Protection Service – Rate per CCF” table above. Waivers may be granted from the assessment of the 12 times the ready to serve charge for leaks or other accidental use upon written request with all supporting documentation but the charge for water consumed shall not be waived.

Nonpayment of invoices related to the construction of or monthly use of a fire service will result in the service being turned off and notification of the appropriate fire official who may then disallow occupancy of the premise.

Unauthorized use of water through a detector check meter more than once per calendar year may be cause for installation of a turbine meter assembly, UL/FM approval for fire service assemblies at the expense of the customer. Within the City of Tacoma, whenever water is used for purposes other than extinguishing fires, the amount of water used may be subject to the appropriate sanitary sewer charge as defined in TMC 12.08, in addition to the rates noted above and assessment of the 12 times the ready to serve charge.

Should the unauthorized use continue, including leakage in excess of the maximum amount of water allowed, the service will be considered as other than standby fire protection and be billed in accordance with the type of use pursuant to this section, and shall be subject to payment of the applicable SDC pursuant to TMC 12.10.310. Refusal to pay for the installation of the fire line meter and/or the SDC shall result in termination of service pursuant to TMC 12.10.130.

When a customer desires a fire service for the protection of a premises and the domestic water for said premises is provided from another source, the applicable single-family residential, multi-family residential, or commercial/industrial rates shall apply for the requested fire protection service inside and outside the City, respectively. When any outlet for fire protection purposes is installed on a residential, commercial or industrial service, no rebate will be allowed for water used for extinguishing a fire.



E. The Pulp Mill Contract.

The rates, terms, and conditions in the contract between the City and WestRock CP, LLC (“Pulp Mill”) and all future assignee to the contract are applicable, except as modified by this section. For a nominated contract demand, the water rate will be based on a monthly distribution charge and the daily supply charge. If the monthly water use exceeds 103% of the contract demand or the daily water use exceeds 109% of the contract demand, an excess water usage charge will be applied. The excess water usage charge will be either the daily excess water use charge or the monthly excess water use charge, whichever is greater.

1. Water use within the range of contract demand plus 3 percent: The charge will consist of a monthly distribution charge and daily supply charge per ccf metered as stated below.

2. Daily water use greater than one hundred and nine percent (109%) of the contract demand: The charge will consist of a monthly distribution charge, daily supply charge, plus a Daily Excess Water Usage Charge (based upon the commercial and industrial-large volume rate) for water metered daily in excess of the contract demand plus 9 percent as stated below.

3. Monthly water use greater than one hundred and three percent (103%) of the contract demand: The charge will consist of a monthly distribution charge, daily supply charge, plus a Monthly Excess Water Usage Charge (based on the commercial and industrial-large volume rate) for water metered during a month in excess of the contract demand plus 3 percent, as stated in the following table.

Pulp Mill		
Billing Components	1/1/2023	1/1/2024
Distribution Charge per Month	\$90,825.36	\$94,458.37
Supply Charge/CCF	\$0.8409940	\$0.8746338
Daily or Monthly Excess Water Usage Charge (Commercial and Industrial – Large Volume Rate) per CCF	\$1.890	\$1.930

Pulp Mill		
Billing Components	1/1/2023	1/1/2024
Distribution Charge per Month	\$90,825.36	\$99,181.29
Supply Charge/CCF	\$0.8409940	\$0.9183655
Daily or Monthly Excess Water Usage Charge (Commercial and Industrial - Large Volume Rate) per CCF	\$1.890	\$2.027

4. The Superintendent is hereby authorized to execute a contract with the Pulp Mill to provide additional terms and conditions of service and other provisions consistent with this ordinance.

F. Meter Tests.

If a customer has informed the Division that its water consumption has been above its normal billing consumption and verification discovers no leaks on the customer facilities, the customer may request that the Division test the meter. If the test discloses the meter is accurate within the American Water Works Association (“AWWA”) specifications, the customer will be billed for the test and their water bill will not be adjusted. If the test discloses the meter is not accurate within the AWWA specifications and the inaccuracy is the cause of the recorded high consumption, the customer’s water bill will be adjusted and credit given for the excessive consumption and the customer will not be billed for the test. The charge for testing meters shall be added to the customer’s bill as follows:



Meter Size	Cost
1-inch and smaller	\$75.00
>1-inch	*Estimated Cost

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*The customer shall pay a deposit in the amount of the Division’s estimated cost.
If the actual cost differs from the estimated cost, the customer will be refunded or billed the difference.
The Division will not test meters owned by others.

