Form of AMENDMENT NO. 4 TO CONTRACT CW2240538

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

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

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

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

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

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

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

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

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

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

   1) Program Delivery. The intent of this Agreement is to enhance Tacoma's housing and economic development climate by providing (1) loans, grants, and technical assistance to low-income qualified homeowners, homebuyers, and to organizations that develop, own and/or sponsor affordable housing, including shelters, group homes, special needs and transitional housing, opportunities for low-income homebuyers; (2) loans and grants to businesses that create or retain employment opportunities for low-income individuals; and (3) direct acquisition of real properties in support of (1) and (2) above. Additional details on program delivery are provided on Exhibit A to this agreement.

   2) General Administration. The City will provide appropriate staff to manage and disburse grant funds, issue, administer and closeout all contracts, direct the services of consultants, sub-recipients, contractors and sub-contractors and execute payments (checks or electronic transfers) disbursing funds on behalf of the Subrecipient."

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

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

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

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

3. Section 2. Time of Performance is hereby amended to read as follows:
   "Services of the Subrecipient shall start on the 1st day of July, 2020 and end on the 30th day of June of 2023 for the 2020 Program year. Services of the Subrecipient shall start on the 1st day of July, 2021 and end on the 30th day of June of 2024 for the 2021 Program year. Services of the Subrecipient shall start on the 1st day of July, 2022 and end on the 30th day of June of 2025 for the 2022 Program year. Services of the Subrecipient shall start on the 1st day of July, 2023 and end on the 30th day of June of 2026 for the 2023 Program year. Services of the Subrecipient shall start on the 1st day of July, 2024 and end on the 30th day of June of 2027 for the 2024 Program year.

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

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

   "III. BUDGET

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

IV. PAYMENT

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

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

5. The Scope of Work, authorized under Exhibit "A" of the Contract, is hereby amended to include changes to Sections 1 and 3.C. Exhibit "A" attached to this Amendment and incorporated herein.

6. The Budget, authorized under Exhibit "B" of the Contract, is hereby amended to add the program year 2023 budget under Section 1, Exhibit "B" attached to this Amendment and incorporated herein.

7. All other terms of the Contract, together with all Exhibits and previous amendments, are hereby ratified and shall remain in full force and effect, unaltered by this Amendment.

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

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

CITY OF TACOMA

_____
Elizabeth Pauli
City Manager

_____
Jeff Robinson, Director
Community & Economic Dev. Dept.

_____
Andrew Cherullo, Finance Director

Approved as to form:

_____
Debra Casparian, Deputy City Attorney

Attest:

_____
Doris Sorum, City Clerk

TACOMA COMMUNITY REDEVELOPMENT AUTHORITY

_____
TCRA Authorized Officer

Print Name: _____

Title: _____

EIN: 91-1061825

Unique Entity ID (UEI): YUWKM2N6N4G4

EXHIBIT A

Scope of Work

1. Intention and Deadlines.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. **Scope for Lending**

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

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

B. Clients may request services at 747 Market Street, Tacoma, WA, Monday through Friday during regular business hours between 8:30 AM and 4:00 PM.

C. Significant deviation from the Scope of Work or Compensation and Financial Requirements requires written concurrence by the City as an amendment to this Agreement. The Subrecipient must submit their request in writing prior to making changes to this Agreement.

3. Client Eligibility

A. The Subrecipient shall screen all clients served with funds provided under this Agreement and maintain records documenting that one hundred percent (100%) of the total number of clients served do not have a gross annual household income in excess of the limits specified in the below in Paragraph C, Income Definitions, for Low-Income Households with the applicable number of persons per household.

B. A household is defined as all persons living in the same household who are related or unrelated persons that reside in the same dwelling unit as their permanent residence. This does not include live-in aides and/or unrelated persons paying rent for a room.

C. Subrecipient agrees to use the most current CDBG program income limit guidelines as issued by HUD. The limits in effect as of the date of this agreement are listed in the table below. This limits are to be used until HUD releases updated CDBG limits for the Tacoma/Pierce County Metro-Statistical Area;

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

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

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

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

4. Program requirements.

A. Recordkeeping and reporting

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

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

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

5. Subrecipient Responsibilities

A. The Subrecipient shall be required to have written agreements prior to providing funding to any other entity (identified as owners, developers, or businesses), beneficiaries (identified as homeowners or homebuyers), subrecipients, or contractors.

