

# **AGREEMENT BETWEEN THE CITY OF TACOMA AND TACOMA COMMUNITY REDEVELOPMENT AUTHORITY**

## **HOME ARP Subrecipient 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 "Subrecipient". Subrecipient 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 **September 15, 2022** and terminates **September 30, 2030**. Per HOME ARP regulations funding under this Agreement must be committed to projects no later than September 30, 2030. Funding under this Agreement must be disbursed for committed projects no later than July 31, 2023. The City reserves the right to extend this Agreement for additional periods, and may be done without City Council approval. The decision to extend this Agreement is subject to the availability of funding, the continued priority of need for a specific service, and satisfactory performance by the Subrecipient during the period specified in this Agreement. Notification of intent to contract for additional periods with the Subrecipient will occur prior to the expiration of this Agreement.

### **2. CONSIDERATION**

The maximum consideration for this Agreement shall not exceed **\$3,935,336 (Three Million Nine Hundred Thirty Five Thousand Three Hundred and Thirty Six Dollars and No/100)**

### **3. SCOPE OF WORK AND REIMBURSEMENT**

- A. The City agrees to pay the Subrecipient 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 City cannot make payment to the Subrecipient due to non-payment by the funding source, the failure to pay by the City shall not constitute a breach of contract.

#### **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 Subrecipient shall comply with 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

- Any related provisions of the Code of Federal Regulations (CFR), Washington Administrative Code (WAC) and Revised Code of Washington (RCW), or any subsequent amendments to these provisions.
- 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 Subrecipient 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 Subrecipient will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that all qualified applicants will receive consideration for employment without regard to 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. For newspaper advertisements, the Subrecipient may state that the Subrecipient is an Equal Opportunity Employer, instead of using the longer qualification.
- E. The Subrecipient 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 Subrecipient'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 Subrecipient 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.

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

## **6. DRUG-FREE WORKPLACE**

The Subrecipient 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, but no later than sixty (60) calendar days after the effective date of this Agreement.

## **7. RECORDS AND REPORTS**

- A. The Subrecipient shall retain all books, records (including medical and treatment records), documents, reports, and other data relevant to this Agreement, for a minimum of six (6) years after expiration or termination of this Agreement, unless longer and otherwise provided or required by law. 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 Subrecipient shall comply with OMB's Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments and other such uniform administrative requirements for grants-in-aid now in effect or which hereafter may be made applicable by local, state or federal laws or regulations, and found at 2 CFR 200. This shall include clearly separating allowable costs from unallowable costs, in accordance with the regulations and restrictions normally associated with federal programs including 2 CFR 200 Subparts A-F (as appropriate). All of the above are incorporated in this Agreement by reference.
  
- D. The Subrecipient 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.
  
- E. On behalf of the Subrecipient, 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 Subrecipient 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 Subrecipient 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. Subrecipients shall maintain their fiscal books, records, documents, and other data in a manner consistent with generally accepted accounting principles.

- F. 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, the State Auditor, and officials of the federal government 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 Subrecipient 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. DEBARMENT OF SUBRECIPIENT AND CONTRACTORS**

The Subrecipient shall assure that, its officers, agents, subcontractors and consultants shall not fund, contract with, or engage the services of any consultant, subcontractor, supplier, or other party who is debarred, suspended, or otherwise ineligible to receive funds. The names of all contractors, subcontractors, consultants, suppliers, and other parties who will receive funding under this project shall be checked and approved by the City before entering into any agreement with them for the provision of goods and services.

The Subrecipient certifies that the Subrecipient is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in the Agreement by any federal department or agency. If requested by the City, the Subrecipient shall complete a Certification of Debarment, Suspension, Ineligibility, and Voluntary Exclusion form.

## **10. RESOLUTION OF DISPUTES**

- A. A Subrecipient with 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 Subrecipient elects to register a formal complaint, a Subrecipient 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 Subrecipient acknowledging receipt of the complaint. The Housing Division Manager or designee shall also promptly contact the Subrecipient 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 Subrecipient'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 Subrecipient elects to pursue the complaint further, the Subrecipient 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 Subrecipient 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 Subrecipient'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 Subrecipient 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

Subrecipient's address of record.

## 11. LOBBYING CERTIFICATION

The Subrecipient 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 Subrecipient, 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.
- B. If federal appropriated funds have been paid, or will be paid, 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 this federally funded agreement, the Subrecipient shall complete and submit to the City, a federal Standard Form-LLL, "Disclosure Form To Report Lobbying" in accordance with its directions. The form is available from the City on request.
- C. The Subrecipient shall require that the language of this certification be included in all agreements issued to their subcontractors, and that all recipients certify and disclose accordingly.
- D. For federally funded Agreements, this certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, and U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000.00 and not more than \$100,000.00 for each such failure.



IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

**CITY OF TACOMA**

**TACOMA COMMUNITY REDEVELOPMENT  
AUTHORITY**

\_\_\_\_\_  
Elizabeth Pauli, City Manager

\_\_\_\_\_  
TCRA Authorized Officer

\_\_\_\_\_  
Jeff Robinson, Director  
Community & Economic Dev. Dept.

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Andrew Cherullo, Finance Director

EIN: 91-1061825

Unique Entity Identifier (UEI):  
YUWKM2N6N4G4

Approved as to form:

\_\_\_\_\_  
Deputy City Attorney

Attest:

\_\_\_\_\_  
Doris Sorum, City Clerk

## **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, Subrecipients, 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.

"CFR" means Code of Federal Regulations. All references in this Agreement to CFR chapters or sections shall include any successor, amended, or replacement regulation. The CFR may be accessed at <https://www.gpo.gov/fdsys/browse/collectionCfr.action?collectionCode=CFR>.

"Continuum of Care" shall mean the Tacoma/Lakewood/Pierce County Continuum of Care, who is administered by Pierce County and codified into law by the McKinney-Vento Homeless Assistance Act as Amended by S.896 HEARTH Act of 2009.

"Coordinated Entry" shall mean the Tacoma/Lakewood/Pierce County Continuum of Care's process for ensuring that all people experiencing a housing crisis have fair and equal access and are quickly identified, assessed for, referred, and connected to housing and assistance based on their strengths and needs.

"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.

"HOME ARP Allocation Plan" shall mean the Plan approved by the U.S Department of Housing and Urban Development for the Tacoma-Lakewood Consortium pursuant to Notice CPD-21-10 (the "Notice").

"HOME ARP Written Agreement" shall mean that specific document between the City and Subrecipient, the Subrecipient and Developer, or the Subrecipient and any Beneficiary detailing the HOME ARP and other federal requirements, as appropriate for the project, as provided for in Notice CPD-21-10 and 24 CFR Part 92.504, and including, but not limited to the use of HOME ARP funds, any affordability requirements, the project requirements, and property standards.

"Household" shall mean all persons, including the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share, or who intend to share a, housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household.

"Low-Income Household" shall mean a Household with income at or below 80 percent of median income for the Tacoma HUD Metro FMR Area as issued by HUD HUD's Economic and Market Analysis Division (EMAD), Office of Policy Development and Research at the time assistance is given.

"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 mice.

"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.

"Notice" shall mean HUD Notice CPD-21-10: Requirements for the Use of Funds in the HOME-ARP Program, which establishes requirements for funds appropriated under Section 3205 of the American Rescue Plan Act of 2021 (P.L. 117-2) (ARP) for the HOME Investment Partnerships Program (HOME) and describes waivers and alternative requirements, consistent with ARP, imposed on all HOME-ARP awards by the Notice.

<https://www.hudexchange.info/resource/6479/notice-cpd-2110-requirements-for-the-use-of-funds-in-the-home-arp-program/>

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

Qualifying Populations shall mean individuals and households described in Section IV of the Notice. and who meet the Notice's income criteria if applicable using the annual income definition in 24 CFR 5 in accordance with the requirements of 24 CFR 92.203 (a)(1).

"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.

"Supportive Services" shall mean categories of services eligible under HOME ARP as provided for in Notice CPD-21-10 VI.D.

"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 Subrecipient 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 Subrecipient, who is performing part of the contract or Subcontract from a Subcontractor. The terms Subcontractor and Subcontractors shall mean Subcontractor(s) in any tier.

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

Characteristics indicative of a federal award received by a Subrecipient are when the organization:

- A. determines who is eligible to receive what federal financial assistance;
- B. has its performance measured against whether the objectives of the federal program are met;
- D. has responsibility for programmatic decision making;
- E. has responsibility for adherence to applicable federal program compliance

requirements;

- F. uses the federal funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity;
- G. 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.