G. Low Pressure or Low Flow Concerns.

The customer may request the Division to conduct a flow and pressure test on the service to its premises. If the cause of the problem is found to be located on the property side of the meter yoke outlet, the customer will be invoiced for a fee of \$25. If the test discloses that the low flow and/or pressure is caused by Division facilities, the Division will attempt to correct the problem and the customer will not be charged.

H. Low-income Senior and/or Low-income Disabled Residential Rate Discount.

Residential customers who qualify as low-income senior or low-income disabled shall be eligible for a 35 percent reduction from the regular residential water rates. The determination of low-income senior and low-income disabled shall be made as set forth in TMC 12.06.165 for City Light Division (d.b.a. “Tacoma Power”) customers. Customers must submit an application for review and acceptance by the authorized administering agency to qualify for this reduction. For the water rate discount, there is no requirement that a customer be a Tacoma Power customer or submit to an energy audit.

I. Water System Acquisition.

A water system may be acquired by the City under an agreement between the water system owner(s) and the City with Board and City Council approval. When all or a portion of the acquired system requires upgrading equal to Division standards, the agreement shall provide for funds to achieve compliance with said standards. Under the agreement, a surcharge may be levied by the City for a period of time or an LID may be formed in accordance with RCW Title 35. The surcharge shall be an additional charge equivalent to the Ready to Serve charge per month times a multiplier. The current surcharge areas include:

Former Water System	
Andrain	Total Monthly Charge equal to the Ready to Serve charge per month until paid in full.
Curran Road	Total Monthly Charge equal to the Ready to Serve charge per month until paid in full.

* * *



ORDINANCE NO. 28913

1 AN ORDINANCE relating to property tax levies; authorizing an increase in the
2 2023 Ad Valorem general property tax revenue collection in terms of
3 both dollars and percentage for the general property tax levy in 2024.

4 WHEREAS, pursuant to RCW 84.55.120, the City is requesting an increase
5 in the amount collected for the 2024 property tax levy, and

6 WHEREAS it is necessary to identify the amount of estimated revenues
7 from property tax levies to match the estimated expenditures for debt service and
8 other funding requirements, and

9 WHEREAS, this ordinance will authorize the property tax levy to be set at
10 the highest allowable amount over last year's actual levy of \$72,155,263.59,
11 which is an increase of 0.79639 percent, which is a \$574,636.28 increase over the
12 previous year's actual levy, exclusive of additional revenue derived from new
13 construction, improvements to property, newly constructed wind turbines, any
14 annexations that have occurred and administrative refunds made, and any
15 increase in the value of state-assessed property, and
16
17

18 WHEREAS this ordinance will set the property tax levy at \$72,729,899.87,
19 exclusive of new construction, refunds, and change in state assessed valuation,
20 and

21 WHEREAS with new construction, refunds, and change in state assessed
22 valuation, property tax is estimated at \$73,893,000.00, which is consistent with
23 the property tax projected in the 2023-2024 Adopted Budget, and

24 WHEREAS the population of the City of Tacoma is more than 10,000; Now,
25 Therefore,
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BE IT ORDAINED BY THE CITY OF TACOMA:

That the 2024 property tax levy is hereby authorized to increase by 0.79639 percent, and by \$574,636.28 representing an increase to the City’s actual levy from 2023, exclusive of additional revenue derived from new construction, improvements to property, newly constructed wind turbines, any annexations that have occurred and administrative refunds made, and any increase in the value of state-assessed property. With new construction, improvements to property, newly constructed wind turbines, any annexations that have occurred and administrative refunds made, and any increase in the value of state-assessed property, the total levy amount to be collected in 2024 is \$73,893,00.00.

Passed _____

Mayor

Attest:

City Clerk

Approved as to form:

Interim City Attorney



ORDINANCE NO. 28914

1 AN ORDINANCE relating to property tax levies; fixing the amount of the Ad
2 Valorem tax levies necessary to identify the amount of the estimated
3 revenues from property tax levies to match estimated expenditures for
4 debt service and other funding requirements.