B. The Subrecipient will submit timely invoices for expenses to the City. Invoices for programs administered by the Subrecipient will be submitted no less than monthly. Invoices for development projects will be submitted as the expenses are incurred by the Subrecipient.

C. Failure to lawfully plan, administer, and implement the program or project, or to demonstrate substantial progress within ninety (90) days of the effective date of this Agreement shall cause the City to re-evaluate the program or project, necessitating the amendment and/or termination of this Agreement.

6. City Responsibilities

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

A. Designate the Director of the Community and Economic Development Department (CEDD), the Assistant Director of CEDD, and the Housing Manager of CEDD to plan, administer, and implement programs and projects to provide loans to low-income homeowners, homebuyers, and housing developers according to program guidelines.

B. The City will provide appropriate staff to manage and disburse grant funds, issue, administer and closeout all contracts, direct the services of consultants, subrecipients, contractors and sub-contractors, and execute checks disbursing funds on behalf of the Subrecipient.

C. The Director of the Community and Economic Development Department (CEDD) may perform or may delegate the administrative responsibilities delegated by the Authority Board hereunder to the Assistant Director and/or the Housing Manager, as the Director determines is appropriate, to carry out the administrative functions provided for in this Agreement, as necessary to provide for the most effective and orderly rendition of administrative functions in light of the workload and availability of these three City employees. The term "Administrator" as hereinafter used shall denote any of the three individuals filling the above-defined position in CEDD, and such other individuals as designated by the Director with the approval of the Authority Board.

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

1. Forward to the Authority's Attorney of record non-judicial matters, and to engage the Authority's Attorney without prior Board approval for up to $2,500 per matter relating to single-family housing loans and administrative matters, and up to $5,000 per matter relating to economic development and multi-family housing loans; provided that such expenditures have been budgeted or are chargeable to a borrower.

2. Oversee the investment of the Authority funds to be made by the City Treasurer's office, in accordance with City investment policies and procedures and in compliance with applicable laws and regulations. The amount of funds which are not currently needed and which are currently available to be invested will be based on recommendation and findings by the authority accountant designated by the Authority board and in accordance with policies as, from time to time, are approved by resolution of the Authority Board. The City will provide periodic and adequate reports to the Authority Board in respect to the investment of TCRA funds. All interest earned on investments of Community Development Block Grant (CDBG) funds received from the U.S. Department of Housing & Urban Development (HUD) of the repayment of loans made with CDBG funds will (after payment of administrative fees as herein provided) be remitted to the U.S. Treasury, if required by HUD regulations. The City may charge an administrative fee for its administrative costs in administering investments and in providing administrative services under this agreement, which fee will be payable from any investment earnings, to the extent allowable under applicable federal laws and regulations.

3. Sign on behalf of the Authority required documentation on loans approved or modified by the Authority or the Administrator, as provided herein. The Administrator is further authorized to sign on behalf of the Authority lien releases on fully paid or forgiven loans and to authenticate or sign on behalf of the authority such other documents as are, from time to time, approved by resolution of the Authority Board.

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

Authority Board.

Nothing herein shall limit the authority of the Board to:

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

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

4. Supervise City staff assigned to provide administrative support to the Authority and will provide administrative support or such supervision in assisting and advising the Authority Board relative to:
(a) compliance with the requirements of agreements with the Authority;

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

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

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

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

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

(g) monitoring and collection of loans; and

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

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

F. Approve, on behalf of the Authority, subordination requests when the Administrator determines in good faith that the requested subordination will not jeopardize the Authority's current collateral position nor cause additional risk to the Authority. The subordination must be recommended by the Housing Manager, or staff authorized to take action on their behalf. The same person is not authorized to both recommend and approve any such action. A report, including loan write-up, will be provided to the Authority of all loans approved in the prior month. The Authority will ratify the action(s) of the Administrator at its next regular meeting or take action indicating it does not want the Administrator to take similar action in the future.

G. Approve loans through the Down Payment Assistance program, in an amount not to exceed $30,000.00. The loans must meet all program guidelines and be recommended by the Housing Manager, or staff authorized to take action on their behalf. The same person is not authorized to both recommend and approve any such action. A quarterly report will be provided to the Authority of all loans approved each quarter. The Authority will ratify the action(s) of the Administrator at its next regular meeting or take action indicating it does not want the Administrator to take similar action in the future.

