

**ORIGINAL**

**INTERLOCAL AGREEMENT BETWEEN PIERCE COUNTY AND THE CITY OF UNIVERSITY PLACE REGARDING ADMINISTERING FUNDS GENERATED AS A RESULT OF STATE OF WASHINGTON SHB 2060**

**THIS AGREEMENT** is entered into this day by and between **PIERCE COUNTY**, a political subdivision of the State of Washington (herein referred to as "COUNTY") and the **CITY OF UNIVERSITY PLACE**, all municipal corporations of the State of Washington (herein referred to as "CITY").

WHEREAS, the Washington State Legislature passed Substitute House Bill 2060 (SBH 2060) during the 57<sup>th</sup> Legislative session which became effective on June 13, 2002; and

WHEREAS, SHB 2060 authorizes a ten dollar surcharge on certain documents recorded with the auditors office for the purpose of providing funds for affordable low-income housing; and

WHEREAS, the COUNTY and the CITY agree additional resources are needed to assist in the development and preservation of affordable low-income housing; and

WHEREAS, the COUNTY and the CITY are required to develop an Interlocal Agreement that is consistent with countywide and local housing needs and policies; and

WHEREAS, the parties are authorized to enter into such agreements by virtue of Chapter 39.34 RCW;

NOW, THEREFORE, in consideration of the terms and conditions contained herein, it is mutually agreed by and between the COUNTY and the CITY as follows:

**SECTION 1. PURPOSE.** The purpose of this agreement is to provide for the implementation of Substitute House Bill 2060 (SBH 2060) and to memorialize the agreement between the parties relating to administration of the funds generated by the bill.

**SECTION 2. COUNTY OBLIGATIONS.** The COUNTY shall:

1. Collect the required revenue authorized by SHB 2060 and hold it in a single fund; and
2. Participate in activities in accordance with the attached 2060 Guiding Principles, which are attached to and incorporated by reference to this Agreement as Exhibit 1; and
3. Disburse funds to designated eligible recipients in accordance with the attached 2060 Guiding Principles; and
4. Provide an annual written summary of funds collected and expended under the terms of this agreement to all parties.

**SECTION 3. CITY OBLIGATIONS.** The CITY shall issue a letter of consistency with their current Comprehensive Land Use Plan(s) and Department of Housing and Urban Development, Consolidated Housing and Community Development Plan (as appropriate) for approved projects that are located within their jurisdictional boundaries.

**SECTION 4. TERM OF THE AGREEMENT.** This Agreement shall commence on the date of execution of this Agreement and terminate on the date on which the Washington State Legislature withdraws its funding for the program established by SHB 2060. This Agreement shall automatically renew for one (1) year increments beginning January 1 and ending midnight, December 31, unless terminated by giving ninety (90) days written notice to the other party.

**SECTION 5. INDEMNIFICATION AND DEFENSE.** The COUNTY shall defend, indemnify, and save harmless the CITY, its officers, employees, and agents from any and all costs, claims, judgments, or awards of damages, resulting from the acts or omissions of the COUNTY, its officers, employees, or agents associated with this Agreement. In executing this Agreement, the COUNTY does not assume liability or responsibility for or in any way release the CITY from any liability or responsibility which arises in whole or in part from the existence or effect of Substitute Housing Bill 2060, ordinances, rules, regulations, resolutions, customs, policies, or practices. If any cause, claim, suit, action or administrative proceeding is commenced in which the enforceability and/or validity of any such law, ordinance, rule, regulation, resolution, custom, policy or practice is at issue, the CITY shall defend the same at its sole expense, and if judgment is entered or damages are awarded against the CITY, the COUNTY, or both, the CITY shall satisfy the same, including all chargeable costs and attorney's service charges.

The CITY shall defend, indemnify and save harmless the COUNTY, its officers, employees and agents from any and all costs, claims, judgments, or awards of damages, resulting from the acts or omissions of the CITY, its officers, employees or agents associated with this Agreement. In executing this Agreement, the CITY do not assume liability or responsibility for or in any way release the COUNTY from any liability or responsibility which arises in whole or in part from the existence or effect of COUNTY ordinances, rules, regulations, resolutions, customs, policies, or practices. If any cause, claim, suit, action, or administrative proceeding is commenced in which the enforceability and/or validity of any such COUNTY ordinance, rule, regulation, resolution, custom, policy, or practice is at issue, the COUNTY shall defend the same at its sole expense, and if judgment is entered or damages are awarded against the COUNTY, the CITY, or both, the COUNTY shall satisfy the same, including all chargeable costs and attorney's service charges.