4 WHEREAS, pursuant to RCW 84.52.020 and RCW 84.52.070, the City
5 of Tacoma is requesting property taxes in the amount as described below and
6 as certified to Pierce County, and

7 WHEREAS the City must take two actions to set the regular property
8 tax levy for 2024: (1) approve the total regular levy amount to be collected; and
9 (2) approve the percentage and dollar increase over the prior year's actual
10 levy, and
11

12 WHEREAS the estimated 2024 general property tax revenue collection is
13 set at \$72,729,899.87 exclusive of additional revenue derived from new
14 construction, improvements to property, new constructed wind turbines, any
15 annexations that have occurred, and administrative refunds made, and any
16 increase in the value of state-assessed utility property, and
17

18 WHEREAS the City anticipates that it can collect an additional
19 \$902,348.97 due to the value of new construction and improvements, and
20 \$260,235.01 in state assessed valuation and the refund levy, and \$516.16
21 additional revenue from increase in state assessed valuation, and
22

23 WHEREAS the total estimated property tax of \$73,893,000.00 is consistent
24 with the property tax projected in the 2023-2024 Adopted Budget, and
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WHEREAS jurisdictions with populations of 10,000 or greater are limited to increasing the City's levy by the lower of 1 percent or the rate of inflation, and

WHEREAS the population of the City of Tacoma is more than 10,000;

Now, Therefore,

BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. That the City of Tacoma hereby certifies to Pierce County ("County") the total levy amount of \$73,893,000.00 including the amount derived from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state-assessed property, and any annexations that have occurred and refunds made, to be collected in 2024.

Section 2. That the taxes herein provided for are levied to match the estimated expenditures for debt service and other funding requirements and are hereby levied upon all real and personal property as shown by the assessment in the County, as finally and hereafter fixed by the County and State Board of Equalization, and as finally extended upon the books of the County Assessor showing the property within the City subject to taxation for municipal purposes and upon the amount of said real and personal property in accordance with certified assessed valuation of all taxable property within the City of Tacoma as fixed in 2023 for collection in 2024, as provided by the Pierce County Assessor.



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Section 3. That the taxes collected from levies hereby fixed and made, together with the estimated revenues from sources other than Ad Valorem taxation, which will constitute the appropriations of the City for the fiscal year 2024 are hereby available for appropriation, all as itemized and classified in the Biennial Budget for fiscal years 2023-2024, as adopted, pursuant to the laws of the state of Washington.

Passed _____

Mayor

Attest:

City Clerk

Approved as to form:

Interim City Attorney



ORDINANCE NO. 28915

1 AN ORDINANCE relating to property tax levies; authorizing an increase for the
2 Emergency Medical Services property tax levy in terms of both dollars
and percentage.

3 WHEREAS, pursuant to RCW 84.55.120, the City is requesting an increase
4 in the amount collected in 2023 for the Tacoma Emergency Medical Services
5 in the amount collected in 2023 for the Tacoma Emergency Medical Services
6 (“EMS”) property tax levy, and

7 WHEREAS it is necessary to identify the amount of estimated revenues
8 from property tax levies to match the estimated expenditures for debt service and
9 other funding requirements, and

10 WHEREAS this ordinance will authorize the property tax levy to be collected
11 in the 2024 tax year to be set at the highest allowable amount over last year’s
12 actual levy of \$12,073,041.41, which is a 74.27204 percent increase, representing
13 a \$9,089,651.14 increase over the previous year’s actual levy, and

14 WHEREAS the large increase is due to the recent levy of \$0.50 per \$1,000
15 assessed property value, approved by voters in August 2023, and

16 WHEREAS this ordinance will allow the EMS levy to be set at
17 \$21,327,972.68, the highest allowable amount under statutory rate limitation, and
18 an additional \$527.32 due to change in state assessed valuation for a total
19 Emergency Medical Services property tax of \$21,328,500.00, and

20 WHEREAS the assessed values in the EMS property tax boundary have
21 increased since 2012, with the current valuation at \$42,655,945,369.00, and
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1 WHEREAS the current EMS levy rate is \$0.50 per \$1,000 in assessed
 2 value, and the revenue amount proposed is consistent with revenues budgeted
 3 in 2024, and

4 WHEREAS the population of the City of Tacoma is more than 10,000;
 5
 6 Now, Therefore,

7 BE IT ORDAINED BY THE CITY OF TACOMA:

8 That the Emergency Medical Services property tax levy for collection in
 9 2024 is hereby authorized to increase by 74.27204 percent and \$9,089,651.14
 10 from the previous year's actual levy of \$12,238,321.54, with an additional \$527.32
 11 from a change in state assessed valuation for a total of \$21,385,500.00.