H. Approve loans through its homeowner housing rehabilitation program, in an amount not to exceed $60,000. The loans must meet all program guidelines and be recommended by the Housing Manager, or staff authorized to take action on their behalf. The same person is not authorized to both recommend and approve any such action. A quarterly report will be provided to the Authority of all loans approved each quarter. The Authority will ratify the action(s) of the Administrator at its next regular meeting or take action indicating it does not want the Administrator to take similar action in the future.

I. Extend the maturity date of a loan for up to 90 days, per loan, with the recommendation of the Housing Manager (or staff authorized to take action), under the following conditions:

1. the loan is current and performing; and
2. (a) the extension request is based on need for additional time to gather necessary information needed to submit a formal request for extension to the Authority Board; or (b) the extension request is needed due to unanticipated loss of income by borrower, due to death or medical crises of the borrower, or a need for additional time to refinance the Authority loan. The same person is not authorized to both recommend and approve any such action.

J. Approve, on behalf of the Authority, a one-time deferment on housing loans up to 30-days with the recommendation of the Housing Manager, or staff authorized to take action on their behalf. The same person is not authorized to both recommend and approve any such action. Any such deferment must be based on loss of employment, medical crises, or other unanticipated emergency situation which prevents the borrower from making his or her regular payment. The intent of any such deferment is to prevent the borrower from becoming delinquent on his or her loan while staff prepares a recommendation for loan modification, if necessary, for Board approval. Any such deferred payment will be added at the end of the loan term until the loan is paid in full, but will not be considered a delinquency.

K. Modify loan in order to extend the first payment due date and subsequently the maturity date, only under the following conditions:

1. delay(s) in the construction process on a project;
2. delay(s) in funding on a project;
3. errors in the documentation and setup of a loan.

L. Approve expenditures of up to $5,000 of Authority Funds, per item or service contract, provided payment therefore has been budgeted. The Administrator will provide an updated expenditure report and budget variance on a quarterly basis to the Board.

M. Approve expenditures of up to $10,000 of Authority funds for repairs and upkeep on any Authority-owned property. The expenditures, unless otherwise approved by the Authority Board, will be covered by income generated from the property. All requests will be recommended by the Housing Manager and will be reported to the Board. The purchase of goods and supplies authorized by the Administrator will be purchased by the City using Authority Board approved purchasing procedures. Contracts for services and repairs as authorized herein will be obtained and signed by the Administrator on behalf of the Authority.

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

EXHIBIT B
Compensation and Financial Requirements

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

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

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

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

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

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

2. Financial Requirements – Payments.

A. Application Regulations

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

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

B. Approved Uses

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

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

C. Funds Disbursement Provision

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

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

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

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

D. Inappropriate Funds Obligation

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

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

E. Multiple Funding Sources

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

F. Program Income

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

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

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

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

G. Unexpended Funds and Program Income

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

Form of AMENDMENT NO. 4 TO CONTRACT CW2240247

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. The Scope of Work, authorized under Exhibit "B" of the Contract, is hereby amended to include changes to Sections 1, 3.C, 4.D.2, and 5.A. Exhibit "B" attached to this Amendment and incorporated herein.

4. The Compensation and Financial Requirements, authorized under Exhibit "C" of the Contract, is hereby amended to include changes to Sections 1, and 2.G. Exhibit "C" attached to this Amendment and incorporated herein.

5. All other terms of the Contract, together with all Exhibits, are hereby ratified and shall remain in full force and effect, unaltered by this Amendment.

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

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

CITY OF TACOMA

_____
Elizabeth Pauli
City Manager

_____
Jeff Robinson, Director
Community & Economic Dev. Dept.

_____
Andrew Cherullo, Finance Director

Approved as to form:

_____
Debra Casparian, Deputy City Attorney

Attest:

_____
Doris Sorum, City Clerk

TACOMA COMMUNITY REDEVELOPMENT AUTHORITY

_____
TCRA Authorized Officer

Print Name: _____

Title: _____

EIN: 91-1061825

Unique Entity ID (UEI): YUWKM2N6N4G4

Exhibit B
Scope of Work

1. Intention and Deadlines.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. Scope for Housing

A. To accomplish this intent the Subrecipient shall fully comply with all noted regulations, requirements and conditions as set forth in this Agreement and serve low income households residing in the City of Tacoma through their Housing program. Housing activities will be provided in accordance with established HOME regulations 24 CFR Part 92 (Subparts A – L) and guidelines to include any of the following, depending on market, demand, staffing availability and policy direction of the TCRA:

1. Providing owner-occupied single family housing rehabilitation loans per unit in accordance with 24 CFR Part 92.254(a)(2);

2. Providing loans to borrowers for the development of affordable rental or ownership housing. Development includes acquisition, rehabilitation and/or new construction;

3. Utilize HOME funds for the direct acquisition and rehabilitation of both single family and multifamily projects;

4. Hold properties acquired by the Subrecipient and/ or otherwise rehabilitated with HOME funds for the purpose of obtaining program income as it arises from rents or future sale;

5. Providing loan programs for low income, first-time homebuyers, including assistance for down payment assistance and closing costs;

6. Continuing to provide funding opportunities, through loans or developer subsidy, to Community Housing Development Organizations (CHDOs) for the development of affordable rental or ownership housing;

7. Reviewing and approving all loans for compliance with TCRA policies and regulations;

8. HOME program loan repayments and interest (Program Income) from previous loans will be deposited into the Subrecipient's HOME Investment Trust Fund local account. Program income received in any one year from Subrecipient activities shall be accumulated and reallocated in the following year's Annual Action Plan for eligible administration and affordable housing activities to be conducted by the Subrecipient. HOME grant funds are obligated as described in Exhibit C, Sections C through F of this Agreement;

9. Completing reports and providing information as required by the City to demonstrate compliance with regulations, client eligibility, goals and objectives to support the HUD 5-Year Consolidated Plan, the Annual Action Plan, the Consolidated Annual Performance and Evaluation Report (CAPER) and other reports as may be required; and

10. Servicing the portfolio of loans extended, including tracking of timely payments, maturity, maintaining insurance coverage, monitoring occupancy, current tax status,

foreclosure, and title issues.

B. Clients may request services at 747 Market Street, Tacoma Washington Monday through Friday during regular business hours between 8:30 AM and 4:00 PM.

C. Significant deviation from the Scope of Work or Compensation and Financial Requirements requires written concurrence by the City as an amendment to this Agreement. The Subrecipient must submit their request in writing prior to making changes to this Agreement.

3. Client Eligibility

A. Per 24 CFR 92.203, the Subrecipient shall screen all clients served with funds provided under this Agreement and maintain records documenting that one hundred percent (100%) of the total number of clients served do not have a gross annual household income in excess of the limits specified below in Paragraph C, Income Definitions, for Low Income Households with the applicable number of persons per household.

B. A household is defined as all persons living in the same household who are related or unrelated persons that reside in the same dwelling unit as their permanent residence. This does not include live-in aides and/or unrelated persons paying rent for a room.

C. Subrecipient agrees to use the most current HOME income guidelines as issued by HUD. The limits in effect as of the date of this agreement are listed in the table below. This definition is to be used until HUD releases updated HOME limits for the Tacoma/Pierce County Metro-Statistical Area; this update is historically made available by HUD in the first quarter of the calendar year.

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

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

4. Project Requirements

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

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

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

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

D. Rental Requirements (Rental Projects only)

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

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

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

2. The Subrecipient shall use utility allowances Consistent with HOME approved utility calculation methods. If the tenant pays their own utilities the utility allowances shall be subtracted from the maximum rent the tenant can pay.

3. In rental projects with five or more HOME-assisted units, twenty percent (20%) of the HOME-assisted units must be occupied by very low-income families and be able to meet the following rent requirements:

   a. The rent does not exceed thirty percent (30%) of the annual income of a household whose income equals fifty percent (50%) of the median income for the area with adjustments for household size; or

   b. The rent does not exceed percent (30%) of the families' adjusted income. If the unit receives Federal or state project-based rental subsidy and the very low-income household pays as a contribution toward the rent not more than thirty percent (30%) of the household's adjusted income, then the maximum rent (tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

4. The Subrecipient shall require owners of HOME rental housing to adopt and maintain written policies and criteria that are consistent with all federal, state and local Fair Housing laws and meet the purpose of providing housing for low-income families and individuals per 24 CFR Part 92.351. The policies must, at a minimum, specify how tenants will be selected, give reasonable consideration to the housing needs of families and individuals with special needs, address the terms of rental assistance, maximum subsidy, and tenant protections through the use of written leases.