**SECTION 6. NO THIRD-PARTY BENEFICIARY.** The COUNTY does not intend by this Agreement to assume any contractual obligations to anyone other than the CITY, and the CITY does not intend by this Agreement to assume any contractual obligations to anyone other than the COUNTY. The COUNTY and the CITY do not intend that there be any third-party beneficiary to this Agreement.

**SECTION 7. INSURANCE COVERAGE.** The CITY shall maintain at all times during the course of this Agreement a general liability insurance policy or other comparable coverage with a self-insured retention of no more than \$2,000,000.00 and a policy limit of no less than \$5,000,000.00 dollars.

**SECTION 8. NON-DISCRIMINATION.** The COUNTY and the CITY certify that they are Equal Opportunity Employers.

**SECTION 9. ASSIGNMENT.** Neither the COUNTY nor the CITY shall have the right to transfer or assign, in whole or in part, any or all of its obligations and rights hereunder without the prior written consent of the other Party.

**SECTION 10. NOTICE.** Any formal notice or communication to be given by the COUNTY to the CITY under this Agreement shall be deemed properly given, if delivered, or if mailed postage prepaid and addressed to:

City of University Place  
3715 Bridgeport Way West  
University Place, Washington 98466

Any formal notice or communication to be given by the CITY to the COUNTY under this Agreement shall be deemed properly given, if delivered, or if mailed postage prepaid and addressed to:

Pierce County Department of Community Services  
8815 South Tacoma Way, Room 202  
Lakewood, WA 98499-4588

Attention: Director

The name and address to which notices and communications shall be directed may be changed at any time, and from time to time, by either the CITY or the COUNTY giving notice thereof to the other as herein provided.

**SECTION 11. COUNTY AS INDEPENDENT CONTRACTOR.** COUNTY is, and shall at all times be deemed to be, an independent contractor. Nothing herein contained shall be construed as creating the relationship of employer and employee, or principal and agent, between the CITY and COUNTY or any of the COUNTY's agents or employees. The COUNTY shall retain all authority for rendition of services, standards of performance, control of personnel, and other matters incident to the performance of services by COUNTY pursuant to this Agreement.

Nothing in this Agreement shall make any employee of the CITY a COUNTY employee

or any employee of the COUNTY a CITY employee for any purpose, including, but not limited to, for withholding of taxes, payment of benefits, worker's compensation pursuant to Title 51 RCW, or any other rights or privileges accorded COUNTY or CITY employees by virtue of their employment.

**SECTION 12. WAIVER.** No waiver by a party of any term or condition of this Agreement shall be deemed or construed to constitute a waiver of any other term or condition or of any subsequent breach, whether of the same or a different provision of this Agreement.

**SECTION 13. ENTIRE AGREEMENT.** This Agreement contains all of the agreements of the Parties with respect to any matter covered or mentioned in this Agreement and no prior or other agreements shall be effective for any purpose.

**SECTION 14. AMENDMENT.** Provisions within this Agreement may be amended with the mutual consent of the parties hereto. No additions to, or alteration of, the terms of this Agreement shall be valid unless made in writing, formally approved, and executed by duly authorized agents of both parties.

**SECTION 15. NO REAL PROPERTY ACQUISITION OR JOINT FINANCING.** This Interlocal Agreement does not provide for the acquisition, holding or disposal of real property. Nor does this Agreement contemplate the financing of any joint or cooperative undertaking. There shall be no budget maintained for any joint or cooperative undertaking pursuant to this Interlocal Agreement.

**SECTION 16. FILING.** Copies of this Interlocal Agreement, together with the resolution of the Pierce County Council and the CITY Council's approving and ratifying this Agreement, shall be filed with the CITY Clerk, the Pierce County Auditor, and the Secretary of State of Washington after execution of the Agreement by both parties.

**SECTION 17. SEVERABILITY.** If any of the provisions contained in this Agreement are held illegal, invalid or unenforceable, the remaining provisions shall remain in full force and effect.