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 13 Passed _____

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 16 _____
 Mayor

17 Attest:
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 19 _____
 City Clerk

20 Approved as to form:
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 23 Interim City Attorney

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ORDINANCE NO. 28916

1 AN ORDINANCE relating to property tax levies; fixing the amount of the
 2 Emergency Medical Services levy necessary to identify the amount of
 3 the estimated revenues from the property tax levy to match estimated
 4 expenditures for debt service and other funding requirements.

5 WHEREAS, pursuant to RCW 84.52.020 and RCW 84.52.070, the City of
 6 Tacoma is requesting property taxes for Emergency Medical Services (“EMS”) in
 7 the amount as described below and as certified to Pierce County, and

8 WHEREAS property tax levies are limited by RCW 84.55.0101, to an
 9 increase of 1 percent on the highest levy since 1985, and by RCW 84.52.069, to
 10 \$0.50 per \$1,000 of assessed property value in the taxing district, and

11 WHEREAS the 2024 levy is limited to \$21,327,972.68, and does not include
 12 new construction and refunds, and

13 WHEREAS the City must take two actions to set the regular EMS tax levy for
 14 2024: (1) approve the total EMS levy amount to be collected; and (2) approve the
 15 EMS levy rate, setting the rate at \$0.50 per \$1,000 assessed value as approved by
 16 voters in August 2023, and

17 WHEREAS the City has the authority to increase the total EMS levy amount
 18 to \$21,327,972.68 in 2024, which includes the levy rate of \$0.50 per \$1,000
 19 assessed property value approved by voters in August 2023, and

20 WHEREAS the City anticipates that it can collect an additional \$527.32 due
 21 to a change in state assessed value, and
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WHEREAS the total estimated EMS property tax of \$21,328,500.00 is consistent with the property tax projected in the proposed 2023-2024 Mid-Biennium Budget Modification, and

WHEREAS jurisdictions with populations of 10,000 or greater are limited to increasing the City's levy by the lower of 1 percent or the rate of inflation, and the implicit price deflator used to measure inflation is 3.67 percent; Now, Therefore,

BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. That the City Council approves setting the rate of \$0.50 per \$1,000 assessed value as approved by votes in August 2023.

Section 2. That the City of Tacoma hereby certifies to Pierce County the total levy for Emergency Medical Services in the amount of \$21,327,972.68, and an additional \$527.32 due to a change in state assessed value to be collected in 2024.

Section 3. That the taxes herein provided for are levied to match the estimated expenditures for debt service and other funding requirements and are hereby levied upon all the real and personal property as shown by the assessment in Pierce County ("County") as finally and hereafter fixed by the County and State Board of Equalization, and as finally extended upon the books of the County Assessor showing the property within said City, subject to taxation for municipal purposes and upon the amount of said real and personal property in accordance with certified assessed valuation of all taxable property within the City of Tacoma as fixed in 2023 for collection in 2024, as provided by the Pierce County Assessor.



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Section 4. That the taxes collected from the levy hereby fixed and made, together with the estimated revenues from sources other than Ad Valorem taxation, which will constitute the appropriations of the City for the fiscal year 2024, are hereby available for appropriation, all as itemized and classified in the Biennial Budget Modification for the fiscal years 2023-2024, as adopted, pursuant to the laws of the state of Washington.

Passed _____

Mayor

Attest:

City Clerk

Approved as to form:

Interim City Attorney



ORDINANCE NO. 28917

1 AN ORDINANCE relating to the Biennial Operating Budget; amending the
2 2023-2024 Biennial Operating Budget to appropriate funds for
3 contractual obligations, transfers, and other budget adjustments;
4 authorizing interfund transfers and contributions; and accepting,
5 depositing, and appropriating miscellaneous donations, contributions,
6 and/or fees.