“Supportive Services” shall mean HOME ARP-funded services to Qualifying Populations, defined in Notice CPD 21-10 VI.D, including:

- A. Services listed in section 401(29) of the McKinney-Vento Homeless Assistance Act (“**McKinney-Vento Supportive Services**”)1 (42 U.S.C. 11360(29));
- B. Homelessness prevention services, as described in Sections VI.D.3. and D.4 of the Notice; and
- C. Housing counseling services

"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 Subrecipient 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 a federal program. These goods or services may be for an organization's own use or for the use of beneficiaries of the federal 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 federal program;
- E. is not subject to compliance requirements of the federal 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.**

**Intent:** The intent of this Agreement is to enhance Tacoma's housing development climate by providing loans and technical assistance to organizations that develop, own and/or sponsor affordable rental housing for Qualifying Populations and Low Income Households, including but not limited to manufactured housing, single room occupancy units, and permanent supportive housing, and Supportive Services for Qualifying Populations. In certain instances where the need and/or opportunity is identified, the Subrecipient reserves the right to directly acquire and/or develop projects to meet the intent of this Agreement.

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

**Terms:** The Agreement shall be effective September 15, 2022 and terminate at the end of the period of maturity or affordability or any subsequent enforcement actions arising during the period of affordability, whichever is later.

**Commitment Deadline:** Funding under this Agreement must be committed to projects no later than September 30, 2026.

**Disbursement Deadline:** Funding under this Agreement must be disbursed for committed projects no later than September 30, 2030.

### **2. HOME ARP Client Eligibility**

- A. Per the Notice, the Subrecipient shall screen all clients served with funds provided under this Agreement and maintain records documenting that clients meet the definition of Qualifying Populations described below and further specified in Section IV.A of the Notice.

Any individual or household who meets the criteria for any one of the Qualifying Populations is eligible to receive assistance or services funded through HOME ARP without meeting additional criteria, ie additional income criteria. All income calculations used to meet income criteria of a Qualifying Population or required for income determinations in HOME ARP-eligible activities must use the annual income definition in 24 CFR 5.609 in accordance with the requirements of 24 CFR 92.203 (a)(1).

- B. When performing income determinations, Subrecipient agrees to use the most current HOME income guidelines for the Tacoma/Pierce County Metro-Statistical Area as issued by HUD. The limits are listed at <https://www.hudexchange.info/programs/home/home-income-limits/>.

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

When performing income determinations, the Subrecipient will calculate the annual income of the household by projecting the prevailing rate of income of the household at the time the Subrecipient determines that the family is eligible. Annual income shall include income from all household members aged 18 and older.

### **3. Referral Methods, Selection of Participants and Waiting List Services**

Any method of prioritization implemented in HOME ARP projects and activities, including those used by a Coordinated Entry system to prioritize HOME ARP applicants must be specified in a written agreement with the Continuum of Care, the referral method must be described in a written agreement with the Continuum of Care and must be applied consistently as described in the HOME ARP Allocation Plan. Policies and Procedures must include any preferences and method of prioritization, if any when accepting direct referrals from a CoC CE and other referral agencies and must document that the policies and procedures were followed for each applicant served.

The Subrecipient may work with the Continuum of Care to collect information and documentation required to determine whether an individual or family meets the criteria of a HOME ARP qualifying population at any point in the Coordinated Entry process (i.e. after or concurrently with the assessment and intake processes,) as long as that information is not used to rank a person for HOME ARP assistance other than as specified by the preferences or method of prioritization established in the HOME ARP Allocation Plan and in accordance with Section IV.C of the Notice.

The Subrecipient may establish a waiting list for each HOME-ARP project or activity. The Subrecipient must establish a waiting list for housing units. All qualifying individuals or families must have access to apply for placement on the waiting list for an activity or project. Qualifying individuals or families on a waiting list must be accepted in accordance with the PJ's preferences, if any, consistent with the Notice or, if the PJ did not establish preferences, in chronological order, insofar as practicable.

### **4. Scope for Supportive Services**

- A.** To accomplish this intent the Subrecipient shall fully comply with all noted regulations, requirements and conditions as set forth in this Agreement and serve Qualifying Populations in the City of Tacoma through their Supportive Services program.



1. Client Eligibility

Supportive Services may be provided to households who meet the definition of a Qualifying Population provided in The Notice and who are not already receiving these services through another program. Participants HOME ARP-funded rental housing are eligible for Supportive Services.

The Subrecipient will establish written policies and procedures for identifying the length of time that program participants may be served by HOME ARP Housing before they will no longer be eligible as a Qualifying Population in accordance with the Notice.

2. Client Selection

The Subrecipient will establish policies and procedures for selection of program participants. Policies and procedures must comply with regulations in the Notice.

3. Eligible Supportive Services

There are three (3) categories specifically included as Supportive Services under HOME ARP:

- a. McKinney-Vento Supportive Services: McKinney-Vento Supportive Services under HOME-ARP are adapted from the services listed in section 401(29) of McKinney-Vento.
- b. Homelessness Prevention Services adapted from eligible homelessness prevention services under regulations at 24 CFR 576.102, 24 CFR 576.103, 24 CFR 576.105, and 24 CFR 576.106 and are revised, supplemented and streamlined for HOME ARP in Section VI.D.4.c.i of the Notice.
- c. Housing Counseling Services consistent with the definition of housing counseling and housing counseling services defined at 24 CFR 5.100 and 5.111, respectively, except where otherwise noted.

Organizations and counselors providing housing counseling services must be certified by the HUD Secretary under 24 CFR part 214 consistent with 12 U.S.C. 1701x. HUD-approved counseling agencies can be found at [https://www.hud.gov/program\\_offices/housing/sfh/hcc](https://www.hud.gov/program_offices/housing/sfh/hcc).

Program requirements and administration under 24 CFR part 214 apply to the provision of HOME ARP Housing Counseling Supportive Services except those provisions related to current homeowners. Examples of HOME ARP-eligible Housing Counseling services are listed in CPD 21-10 VI.D.c.

Housing counseling surrounding the following topics are ineligible under HOME ARP:

- i. Resolving or preventing mortgage delinquency, including, but not limited to default and foreclosure, loss mitigation, budgeting, and credit;
    - ii. Home maintenance and financial management for homeowners, including, but not limited to: Escrow funds, budgeting, refinancing, home equity, home improvement, utility costs, energy efficiency, rights and responsibilities of homeowners, and reverse mortgages.
  - d. In accordance with 24 CFR 214.300, housing counselors must establish an action plan for each qualifying individual or family and make reasonable efforts to follow up with participants to ensure progress towards housing goal is being made, to modify or terminate housing counseling, and to learn and report outcomes.
- 4. Supportive Service Provision  
Eligible costs for HOME ARP-funded Supportive Services are listed in Section VI.D.4.c of the Notice. The following project delivery costs will also be eligible provided they are attributable to the objective of the service delivered:
  - a. The costs of labor or supplies and materials incurred by the PJ or subrecipient in directly providing supportive services to program participants; and,
  - b. The salary and benefit packages of the Subrecipient staff who directly deliver the services.

Funds will be committed through the execution of a written agreement between the Subrecipient and any subcontractor. The Subrecipient will include in all written agreements with service providers which of the three (3), or combination of any of the three (3), categories of Supportive Services will be provided.

All Supportive Service costs funded with HOME ARP will comply with The Notice and requirements in 2 CFR part 200, subpart e, Cost Principles that costs are necessary and reasonable.

The subrecipient will establish written policies and procedures for ensuring compliance with requirements that allow a participant to only receive HOME ARP services needed so there is no duplication of services or assistance in the use of HOME ARP funds for supportive services.

Assistance to a program participant may be terminated if the participant violates program requirements or conditions of occupancy or is determined to no longer be in need of services.

The subrecipient will establish written policies and procedures for process of terminating assistance to program participants that includes at minimum items listed in Section VI.D.5.b of the Notice.