IN WITNESS WHERE OF, the parties have caused this Agreement to be executed on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.



---

---

Approved as to Form:



---

**PIERCE COUNTY**

*Tom J. Halyard* 9/9/03  
DEPARTMENT DIRECTOR Date

*M. Peter Pholley* 09/09/03  
DEP. PROSECUTING ATTY Date  
(as to form only)

*C. Kenney* 9-18  
BUDGET AND FINANCE Date

*J. J. [Signature]* 10/3/03  
COUNTY EXECUTIVE Date  
(if over \$250,000)

**EXHIBIT 1: Attachment to SHB 2060-Interlocal Agreement.**

**PIERCE COUNTY 2060 COMMITTEE**  
**Guiding Principles for Interlocal Agreement**

**Introduction**

The provisions of Substitute House Bill 2060 became law in Washington State on June 13, 2002. The law created a document recording fee on certain documents to be utilized for low-income housing. Administration of the fund is shared between local governments and the State. The local portion of 2060 funds is to be administered pursuant to an Interlocal Agreement between the County and the Cities and Towns within the County.

A 2060 Planning/Implementation group was invited to come together to produce guidelines for the use of the Pierce County 2060 funds. The Pierce County 2060 group was made up of representatives of Cities and the County.

As constructed by the Planning/Implementation Committee this plan provides:

- ❖ Flexible funding to address all eligible activities within the law; and
- ❖ Funding stability for jurisdictions and opportunities for both urban and rural communities; and
- ❖ Operation and maintenance funding for our community's emergency shelter system; and
- ❖ The opportunity to plan strategic investments in housing through a regional approach.

It is the intent of the Pierce County 2060 Planning/Implementation Committee to provide the following Guiding Principles to the designated Steering Committee for the implementation of SHB 2060. It is recognized that the Steering Committee shall be charged with the responsibility of developing policies and procedures that meet the intent of these guiding principles.

**A. Steering Committee**

A 2060 Steering committee shall be established and meet semi-annually to distribute funding. The Steering Committee shall be comprised of one (1) member from each of the three HUD-CDBG Prime Sponsor federal jurisdictions in Pierce County. They are; the City of Tacoma, the City of Lakewood and Pierce County. There will be four (4) at-large members appointed by the Pierce County Association of Cities and Towns. This Committee shall always be composed of an odd number of representatives in order to facilitate arriving at majority votes on projects.

**B. Review Committee**

A 2060 Review Committee shall be established to provide expert Project review & analysis for all applications submitted for consideration. The Review Committee shall be comprised of One (1) staff representative from each of the following: City of Tacoma, the City of Lakewood and Pierce County.

**C. Fund Availability**

- ❖ On a semi-annual basis PCCS shall on behalf of Pierce County publish a Notice Of Funds Availability (NOFA) through its established methods. This notice will set forth the amount of funds available by category; the duration of funds to be awarded or distributed; the deadline for submission of funding applications; and any other pertinent information related to the process and or decisions.
- ❖ Applications will be distributed to all parties requesting them and as appropriate Pierce County will make copies of completed applications and/or distribute the accepted applications to the Review and Steering Committee's for consideration.
- ❖ The application format for 2060 funds shall be the same as is used by the State of Washington, Housing Trust Fund or subsequently modified version(s) containing the same detailed information.

**D. Eligible Recipients**

- ❖ Eligible recipients of the funding from 2060 shall be Certified Non-Profit Agencies/Providers of Affordable Housing, Cities, Towns, the County, and for-profit developers.

**E. Fund Distribution**

- ❖ Operating and maintenance funds for local shelters:

Sixteen percent (16%) of the 2060 funds available in any given year shall be designated for the operation and maintenance of local shelters. In view of Associated Ministries historic role in serving as the conduit for funding targeted to local shelters it is recommended that Associated Ministries serve in that same capacity for this fund source. Therefore these funds would be transferred to Associated Ministries, the local provider of the State Emergency Shelter Assistance Program to provide operating and maintenance funds for local shelters.