7 WHEREAS this ordinance will adjust the Biennial Operating Budget for
8 departments for the following reasons: (1) obligations from 2023-2024 that are not
9 complete; (2) transfers to the Capital Budget for City Council-approved capital
10 projects; and (3) other recommended adjustments, and

11 WHEREAS the budget adjustment will increase the 2023-2024 Operating
12 Budget by the amount of \$61,537,111, which is funded by grants, existing fund
13 balances, and other miscellaneous revenue sources, and

14 WHEREAS the General Fund portion of the budget increase is \$15,899,674,
15 with balances reserved for encumbrances and an adjustment to the sales tax plan
16 offset this General Fund increase; Now, Therefore,

17 BE IT ORDAINED BY THE CITY OF TACOMA:

18 That the Biennial Operating Budget ("Biennial Budget") of the City for
19 fiscal years 2023-2024 is hereby amended by adopting the proposed
20 modifications set forth in Exhibit "A," and Exhibit "B," which provides the
21 expenditures, revenues and totals by fund and category, and which exhibits are
22 attached hereto and incorporated as part of this ordinance; and that the
23 Biennial Operating Budget shall be deemed to be and is hereby amended for
24 recommended budget adjustments, 2023-2024 contract obligations, and
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26



1 transfers to the Capital Budget for Council-approved capital projects with
2 outstanding balances or budget adjustments.

3
4 Passed _____

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6 _____
7 Mayor

8 Attest:
9 _____
10 City Clerk

11 Approved as to form:
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13 _____
14 Interim City Attorney

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ORDINANCE NO. 28918

1 AN ORDINANCE relating to the 2023-2024 Capital Budget; modifying the
2 2023-2024 Capital Budget to recognize changes in transfers, additional
revenues, and budget adjustments.

3 WHEREAS under RCW 35.34, this ordinance is necessary to appropriate
4 estimated expenditures and revenues, and use of available funds for the biennium,
5 and
6

7 WHEREAS this ordinance will adjust the Capital Budget (“Budget”) for the
8 following reasons: (1) to appropriate additional project funding; (2) new grant
9 revenues; and (3) other recommended adjustments as outlined in the attached
10 exhibits, and
11

12 WHEREAS the Growth Management Act requires a capital facilities element
13 of the comprehensive plan that is periodically reviewed and updated; this element
14 serves as a planning document for capital projects and enables the City to seek
15 funding for potential projects, and
16

17 WHEREAS the Capital Facilities Program helps inform development of the
18 City’s Biennial Capital Budget, and as the biennium progresses, changes to the
19 budget are necessary due to variances in capital revenue projections and
20 unforeseen expenditure adjustments and/or needs, and
21

22 WHEREAS the purpose of the Budget amendment is to more accurately
23 budget for the ongoing needs of the City, and
24

25 WHEREAS the Budget consists of three funds with multi-year appropriation
26 authority: (1) the Transportation Capital and Engineering Fund (1060); (2) the Paths



and Trails Reserve Fund (1140); and the Capital Projects Fund (3211), and the
1 transfers and adjustments to these funds are outlined in the attached exhibits, and

2 WHEREAS this ordinance is necessary to ensure the execution of capital
3 project commitments and will not negatively impact financial reserves; Now,
4

5 Therefore,

6 BE IT ORDAINED BY THE CITY OF TACOMA:

7 That the Capital Budget (“Budget”) for the City for fiscal years 2023-2024 is
8 hereby amended by adopting the proposed modifications as set forth in Exhibit “A”
9 and Exhibit “B,” which provides project-by-project detail within each fund, including
10 total project budgets and remaining balance, which exhibits are attached hereto and
11 incorporated herein as part of this ordinance; and that the Budget shall be deemed
12 to be and is hereby amended for the recommended budget adjustments, to provide
13 for the appropriation and expenditure of said funds, and for transfers to the Budget
14 for City Council-approved projects.
15

16 Passed _____
17

18
19 _____
20 Mayor

21 Attest:

22 _____
23 City Clerk

24 Approved as to form:

25
26 _____
Interim City Attorney