## 5. Scope for Housing

- A. To accomplish this intent the Subrecipient shall fully comply with all noted regulations, requirements and conditions as set forth in this Agreement and serve Qualifying Populations in the City of Tacoma through their Housing program. Housing activities will be provided in accordance with Section VI.B of the Notice to include any of the following., depending on market, demand, staffing availability and policy direction of the TCRA:
1. Providing loans to borrowers for the development of affordable rental housing. Development includes acquisition and/or new construction;
  2. Reviewing and approving all loans for compliance with TCRA policies and regulations;
  3. HOME ARP program loan repayments and interest (Program Income) from previous loans will be deposited into the Subrecipient's HOME-ARP local account. Program income received in any one year from Subrecipient activities shall be accumulated and reallocated in the following year's Annual Action Plan for eligible administration and affordable housing activities to be conducted by the Subrecipient. HOME ARP grant funds are obligated as described in Exhibit C, Sections C through F of this Agreement;
  4. Completing reports and providing information as required by the City to demonstrate compliance with regulations, client eligibility, goals and objectives to support the HUD 5-Year Consolidated Plan, the HOME ARP Allocation Plan, the Consolidated Annual Performance and Evaluation Report (CAPER) and other reports as may be required;
  5. Servicing the portfolio of loans extended, including tracking of timely payments, maturity, maintaining insurance coverage, monitoring occupancy, current tax status, foreclosure, and title issues;
  6. Implementing Targeting and Occupancy Requirements as described in Section B.1 of the Notice; and
  7. Ensuring that only eligible populations are served with HOME ARP funds. If there is no income requirement in the Qualifying Population's definition, the Subrecipient is not required to perform an initial determination of household income except as necessary to determine an affordable rental contribution by the qualifying household or to establish eligibility for another funding source in the unit that imposes income

restrictions (e.g., LIHTC). For rental projects, each subsequent year during the compliance period, starting 1 year after initial occupancy, the PJ must use the definition of annual income as defined in 24 CFR 5.609 to examine the income of qualifying households to determine the household's contribution to rent. For low-income households, the PJ must use the definition of annual income as defined in 24 CFR 5.609 to examine the household's income at initial occupancy and each subsequent year during the compliance period to determine the household's ongoing income eligibility and applicable rental contribution.

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

## 6. Project Requirements

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

### A. Subsidy Layering and Underwriting

In accordance with Section B.10 of the Notice all rental projects receiving HOME ARP subsidy are required to undergo a subsidy layering review. This review will certify that there are no overlaps of governmental subsidies when combining housing assistance programs administered by FHA with other forms of federal funds administered by Federal, State, or local agencies. For underwriting the Subrecipient must: (1) examine the sources and uses of each project and determine whether the costs are HOME ARP-eligible, reasonable and necessary; (2) assess the market conditions of the neighborhood in which the project will be located; (3) assess the experience and financial capacity of the developer, (4) ensure that there are sufficient, creditable financial sources committed for the project, (5) that the project meets the Subrecipient's underwriting guidelines, and (6) demonstrate that the Subrecipient is not investing any more HOME ARP funds, alone or in combination with other funds, than are necessary to provide quality, affordable, and financially viable housing for at least the duration of the affordability period.

A developer fee is a permitted development cost under the HOME ARP program. The Subrecipient must review the fee and determine that it is reasonable. For HOME ARP units for qualifying households, the Subrecipient must demonstrate that there is unmet need among qualifying populations for the type of housing proposed. For projects containing units restricted for occupancy by low-income households or market-rate households, the Subrecipient must conduct a market assessment in accordance with 24 CFR 92.250(b)(2) and the Notice.

### B. Property Standards

HOME ARP funds are intended to support modest housing units. All HOME ARP assisted projects, that include construction, must meet local building codes and standards for decent, safe and affordable housing, and conform to the model codes as identified in 24 CFR 92.251 paragraphs (a) new construction, (b) rehabilitation projects, (c)(1) and (2) acquisition of standard housing, (e) manufactured housing, and (f) on-going property condition standards. Acquisition only projects need to meet Housing Quality Standards (HQS) or its successor standard to be identified by HUD (Uniform Physical Conditional Standards (UPCS)), as applicable.

### C. Rental Requirements

1. Affordable rental housing must be operating in compliance with all requirements laid out in Section B HOME ARP Rental Housing of the Notice. No less than 70% of HOME ARP-assisted units in a rental housing project must be occupied by households that are eligible as Qualifying Populations at the time of the household's initial occupancy. No more than 30% of HOME ARP rental housing may be occupied by low income households only in projects that include HOME ARP units for Qualifying Populations. For any HOME ARP household, the rent must meet the requirements found in Section B.13 Rent limitations of the Notice.
  - i. If the unit receives federal or state project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the federal or state project-based rental subsidy program.
  - ii. If a household receives Tenant-Based Rental Assistance (TBRA), the rent is the rent permissible under the applicable rental assistance program (i.e., the tenant rental contribution plus the rental subsidy allowable under that rental assistance program).
  - iii. Any updates HOME rental limits can be located at:  
<https://www.hudexchange.info/manage-a-program/home-rent-limits/>.
  - iv. The Subrecipient shall use utility allowances as adopted by the Tacoma Housing Authority. If the tenant pays their own utilities the utility allowances shall be subtracted from the maximum rent the tenant can pay.

The Subrecipient shall require owners of HOME ARP rental housing to adopt and maintain written policies and criteria that are consistent with all federal, state and local Fair Housing laws and meet the purpose of providing housing for Qualifying Populations. The policies must, at a minimum, specify how tenants will be selected, give reasonable consideration to the housing needs of families and individuals with special needs, address the terms of rental assistance, maximum subsidy, and tenant protections through the use of written leases.

2. The Subrecipient shall determine fixed and floating HOME ARP units prior to the commitment of funds on a HOME ARP-assisted rental housing project. For projects with both HOME ARP assisted and non-assisted HOME ARP units, the HOME ARP units may be fixed or floating. When a unit is fixed the unit is designated as a HOME ARP unit and never changes. When units are designated as floating the units may change over time as long as the total number of units in the project does not change.
3. The Subrecipient shall require owners of HOME ARP-assisted rental housing to follow the HOME ARP regulations at Notice CPD-21-10 VI.B.15 if a tenant in a HOME-assisted unit becomes over income.
4. The Subrecipient shall ensure that owners of HOME ARP-assisted rental housing do not engage in the following prohibited leasing practices:
  - i. Requiring participation in services as a condition of tenancy;
  - ii. Requiring tenants to adhere to rules outside of the landlord/tenant law;
  - iii. Requiring tenants to sign leases of less than one (1) year;
  - iv. Requiring tenants to waive legal rights;
  - v. Requiring tenants to pay owner's legal fees if a dispute is initiated regardless of the final outcome; and
  - vi. Other prohibited lease practices as described in the written agreement and the HOME Program Statute.

## **7. Recordkeeping and reporting**

- A. In accordance with 24 CFR 92.508, the Subrecipient shall maintain all program and program related reports and records in accordance with HUD regulations to enable HUD to determine whether the requirements have been met and fully documented.
- B. In accordance with Notice CPD-21-10 VIII.F, the Subrecipient shall maintain regular sufficient records on HOME ARP activities throughout the term of the Agreement, and maintain these records for five (5) years after the term of the agreement. This form will be made available to the Subrecipient.
- C. Financial and demographic information for the City's Consolidated Annual Performance and Evaluation Report (CAPER) and other required reports including:
  1. Number of clients (individuals or families) served by the Subrecipient during the program year, as well as the cumulative totals;
  2. Race/Ethnicity of clients (individuals or families) served;
  3. Income Status;
  4. A listing of all funds and funding sources used with HOME monies for programs;
  5. Submitting separate reports for each Subrecipient Agreement; and
  6. Other information required supporting the quarterly reports, annual CAPER, and other reports shall be provided as requested.

## 8. Subrecipient Responsibilities

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

Written agreements with for-profit or non-profit housing owners, developers and sponsors of housing must meet the terms of 24 CFR 92.504(c)(3) and 24 CFR 2.2 including the provisions in (2) *Commit to a specific local project*. This includes but is not limited to the requirements that the written agreement under which HOME-ARP assistance will be provided to the owner will be for an identifiable project for which all necessary financing has been secured, a budget and schedule have been established, and underwriting has been completed and under which construction is scheduled to start within 12 months of the agreement date.

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

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

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

## 9. City Responsibilities

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

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

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

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



president or other officer of the Authority Board.