- ❖ Notice Of Funding Availability:

The remaining 84% of the funds shall be included in the spring and fall NOFA process addressing the categories of need enumerated herein:

1. Acquisition, rehabilitation and/or New Construction of housing projects or units within housing projects that serve clients who have incomes at or below 50% of the Median income, based on HUD income guidelines for the Pierce County-Metropolitan Statistical Area (MSA).
2. Operating and maintenance costs for housing that is in compliance with SHB 2060. [Applicants shall be strongly encouraged to apply to the State Department of CTED for these dedicated funds.]
3. Rental Assistance vouchers for housing projects or units within housing projects that are at or below 50% of median based on HUD income for the Pierce County MSA and administered by a local housing authority or other local organization that has an existing rental assistance voucher program consistent with HUD Section 8.

**F. Availability of Applications:**

Phase	Spring	Fall
Applications Available:	March	October
Applications Due:	April	November
Review Committee Meetings:	April	November
Steering Committee Meetings:	May	December
Decisions announced by:	May	December
Funds Available**:	May	December
**(After Contracts/Agreements signed).		

**G. Reporting Requirements:**

Recipients of the 2060 funding shall provide quarterly and annual reports detailing their use of funds on a format acceptable to the Pierce County Department of Community Services.

Pierce County shall provide a written report detailing the uses to which the funds were put and disseminate the same to all participating jurisdictions and participant/applicants on an annual basis.

**H. Terms and Conditions of Funding:**

Funds for emergency shelter operations shall be provided through Associated Ministries in the form of a grant with no reversion of asset clauses. Further, Associated Ministries warrants that none of funds covered by this agreement will be expended for administration.

Funds that are provided for operation and maintenance shall be distributed in the form of a grant.



Funding provided to other agencies for acquisition, rehabilitation or new construction (capital development) shall be distributed in the form of a Loan or Grant at the discretion of the Steering committee. The reversion of assets clause for proposals funded in this category shall reflect an amortization over a period of 25-50 years or as determined by the Steering Committee based on project and need.

**F. 2060 Project Review:**

The 2060 Implementation Plan will be reviewed after the first full year's operation. The Steering Committee, Review Committee, with input from non-profits and other interested parties, shall review program operation and implement any appropriate changes.

**J. Measurement System for Allocating Revenue:**

The funding available in each round shall be determined by the amount collected in the fund on the month ending prior to application availability less any prior funding commitments.

**K. Default by 2060 Fund Recipient:**

When it is discovered that a recipient of funding from 2060 has misappropriated or misused funds there shall be a penalty imposed. The restitution imposed shall be designed to insure that the intended public benefit is preserved; that resources that were targeted to assist are recovered; and that the cost to the offending party is sufficient to deter similar acts. The specific amounts will be set on a case by case basis.

**L. Grievance Process:**

Applicants who feel they have been treated unfairly in the process or have not had their applications considered appropriately, shall have the opportunity to present both written and oral testimony to the Steering Committee. The Steering Committee shall establish a process for hearing such grievances. Decisions of the Steering Committee shall be final.

**M. Geographic Equity:**

The Steering Committee shall be responsible for making certain that funds are distributed in a manner that provides long-term geographic equity. The overall intent is to insure overtime that all areas of Pierce County receive appropriate levels of funding through this initiative. The Equity formula shall be based on a 5-year cycle (i.e.: each sub-region shall receive its fair share of funding every five years.)

For the purposes of the 2060 fund, Pierce County shall be divided into two sub-regions: Tacoma/Lakewood and the balance of Pierce County.

Using the US Census, HUD extracts, which provide demographic information on residents by income, the 84% of the 2060 fund available through the NOFA shall be divided. Taking the percentage of Pierce County residents who are at or below the 50% of median income standard and applying it, such that each region receives a portion of the available funding consistent with their percent of the population at or below the stated standard.

When available the 2000 HUD census extract will be used for determining the equity formula. Until that time, the 1990 HUD census information shall be used.

**N. Subsidy Per Unit:**

The amount of 2060 funding per housing unit shall be set by the Steering Committee at a rate consistent with rates employed by other similar fund sources within the surrounding geographic area. A unit shall be defined as a single-family home or a single apartment of any size in a multi-family complex. For example, a single-family duplex would be considered 2 units.

**O. Project Monitoring:**

Pierce County shall monitor all projects for compliance with the funding terms and conditions in the contract(s). Associated Ministries shall be required to provide quarterly and annual reports on the distribution of the 2060 funds dedicated to shelter operations and maintenance.