Nothing herein shall limit the authority of the Board to:

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

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

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

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

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

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

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

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

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

(g) monitoring and collection of loans; and

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

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

- F. Approve on behalf of the Authority subordination requests when the Administrator determines in good faith that the requested subordination will not jeopardize the Authority's current collateral position nor cause additional risk to the Authority. The subordination must be recommended by the Housing Manager, or staff authorized to take action on their behalf. The same person is not authorized to both recommend and approve any such action. A report, including full loan write-up, will be provided to the Authority of all loans approved in the prior month. The Authority will ratify the action(s) of the Administrator at its next regular meeting or take action indicating it does not want the Administrator to take similar action in the future.
- G. Extend the maturity date of a loan for up to 90 days, per loan, with the recommendation of the Housing Division Manager (or staff authorized to take action), under the following conditions:
1. the loan is current and performing; and
  2. (a) the extension request is based on need for additional time to gather necessary information needed to submit a formal request for extension to the Authority Board; or (b) the extension request is needed due to unanticipated loss of income by borrower, due to death or medical crises of the borrower, or a need for additional time to refinance the Authority loan.
- The same person is not authorized to both recommend and approve any such action.
- H. Approve, on behalf of the Authority, a one-time deferment on housing loans up to 90-days with the recommendation of the Housing Division Manager, or staff authorized to take action on their behalf. The same person is not authorized to both recommend and approve any such action. Any such deferment must be based on loss of employment, medical crises, or other unanticipated emergency situation which prevents the borrower from making his or her regular payment. The intent of any such deferment is to prevent the borrower from becoming delinquent on his or her loan while staff prepares a recommendation for loan modification, if necessary, for Board approval. Any such deferred payment will be added at the end of the loan term until the loan is paid in full, but will not be considered a delinquency.
- I. Modify loan in order to extend the first payment due date and, subsequently the maturity date, only under the following conditions:
1. delay(s) in the construction process on a project;
  2. delay(s) in funding on a project;
  3. errors in the documentation and setup of a loan.
- J. Approve expenditures of up to \$5,000.00 of Authority Funds, per item or service contract, provided payment therefore has been budgeted. The Administrator will provide the following reports to the Board on a quarterly basis:

1. TCRA budget-to-actual expenditures report;
  2. Financial Reports, including balance sheet, income statement and statement of cash flows;
  3. Check or ACH payments made on the Board's.
- K. Approve expenditures of up to \$10,000.00 of Authority funds for repairs and upkeep on any Authority-owned property. The expenditures, unless otherwise approved by the Authority Board, will be covered by income generated from the property. All requests will be recommended by the Housing Division Manager and will be reported to the Board. The purchase of goods and supplies authorized by the Administrator will be purchased through TCRA approved purchasing procedures. Contracts for services and repairs as authorized herein will be obtained and signed by the Administrator on behalf of the Authority. Purchases and contracts for services and repairs will comply with applicable TCRA and federal procurement and contract requirements and with such additional procurement and contract requirements as the Authority Board may, from time to time, provide by Board action.

## Exhibit C

### Compensation and Financial Requirements

#### 1. Compensation.

In consideration of the mutual promises given and the benefit to be derived from this Agreement, the City agrees to provide HOME ARP funds in the amount of **\$3,935,336** to accomplish the scope of services described in Exhibit B – Scope of Work.

Eligible Categories	New HOME ARP Award
Production of Affordable Rental Housing	\$2,880,336
Services	\$555,000
Administrative Costs	\$500,000
<b>Total</b>	<b>\$3,935,336</b>

#### 2. Financial Requirements – Payments.

##### A. Application Regulations

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

##### B. Approved Uses

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

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

##### C. Funds Disbursement Provision

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

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

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

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

#### **D. Inappropriate Funds Obligation**

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

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

#### **E. Multiple Funding Sources**

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

#### **F. Program Income**

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

Program income in the form of repayments to, or interest earned on, a loan fund as defined in 24 CFR 92.503(c) shall be deposited into the Lead Agency's HOME-ARP Investment Trust Fund local account. Program income received in any one year from Subrecipient activities shall be accumulated and reallocated in the following year's Annual Action Plan for eligible

administration and affordable housing activities to be conducted by the Subrecipient. In the event that program income can be not used in accordance with these conditions, such program income shall be returned to the City. The Subrecipient shall transfer to the City any HOME ARP funds on hand or any account receivables attributable to the use of the HOME funds that do not meet the above requirements.

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

#### **G. Unexpended Funds and Income**

At the conclusion of this Agreement, all unexpended HOME ARP funds, any uncollected and/or unexpended program income remaining in the Subrecipient's accounts, and any remaining equipment or operation supplies with a value in excess of \$5,000.00 shall be immediately returned to the City unless specifically authorized in writing by the City. All HOME ARP funds under this Agreement shall be committed to eligible projects by September 30, 2030. Commitment of funds shall be documented by an executed written agreement that complies with the requirements of 24 CFR 92.504(b) and (c).

**Exhibit D**  
**Contract Compliance**

**1. Compliance with local and federal regulations.**

The Subrecipient and any contractors or consultants shall comply with all applicable local, state, and federal laws and regulations, whenever and wherever they are applicable, including those listed below. The Subrecipient, its contractors, subcontractors, and consultants shall obtain all permits and approvals, in a timely fashion, necessary to lawfully implement any project or program. The Subrecipient, its contractors, subcontractors, and consultants shall include in all contracts, subcontracts, and purchase orders under this Agreement the following lists of laws and regulations and shall require compliance with such laws and regulations:

- A. Notice CPD-21-10 Requirements for the Use of Funds in the HOME-American Rescue Plan Program.
- B. HUD Regulation 24 CFR Part 1 – Non-discrimination in Federally-assisted Programs of the Department of Housing and Urban Development (HUD) – effectuation of Title VI of the Civil Rights Act of 1964 (P.L. 88-352).
- C. 24 CFR Part 8 – Non-discrimination based on Handicap in Federally-assisted Programs and Activities of the Department of Housing and Urban Development and 24 CFR Part 9 – Enforcement of Non-discrimination based on Handicap in Federally-assisted Programs or Activities conducted by the Department of Housing and Urban Development.
- D. Housing must meet property standards and accessibility requirements per 24 CFR Part 92.251(a)(3) and 24 CFR Part 8 which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multi-family dwellings as defined at 24 CFR 100.201 and also meet design and construction requirements of 24 CFR 100.205 which implement the Fair Housing Act (42 U.S.C. 3601-3619).
- E. 24 CFR Part 100.205 Design and Construction Requirements and Site and Neighborhood Standards per 24 CFR 92.202 and 24 CFR 983.6(b) are applicable.
- F. 29 U.S.C., Chapter 16, Section 794 – Nondiscrimination under Federal Grants and Programs.
- G. 24 CFR 92.351(a) – HOME Affirmative Marketing Requirements.
- H. The parties to this Agreement agree to comply with HUD’s regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 Regulations.

- I. Title VIII of the Civil Rights Act of 1968 (P.L. 90-284) as amended, relating to nondiscrimination in housing as implemented by HUD regulation 24 CFR 570.601(b).
- J. HUD Regulation 24 CFR Part 107 – Nondiscrimination and Equal Opportunity in Housing under Executive Order 11063.
- K. HUD regulation 24 CFR Part 146 – Nondiscrimination on the Basis of Age in HUD Programs or Activities receiving Federal Financial Assistance.
- L. Federal Code Regulations 41 CFR Public Contracts and Property Management Part 60 – Obligations of Contractors and Subcontractors Subpart A: Preliminary Matters: Equal Opportunity Clause: Compliance Reports.
- M. General HUD Program Requirements per 24 CFR Part 92.350, 24 CFR Part 5.105, and 24 CFR Part 5.110;
- N. Section 109 of the Housing and Community Development Act of 1974 as amended, dealing with non-discrimination in program benefits because of race, religion, color, age, national origin, sex or disability as implemented by HUD regulation 24 CFR 570.602.
- O. The construction labor standards and wage rates set forth in section 110 of the Housing and Community Development Act of 1974 as amended and as implemented by HUD regulation 24 CFR 92.354 and 24 CFR Part 70 – Volunteer Labor.
- P. The Davis-Bacon Act (DBA) and Related Acts or HUD-assisted (DBRA) (40 U.S.C., Chapter 3, Section 276a-276a-5 and Chapter 5, Section 327-332) provides that contracts to which federal funding is applied for the construction, alteration, and/or repair, including painting and decorating, or of public buildings or public works, which involve the employment of laborers and/or mechanics, shall contain provisions with respect to minimum wages, fringe benefits, payments without deductions or rebates, withholding funds from contractors to ensure compliance with wage provisions, and termination of the contract or debarment for failure to adhere to the required provisions.
- Q. Lead-based Paint Requirements per 24 CFR Part 92.355 and Lead-based Paint Hazards per 24 CFR 35.
- R. Executive Order 11246 dealing with non-discrimination in employment as amended by Executive Order(s) 11375 and 12086 and as implemented by HUD regulation 24 CFR 570.607(a).
- S. The relocation, acquisition and displacement requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as implemented by HUD regulation 24 CFR 92.353 and 42 U.S.C. Chapter 61 and CFR Part 42 and 49 CFR Part 24.



- T. The regulations, policies, guidelines and uniform administrative requirements of 2 CFR 220; 2 CFR 215; 2 CFR 200.406; 2 CFR 230; and 2 CFR 200, Subparts A-F as they relate to the acceptance and use of Federal funds as implemented by HUD regulation 24 CFR 570.610.
- U. The National Environmental Policy Act of 1969 (42 U.S.C. Chapter 55) (NEPA) and other statutory environmental requirements as implements by HUD regulation 24 CFR 92.352 and 24 CFR Parts 50 and 58. NOTE: The environmental effects of each activity carried out with HOME funds must be assessed in accordance with NEPA and the related implementing regulations. The Subrecipient may not expend any funds (HOME or otherwise) for the activities defined in the written agreement until notified by the City in writing that the environmental review has been completed.
- V. 24 CFR Part 92.506 – HOME Audit Requirements.
- W. 24 CFR Part 92.356 – HOME Conflict of Interest Provisions and 2 CFR 200.317-200.318 – Standards of Conduct.
- X. Debarment or Suspension per 24 CFR 24.200, Ineligible Persons per 24 CFR 24.205, Voluntary Exclusion per 24 CFR 24.210, Exception Provision per 24 CFR 24.215, Continuation of Covered Transactions per 24 CFR 24.220 and Failure to Adhere to Restrictions per 24 CFR 24.225.
- Y. Executive Orders 11625, 12138 and 12432 and Public Law 98-507, dealing with the use of minority and women owned business enterprises as implemented by HUD regulation 2 CFR 200.321.
- Z. The provisions of the Hatch Act limiting political activities of government employees.
- AA. The Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282)
- BB. The Drug-Free Workplace Act of 1988 (42 U.S.C. 701) and regulations set forth at 24 CFR Part 21.

NOTE: Copies of applicable laws and regulations are available upon request from the Community and Economic Development Department, Housing Division. A listing of these applicable laws and regulations are to be incorporated in each contract, subcontract, subrecipient and consultant agreement issued by the Subrecipient and its contractors.

## **2. Affordability Restrictions**

- A. Real property acquired and/or improved for a rental housing project by use of loan funds provided by the Subrecipient to an owner/developer/sponsor is subject to the affordability restrictions under the Notice.. The affordability restrictions will be secured by a Note, Deed of Trust and Affordability Covenant between the Subrecipient and the Owner of the HOME ARP-assisted housing project.

- B. Disposition of real property by the Subrecipient acquired in whole or in part with HOME ARP funds shall be at current appraised fair market value. The property may be disposed of for lesser value, including donated, if the disposition at the lesser value is necessary to meet one of HUD's national objections and is permissible under state and local law. When disposition is for a lesser value, or if the Subrecipient should determine that disposition for such lesser value is in the best interest of the program, those reasons shall be fully documented.
- C. The Subrecipient will be required to repay to the City all HOME ARP funds expended on housing projects that are determined not to have met the affordability requirements for the duration of the affordability period.
- D. Non-expendable equipment, materials, operating supplies, and other assets other than real property, purchased in whole or in part with HOME ARP funds, whose per unit fair market value (or total value for supplies) at the time of completion of use is in excess of \$5,000.00, are the property of the City and are to be utilized, maintained, inventoried, controlled and disposed of, pursuant to applicable federal regulations.
- E. The Subrecipient 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.
- F. 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.
- G. 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 Subrecipient. 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 Subrecipient.

### **3. Procurement and Contracts**

The Subrecipient 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 Sub-recipient policies and procedures and state and federal law relating to contracting by public agencies and according to 2 CFR 200.317-200.326 – Procurement except for provisions outlined in Section VIII.D of the Notice.

### **4. Monitoring / Assessment Procedures**

- A. The City will conduct annual 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 federal 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 Subrecipient 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 Subrecipient may file a complaint, as specified in this Agreement.

## **5. Client Assets and Records**

- A. Except as otherwise provided by court order, the Subrecipient shall ensure that any client shall have unrestricted access to his or her personal property. The Subrecipient shall not interfere with the client's ownership, possession, or use of such property. Upon termination of the agreement, the Subrecipient shall immediately release to the client all of the client's personal property.
- B. As a unit of the City of Tacoma's Community and Economic Development Department, the Housing Division shall plan, administer and implement any program or project in compliance with applicable local, state and federal laws or regulations. In compliance with the National Environmental Protection Act (NEPA) the Housing Division will make the determination of exemption for activities included in 24 CFR 58.34(a) with necessary documentation and act as the Responsible Entity for purposes of HUD's environmental review requirements for any programs or projects funded under this Agreement. The Housing Division will maintain the Environmental Review Record for each activity utilizing HOME funds.
- C. The Subrecipient shall maintain all project records required by applicable federal, 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.
- D. The Subrecipient shall maintain records and file for this agreement containing the following items:
  - 1. Notice of Grant Award;
  - 2. Motions, resolution or minutes documenting Board or Council actions;

3. A copy of this Agreement;
4. Correspondence regarding budget revisions requests;
5. Copies of all invoices and reports submitted to the City under this Agreement;
6. Copies of approved invoices;
7. Records documenting that costs reimbursed with funded project under this Agreement are allowable in accordance with 2 CFR 200 Subpart E. Such records include, but are not limited to:
  - a. for personnel costs, payroll timesheets for actual salary and fringe benefits costs. Timesheets must be signed by a supervisor and annotated to document percent of time charged against this Agreement. Direct salaries and wages of employees chargeable to more than one grant program or other cost objectives must be supported by time distribution records;
  - b. for staff travel, documentation of mileage charges for private auto use must include (a) destination and starting location, (b) total miles driven, and (c) purpose of trip; and
  - c. for copy machine use, postage, telephone use and office supplies when these costs are shared with other programs and no invoice is available, log sheets or annotated invoices.
8. Documentation of the solicitation process used to select vendors and subcontractors with original purchase orders and subcontracts;
9. Documentation required by this Agreement if any funds provided under this agreement are used to acquire equipment;
10. Documentation of client income, demographics and eligibility as required in the Exhibit B – Scope of Work; and
11. Documentation of environmental review requirements under 24 CFR Part 58 on all housing units assisted under this Agreement.

**SUBRECIPIENT AGREEMENT – HOME ARP PROGRAM  
BETWEEN THE CITY OF TACOMA, THE CITY OF LAKEWOOD, AND THE TACOMA  
COMMUNITY REDEVELOPMENT AUTHORITY**

This HOME ARP Subrecipient Agreement, hereinafter called “Agreement”, has been made and entered into as of the 15th day of September, 2022, between the City of Tacoma (“Tacoma”), the City of Lakewood (“Lakewood”), and the Tacoma Community Redevelopment Authority (“TCRA”) to allow for the administration of the Tacoma-Lakewood HOME Consortium (“Consortium”), whose address is 747 Market Street, Room 900, Tacoma, WA 98402 as authorized by Title II, Section 216 and 217 of the National Affordable Housing Act of 1990, and 24 CFR Part 92, also known as the HOME Investment Partnerships (“HOME”) Program.

**RECITALS**

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

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

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

WHEREAS, HUD has appropriated supplemental funds under Section 3205 of the American Rescue Plan Act of 2021 (P.L. 117-2) (“ARP) for the HOME Investment Partnerships Program (HOME) to provide homelessness assistance and supportive services; and

WHEREAS, the Lead Agency distributes HOME ARP funds to the Subrecipient as allowed under 24 CFR Part 92.101(d) for the purpose of providing affordable housing options for qualifying populations who meet criteria set in Notice CPD 21-10 IV.A (“Qualifying Populations”) through the Production of Affordable Rental Housing and Tenant Based Rental Assistance; and

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

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

## I. Definitions

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

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

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

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

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

Lead Agency – means the City of Tacoma.

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

“Notice” shall mean HUD Notice CPD-21-10: Requirements for the Use of Funds in the HOME-ARP Program, which establishes requirements for funds appropriated under Section 3205 of the American Rescue Plan Act of 2021 (P.L. 117-2) (ARP) for the HOME Investment Partnerships Program (HOME) and describes waivers and alternative requirements, consistent with ARP, imposed on all HOME-ARP awards by the Notice.

Post Federal Award Requirements – requirements for pass-through entities pursuant to 2 CFR 200.331(a)(1); Subrecipient subaward information defined in Exhibit “A”.

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

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

Program – a grouping of individual projects that have a common eligible activity and result (e.g.: Tenant Based Rental Assistance).

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

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

Qualifying Populations – means individuals and households who meet eligibility criteria provided in Section VI.A. of the Notice and income criteria using the annual income definition in 24 CFR 5 in accordance with the requirements of 24 CFR 92.203 (a)(1).

Regulations – the requirements in Notice CPD-21-10 which govern the HOME ARP Program and the use of HOME ARP funds and 24 CFR Part 92 which govern the HOME Program and the use of HOME Funds, and all related and applicable OMB Circulars, Codes, Regulations, and requirements.

Subrecipient – means the City of Lakewood

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

## **II. Sources and Uses of Funds**

- A. Amount. HUD allocated a total of \$5,110,825 in HOME ARP funds to the Lead Agency. The Lead Agency is making \$1,175,489 in HOME ARP funds available to the Subrecipient through this agreement for HOME ARP Program eligible activities.
- B. Timeliness of Expenditures. Time is of the essence in this Agreement. Any funds under this agreement that remain uncommitted as of December 30, 2024 may be recaptured by the Lead Agency for redistribution to an eligible HOME activity, unless prior written approval is granted by the Lead Agency. All funds under this agreement must be fully expended by December 30, 2025.
- C. Program Description. The Lead Agency has an approved HOME ARP Plan, which includes funding for Production of Affordable Rental Housing and Tenant Based Rental Assistance in a total amount of One Million and One Hundred Seventy Five Thousand Four Hundred Eighty Nine Dollars and No/100 (\$1,175,489).
- D. Scope of Work. The Subrecipient will act as program coordinator, and will market the programs in accordance with applicable HOME ARP and HOME rules and regulations to Qualifying Populations and to households whose gross annual household income is at or below eighty percent (80%) of median under income guidelines established annually by HUD for the Tacoma-Lakewood area. The Subrecipient is responsible for ensuring that all federal, state, and local regulations, laws and requirements are met prior to the written commitment and/or disbursement of any HOME ARP funds under this Agreement.

- E. Project Approval. All projects will be reviewed individually and independently approved by the TCRA, a public development authority, staffed by the Lead Agency. All projects must meet the regulatory requirements of Notice CPD-21-10 and 24 CFR Part 92. The TCRA, on behalf of the Subrecipient, will act as lender of the Subrecipient HOME ARP funds to households, developers and/or owners (“Borrower”) as individually authorized and approved by TCRA.

All loans will be subject to TCRA terms and conditions of approval and made in compliance with Notice CPD-21-10 and 24 CFR Part 92, as appropriate for the specific activity. TCRA will be named as mortgagee on the properties, which will be documented by one or more of the following documents, as appropriate: a Developer Agreement, a Promissory Note, a Loan Agreement, a Deed of Trust, and a HOME Agreement. All documents must be satisfactory to the Lead Agency and/or TCRA. All properties acquired, constructed, or rehabilitated with HOME ARP funds will maintain property insurance naming TCRA as a loss payee throughout the life of the loan. The original loan documents and proof of insurance will be forwarded to TCRA prior to the start of work on the project.

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

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

### III. Project Requirements and Standards

- A. Qualifying Populations. The Subrecipient will determine that funds are used to primarily benefit individuals and families in the following Qualifying Populations defined in Section VI.A. of the Notice
- a. Homeless, as defined in 24 CFR 91.5 *Homeless* (1), (2), or (3)
  - b. At Risk of Homelessness, as defined in 24 CFR 91.5 *At risk of homelessness*



- c. Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD
- d. Other Populations where providing supportive services or assistance under section 212(a) of NAHA (42 U.S.C. 12742(a))
- e. Veterans and Families That Include a Veteran Family Member that meet the criteria for one of the qualifying populations described above are eligible to receive HOME ARP assistance

B. Eligibility Determinations and Income Limits

Any individual or family who meets the criteria for any one of the Qualifying Populations is eligible to receive assistance or services funded through HOME ARP without meeting additional criteria, ie additional income criteria. All income calculations used to meet income criteria of a Qualifying Population or required for income determinations in HOME ARP-eligible activities must use the annual income definition in 24 CFR 5.609 in accordance with the requirements of 24 CFR 92.203 (a)(1).

When performing income determinations, the Subrecipient will calculate the annual income of the household by projecting the prevailing rate of income of the household at the time the Subrecipient determines that the family is eligible. Annual income shall include income from all household members aged 18 and older.

- C. Per-Unit Subsidy. As provided for in Section VI.B of the Notice, the HOME program's maximum per-unit subsidy limit is suspended for HOME ARP units
- D. Minimum Per-Unit Subsidy. The minimum amount of HOME ARP funds that may be invested in a project is One Thousand Dollars and No/100 (\$1,000.00).
- E. Subsidy Layering. Before committing funds to a project, the Subrecipient must evaluate the project in accordance with guidelines it has adopted for the purpose of subsidy layering and not invest any more HOME ARP funds, in combination with other governmental assistance, than is necessary to provide affordable housing.
- F. Property Standards. In compliance with 24 CFR § 92.251, all housing that is constructed or rehabilitated with HOME ARP funds will meet all applicable local codes, the Subrecipient's written rehabilitation standards, ordinance and zoning ordinances at the time of project completion, except as provided in paragraph (b) of § 92.251. The Subrecipient's written rehabilitation standards must be satisfactory to the Lead Agency and will ensure that the HOME ARP-assisted housing is decent, safe, and sanitary.

All other HOME ARP-assisted housing must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the housing quality standards in Notice CPD-21-10.

- G. Rental Project Affordability. 70% of HOME ARP-assisted units in a rental housing project must be occupied by households that meet the criteria of Qualifying

Populations at the time of initial occupancy. Any rental projects funded through the Subrecipient's Production of Affordable Rental Housing Program will comply with Notice CPD-21-10 VI.B. and income limits set in 24 CFR § 92.2. These regulatory requirements include rent limitations, initial rent schedule and utility allowances, nondiscrimination against rental assistance subsidy holders, periods of affordability, rent adjustments during the period of affordability, tenant income, over-income tenants, fixed and floating HOME and HOME ARP units, and tenant protections, including lease requirements and prohibitions.

- G. Repayments. Any HOME ARP funds invested in housing that does not meet the affordability requirements for the affordability period specified in Notice CPD-21-10 VI.B.18, as applicable, must be repaid by the Subrecipient in accordance with § 92.503(b)(3). Any HOME ARP funds invested in a project that is terminated before completion, either voluntarily or otherwise, must be repaid by the Subrecipient in accordance with 24 CFR § 92.503(b)(3).

#### **IV. Federal Requirements**

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

- A. Affirmative Marketing. Subrecipient is required, in projects with 5 or more HOME ARP-assisted units, to establish affirmative marketing procedures and requirements in place. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability. Project owners or developers must keep records that describe the actions taken to affirmatively market units and records to assess the results of these actions.
- B. Environmental Review. The effects of each activity related to the Program must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 and the related authorities in 24 CFR 58, and as detailed in 24 CFR Part 92.352. The Subrecipient must, *prior* to undertaking any choice limiting or physical activity with respect to the Project, regardless of whether such activity is to be funded by the HOME ARP Funds, comply to the extent applicable, with the regulations found at 24 CFR Part 58. All applicable environmental review and clearance requirements as provided in 24 CFR 58.5 must be completed by the Subrecipient and a Release of Funds from the U.S. Department of Housing and Urban Development must be received prior to any commitment by the Subrecipient of HOME ARP dollars, if applicable. The Subrecipient will abide by any special conditions, procedures and requirements of the environmental review and will advise the Lead Agency of any

proposed change in the scope of the project or any change in environmental conditions in accordance with 24 CFR 58.71(b). The Subrecipient may not use any of the HOME ARP Funds for acquisition or construction in identified special flood hazard areas unless the Project is subject to the mandatory purchase of flood insurance as required by Section 102(a) of the Flood Disaster Protection Act of 1973.

- C. Uniform Relocation Act. All reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations and farms) as a result of a project assisted with HOME ARP funds will be taken. A person displaced as a direct result acquisition, rehabilitation or demolition for a HUD-funded project must be provided relocation assistance at the levels described in, and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 USC 4201-4655) and 49 CFR part 24. This includes any permanent, involuntary move for an assisted project that is made after notice by the owner to move permanently from the property if the move occurs on or after (a) the date of submission of an application to the Subrecipient, if the applicant has site control and the application is later approved; (b) the date the Subrecipient approves the applicable site, if the applicant does not have site control at the time of the application; or (c) if the Subrecipient, Lead Agency or HUD determine that displacement resulted directly from the acquisition, rehabilitation or demolition of the project. Further definitions of displaced persons, permanent and temporary, may be found in the Act and at § 92.353(c)(2).
  
- D. Labor. Every contract for new construction or rehabilitation of housing that includes 12 or more units assisted with HOME ARP funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 USC 276a-276a-5), to all laborers and mechanics employed in the development of any part of the housing. Such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 USC 327-332). Eligible HOME ARP costs include any project costs in § 92.206 including construction or non-construction costs, of housing with 12 or more HOME ARP-assisted units.
  
- E. Lead-based Paint. Housing assisted with HOME ARP funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR Part 35, Subparts A, B, J, K, M and R of this title.
  
- F. Conflict of Interest. In the procurement of property and services by the Subrecipient, the conflict of interest provisions in 2 CFR 200.317-200.326 apply; in all cases not

governed by 2 CFR 200.317-200.326, the provisions of 24 CFR 92.356(b) through § 92.356(f) apply.

- G. Consultant Services. No person providing consultant services in an employer-employee type relationship shall receive more than a reasonable rate of compensation for personal services paid with HOME ARP funds. In no event, however, shall such compensation exceed the limits in effect under the provisions of any applicable statute (i.e.: annual HUD appropriations acts which have set the limit at the equivalent of the daily rate paid for Level IV of the Executive Schedule, see the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Acts, 1997, Pub. L. 104-204 (09/26/1996)). Such services shall be evidenced by written agreements between the parties which detail the responsibilities, standards, and compensation. Consultant services provided under an independent contractor relationship are not subject to the compensation limitation of Level IV of the Executive Schedule.
- H. Procurement. The Subrecipient will establish procurement procedures to ensure that materials and services are obtained in a cost-effective manner. When procuring for services to be provided under this agreement, the Subrecipient shall comply at a minimum with the procurement standards at 2 CFR 200.318-200.326.
- I. Uniform Administrative Requirements. The requirements of 2 CFR 200 apply to this agreement.
- J. Non-discrimination. The Subrecipient agrees that they will utilize and make available the HOME ARP funds in conformity with the non-discrimination and equal opportunity requirements set forth in the National Housing Affordability Act. These regulations include:
  - 1. The requirements of the Fair Housing Act, 42 U.S.C. 3601-20, and implementing regulations at 24 CFR Part 100; Executive Order 11063 (Equal Opportunity in Housing) as amended by Executive Order 12259 and implementing regulations at 24 CFR 107; and Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, and implementing regulations at 24 CFR Part 1 (Nondiscrimination in Federally Assisted Programs);
  - 2. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and the regulations at 24 CFR 146;
  - 3. The prohibitions against discrimination on the basis of handicap under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR, Part 8;

4. The requirements of the Executive Order 11246 (Equal Employment Opportunity) and the regulations issued under the Order at 41 CFR Chapter 60;
  5. The requirements of Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1702u (Employment Opportunities for Business and Lower Income Persons in Connection with Assisted Projects);
  6. The requirements of Executive Orders 11625 and 12432 regarding Minority Business Enterprise, and 12138 regarding Women's Business Enterprise, and regulations S.85.36(e) of Section 281 of the National Housing Affordability Act; and
  7. The requirements of Washington State Law as found at RCW 49.60.
- K. Minority/Women-Owned businesses. Subrecipient will document and provide data on the outreach steps taken to assure that minority business (MBE) and women's business enterprises (WBE) have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction, and services. Subrecipient will report to the Lead Agency the contracts or subcontracts awarded to MBE and WBE businesses for the project.
- L. Debarment. The Subrecipient may not award or permit an award of a contract to any party which is debarred, suspended or ineligible to participate in a Federal program. The Subrecipient certifies that it is not debarred, suspended or ineligible to participate in a Federal program. The Subrecipient will, prior to signing any contracts, ensure compliance with 24 CFR Part 24, "Debarment and Suspension" for any contractor, subcontractor or vendor. The Subrecipient will also assure that language pertaining to debarred, suspended or ineligibility to participate is inserted in all contract agreements. If during the time of this agreement the Subrecipient is debarred, suspended or ineligible to participate in a Federal program, the Consortium may terminate this agreement for cause.
- M. Program Income. All program income will be deposited into the Lead Agency's HOME-ARP Investment Trust Fund local account. Program income derived from Consortium HOME ARP activities undertaken by the Subrecipient will continue to be program income of the Consortium should the Subrecipient terminate its participation in the Consortium. Program income earned as a result of the use of HOME ARP funds is HOME program income and must be used in accordance with the requirements of 24 CFR Part 92. Program income received in any one year from Subrecipient activities shall be accumulated and reallocated in the following year's Annual Action Plan for eligible administration and affordable housing activities to be conducted by the Subrecipient. Subrecipient understands that it will use any available HOME Program Income prior to requesting grant funding from the Lead Agency. Program Income funds will be used for additional eligible affordable housing activities; up to ten percent

(10%) of program income may be used for administration costs in the program year allocated.

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

## **V. Subrecipient covenants.**

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

- A. Reversion of Assets. Upon expiration of the Consortium, the Subrecipient must transfer to the Lead Agency any HOME ARP funds on hand at the time of expiration and any accounts receivable attributable to the use of HOME ARP funds.
- B. Financial Responsibility. The Subrecipient agrees that it is financially responsible (liable) for any audit exception which occurs due to its negligence or failure to comply with the terms of this Agreement.
- C. Indemnification. The Subrecipient agrees to hold TCRA, the Lead Agency and the Consortium harmless and to indemnify TCRA, the Lead Agency and the Consortium and its individual representative members against any and all liability, claims and costs of whatsoever kind and nature for injury to or death of any person or persons and for loss or damage to any property occurring in connection with or in any way incident to or arising out of activities undertaken under this Agreement.
- D. Insurance and Bonds. The Subrecipient and its employees, volunteers, contractors or consultants shall carry throughout the life of this Agreement, General Liability Insurance, Comprehensive Automobile Liability Insurance and other such coverage as may be appropriate or required by State or Federal law, for the services to be performed. This insurance shall include the following:
  1. Professional Legal Liability: Subrecipient shall maintain Professional Legal Liability or Professional Errors and Omissions coverage appropriate to the Subrecipient's profession and shall be written subject to limits of not less than \$1 million per claim and \$1 million policy aggregate limit. The coverage shall apply to liability for a professional error, act or omission arising out of the scope of the work for this agreement. Coverage shall not exclude bodily injury, hazards, or property damage related to the work in this agreement, including design, testing, monitoring, measuring operations, or laboratory analysis where such services are rendered as part of the agreement. If Subrecipient will contract such work, Subrecipient will require above described coverage of that contractor.

2. Worker's Compensation (Industrial Insurance): Workers' compensation insurance as required by Title 51 RCW shall be maintained and Subrecipient shall provide evidence of coverage if so required.
3. Commercial General Liability: Commercial General Liability coverage shall be written on ISO occurrence form CG 00 01 or the equivalent and shall cover liability arising from premises, operations, independent contractors, personal injury and advertising injury. The insurance shall include the City of Tacoma, Tacoma Community Redevelopment Authority, the Consortium, and each entity's members, officers, officials, employees and agents with respect to performance of services, and shall contain no special limitations on the scope of protection afforded as an additional insured for both ongoing and completed operations using ISO forms CG2026 and CG 2037 or the equivalent. The insurance shall contain a Waiver of Subrogation Clause in favor of the City of Tacoma, the Consortium and Tacoma Community Redevelopment Coverage shall include limits of not less than \$1 million per occurrence, and \$2 million aggregate.
4. Employer's Liability with limits not less than \$1,000,000 each person and \$1,000,000 aggregate.
5. Automobile Liability: Commercial Automobile Liability insurance with a minimum combined limit no less than \$1 million per accident for bodily injury and property damage shall be maintained. Coverage shall include all owned, hired, leased, and non-owned automobiles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If deemed necessary, the policy shall be endorsed to provide contractual liability coverage.

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

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

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

## **VI. Records and Monitoring**

- A. Records. Records must be kept by the Subrecipient and TCRA and be made available to the Lead Agency and HUD that demonstrate compliance with this Agreement. At a minimum the following records must be kept:
  - 1. Subsidy layering guidelines adopted in accordance with Section VI.B.10 of the Notice;
  - 2. Written Rehabilitation Standards;
  - 5. A full description of each project assisted with HOME ARP funds, including the location, form of HOME ARP assistance, and the units or tenants assisted with HOME ARP funds;
  - 6. The source and application of funds for each project, including supporting documentation in accordance with 2 CFR 200.302;



7. Records demonstrating that each rental housing or homeownership project meets the minimum per-unit subsidy of 24 CFR § 92.205(c) and the subsidy layering guidelines adopted in accordance with Section VI.B.10 of the Notice;
8. Records demonstrating that each project meets the property standards of 24 CFR § 92.251 and the lead-based paint requirements of 24 CFR § 92.355;
9. Records demonstrating that each family meets the criteria for Qualifying Populations in accordance with Section VI of the Notice;
10. Records demonstrating that each rental housing project meets the affordability and income targeting requirements of Section VI.B.18 of the Notice for the required period. Records must be kept for each family assisted;
- 11.
13. Records demonstrating that a site and neighborhood standards review was conducted for each project which includes new construction of rental housing assisted to determine that the site meets the requirements of 24 CFR 983.6(b), in accordance with 24 CFR § 92.202;
14. Records demonstrating compliance with the written agreements required by 24 CFR § 92.504 and Notice CPD 21-10 VIII.B;
15. Records demonstrating compliance with the applicable uniform administrative requirements required by 24 CFR § 92.505;
16. Records documenting required inspections, monitoring review and audits, and the resolution of any findings or concerns;
17. Data on the extent to which racial and ethnic group and single-headed households (by gender of household head) have applied for, participated in, or benefited from, any program or activity funded in whole or in part with HOME funds;
18. Documentation of actions undertaken to meet the requirements of 24 CFR Part 135 which implements Section 3 of the Housing Development Act of 1968, as amended (12 U.S.C. 1701u);
19. Documentation of the actions the Subrecipient has taken to affirmatively further fair housing;
20. Records demonstrating compliance with the affirmative marketing procedures and requirements of 24 CFR § 92.351;

21. Documents and data on the steps taken to implement the Subrecipient's outreach programs to minority-owned (MBE) and female-owned (WBE) businesses including data indicating the racial/ethnic or gender character of each business entity receiving a contract or subcontract of \$25,000.00 or more paid, or to be paid, with HOME ARP funds; the amount of the contract or subcontract, and documentation of participating jurisdiction's affirmative steps to assure that minority business and women's business enterprises have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction and services;
22. Records demonstrating compliance with the environmental review requirements of 24 CFR § 92.352 and 24 CFR part 58, including flood insurance requirements;
23. Records demonstrating compliance with the requirements of 24 CFR § 92.353 regarding displacement, relocation, and real property acquisition, including project occupancy lists identifying the name and address of all persons occupying the real property on the date described in 24 CFR § 92.353(c)(2)(i)(A), moving into the property on or after the date described in 24 CFR § 92.353(c)(2)(i)(A), and occupying the property upon completion of the project.
24. Records demonstrating compliance with the labor requirements of 24 CFR § 92.354, including contract provisions and payroll records;
25. Records demonstrating compliance with the lead-based paint requirements of 24 Part 35, Subparts A, B, J, K, M and R of this title;
26. Records supporting exceptions to the conflict of interest prohibition pursuant to 24 CFR § 92.356; and
27. Debarment and suspension certification required by 24 CFR Parts 24 and 91.

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

1. For rental housing projects, records must be retained for five years after the project completion date; except for the records of individual tenant income verifications, project rents and project inspections must be retained for the most recent five year period, until five years after the affordability period terminates.
2. Written agreements must be retained for five years after the agreement terminates.

3. Records covering displacement and acquisition must be retained for five years after the date by which all persons displaced from the property and all persons whose property is acquired for the project have received the final payment to which they are entitled in accordance with 24 CFR § 92.353.
4. If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

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

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

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

## **VII. Miscellaneous**

- A. Relationship. The relationship of the Subrecipient to the Lead Agency and TCRA shall be that of an independent agency. Nothing herein shall be deemed to create the relationship of employer/employee or principal/agent between the parties.
- B. Modification and Amendments. This agreement can only be amended in writing signed by the Lead Agency, TCRA and the Subrecipient. All modifications and amendments shall not take effect until specifically approved by the Lead Agency in writing.
- C. Waivers. No conditions or provisions of this agreement can be waived unless approved by the Lead Agency in writing.
- D. Assignment. The Subrecipient shall not assign any interest in this Agreement and shall not transfer any interest in this Agreement to any party (whether by assignment or novation) without prior written consent of the Lead Agency.

- E. Severability. If any provision of this Agreement or portion thereof is held invalid by any court of rightful jurisdiction, the remainder of this Agreement shall not be affected providing the remainder continues to conform to applicable Federal and State law(s) and regulations and can be given effect without the invalid provision.
- F. Attorney Fees and Costs. In the event of a lawsuit between the parties to this agreement, the prevailing party shall be entitled to recover judgment against the other party for reasonable attorney's fees and other costs either at trial or on appeal. If either party exercises any non-judicial right or remedy to enforce such party's rights hereunder, it shall be a condition for the cure of the default that the defaulting party will pay the non-defaulting party's reasonable attorney's fees incurred and all reasonable costs. Failure to pay such costs and reasonable attorney's fees shall constitute an event of default under this agreement.
- G. Dispute Resolution. The Consortium, participating jurisdiction and the Subrecipient agree to negotiate in good faith for a period of 30 days from the date of notice of all disputes between them prior to exercising their rights under this agreement or under law. All disputes not resolved by negotiation between the parties may be arbitrated only by mutual agreement of the parties. If not mutually agreed to resolve the claim by arbitration, the claim will be resolved by legal action. Arbitration of all claims will be in accordance with the RCW 7.04A and the mandatory rules of arbitration with venue being placed in Pierce County, Washington. Arbitration shall include an award to the prevailing party of its reasonable attorney fees and costs against the other.
- H. Venue and Law. Venue for any action under this contract shall be in Pierce County, Washington. This agreement shall be governed by the laws of the State of Washington.

### **XIII. Duration of Agreement**

- A. Suspension or Termination. This agreement may be cancelled "for cause" or "not for cause" by providing written 30 days' notice by certified mail, return receipt requested, to the other signatory members of this agreement. There are three (3) separate methods of suspension or termination of this Agreement:
  - i. By fulfillment. The Agreement will be considered to be terminated upon fulfillment of its terms and conditions, including all affordability periods for project received HOME funds under this agreement.
  - ii. By mutual consent. The Agreement may be terminated or suspended in whole or in part, at any time, if both parties consent to such termination or suspension. The conditions of the suspension or termination shall be documented by giving a minimum of 30 days written notice.
  - iii. For cause. The Lead Agency may suspend or terminate this Agreement in whole or in part, for cause, when the Subrecipient has failed in whole or in part

to meet its commitments and obligations as outlined and when the Lead Agency deems continuation to be detrimental to its interest. Failure to carry out the project as described in the approved application and in compliance with HOME ARP Program regulations found in Notice will be deemed a failure to perform and cause the immediate repayment of HOME funds. "For cause" includes:

- aa. failure to comply with the terms and conditions of this Agreement, or to substantiate compliance;
- bb. improper or illegal use of project funds or resources;
- cc. any illegal act by the Subrecipient and its representatives.
- dd. Failure to submit required reports on or before due date or failure to document compliance with the terms and conditions contained herein.

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

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

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

**SUBRECIPIENT(S):**

**TACOMA COMMUNITY  
REDEVELOPMENT AUTHORITY**

747 Market St, Rm 900  
Tacoma, WA 98402

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TCRA Officer \_\_\_\_\_ Date \_\_\_\_\_

Assistant City Manager Date

\_\_\_\_\_  
Jeff Robinson Date  
Community & Economic Development  
Director

\_\_\_\_\_  
Andrew Cherullo Date  
Finance Director

Approved as to form:

\_\_\_\_\_  
Debra Casparian Date  
Deputy City Attorney

**CITY OF LAKEWOOD**

6000 Main Street SW  
Lakewood, WA 98499

\_\_\_\_\_  
John J. Caulfield, Date  
City Manager

Attest:

\_\_\_\_\_  
Briana Schumacher Date  
MMC, City Clerk

Approved as to Form:

\_\_\_\_\_  
Heidi Wachter, City Attorney Date

**CITY OF TACOMA**

747 Market St, Rm 900  
Tacoma, WA 98402

\_\_\_\_\_

## Exhibit A

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

- 1) Federal Award Identification:
  - (i) Subrecipient name: City of Lakewood;
  - (ii) Subrecipient's unique identifiers: EIN: 91-1698185 UEI:C8USBK5DLRF2
  - (iii) Federal Award Identification Number (FAIN): TBD
  - (iv) The Federal Award Date (as defined in 2 CFR 200.39): TBD
  - (v) The amount of Federal Funds Obligated by this action by the City of Tacoma to the Subrecipient is \$1,175,489
  - (vi) The Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA): The TCRA will be the administrator of the City of Lakewood's HOME ARP funds with the intent to provide affordable housing options for Qualifying Populations who meet criteria set in Section IV.A of the Notice through the Production of Affordable Rental Housing and Tenant Based Rental Assistance.
  - (vii) The name of:
    - Federal awarding agency: United States Department of Housing and Urban Development
    - Pass-through entity: City of Tacoma
  - (viii) Contact information for awarding official of the pass-through entity: Director of community & Economic Development; 747 Market St, Room 900, Tacoma, WA 98402; (253) 591-5139; jrobinson@cityoftacoma.org
  - (ix) CFDA Number: 14.239; Name: HOME Investment Partnerships Program (HOME);
  - (x) This award to the Subrecipient is a non-Research and Development award; and
  - (xi) The Subrecipient shall not charge an indirect cost rate to the Federal award under this Subrecipient Agreement.

2) Program Budget Breakdown:

<b><u>HOME ARP Budget</u></b>	
<b><u>Eligible Activities</u></b>	<b><u>New HOME Award and Program Income Funds</u></b>
HOME ARP TBRA	\$587,744
HOME ARP Production of Affordable Rental Housing	\$587,745
<b>Total</b>	<b>\$1,175,489</b>