5. The Subrecipient shall determine fixed and floating HOME units prior to the commitment of funds on a HOME-assisted rental housing project. For projects with both HOME assisted and non-assisted HOME units, the HOME units may be fixed or floating. When a unit is fixed the unit is designated as a HOME unit and never changes. When units are designated as floating the units may change over time as long as the total number of units in the project does not change.

6. The Subrecipient shall require owners of HOME-assisted rental housing to follow the HOME regulations at 24 CFR Part 92.252(i) if a tenant in a HOME-assisted unit becomes over income.

7. The Subrecipient shall ensure that owners of HOME-assisted rental housing do not engage in the following prohibited leasing practices:
    a. Requiring participation in services as a condition of tenancy;
    b. Requiring tenants to adhere to rules outside of the landlord/tenant law;
    c. Only accepting tenants from one referral source;
    d. Requiring tenants to sign leases of less than one (1) year;
    e. Requiring tenants to waive legal rights;
    f. Requiring tenants to pay owner's legal fees if a dispute is initiated regardless of the final outcome; and
    g. Other prohibited lease practices as described in the written agreement and the HOME Program Statue.

E. Homeownership Requirements (Homeownership Projects only).

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

1. The assisted housing must be maintained as the owner's principal residence;

2. At the time of assistance, the estimated value of the property must not exceed ninety-five percent (95%) of the Tacoma/Pierce County median area purchase price, as published annually by HUD; and

3. The Subrecipient will ensure that the property's being assisted will continue to be affordable and that the Subrecipient is able to recapture all or part of the HOME subsidy invested in the project per this Agreement. The Subrecipient shall use the City's recapture provisions as per the Consolidated Plan and Annual Action Plan(s). The Subrecipient shall ensure that a written agreement, Deed of Trust and Promissory Note are executed to ensure repayment if the Beneficiary fails to meet the affordability restrictions as outlined in this Agreement.

5. Program requirements.

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

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

B. A twenty-five percent (25%) match on each HOME dollar expended by the Subrecipient is required under 24 CFR Part 92. On an annual basis, the Subrecipient will provide the City with documentation of match contributions for the purposes of compliance with the HOME Match requirement. The contribution:

1. Must be a permanent contribution to housing from a nonfederal source of funds;
2. Must be made to housing that qualifies as affordable under the HOME regulations;
3. Does not need to be invested in the same project, program or activity as that for which it is being counted as match;
4. May be provided in the form of grants, deferred-payment loans, or amortizing loans to a HOME-program or beneficiary; and
5. Eligible sources of match for HOME funds include:
    a. Cash, including grants or forgivable loans;
    b. Donated construction material or volunteer labor;
    c. Value of donated land or real property;
    d. Value of foregone interest, taxes, fees, or charges levied by public or private entities;
    e. Investments in on or off-site improvements;
    f. Proceeds from bond financing;
    g. Cost of supportive services provided to families in HOME units;
    h. Other eligible sources of match, as outlined 24 CFR Part 92.

6. Recordkeeping and reporting

A. In accordance with 24 CFR 92.508, the Subrecipient shall maintain all program and program related reports and records in accordance with HUD regulations to enable HUD to determine whether the requirements have been met and fully documented.

B. In accordance with 24 CFR 92.508 (a), the Subrecipient shall maintain regular sufficient records on HOME activities throughout the term of the Agreement, and maintain these records for six (6) years after the term of the agreement. This form will be made available to the Subrecipient.

C. Financial and demographic information for the City's Consolidated Annual Performance and Evaluation Report (CAPER) and other required reports including:

1. Number of clients (individuals or families) served by the Subrecipient during the program year, as well as the cumulative totals;
2. Race/Ethnicity of clients (individuals or families) served;

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

7. Subrecipient Responsibilities

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

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

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

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

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

B. The Subrecipient will submit timely invoices for expenses to the City. Invoices for programs administered by the Subrecipient will be submitted no less than monthly. Invoices for development projects will be submitted as the expenses are incurred by the Subrecipient.

C. Failure to lawfully plan, administer, and implement the project or to demonstrate substantial progress within ninety (90) days of the effective date of this Agreement shall cause the City to re-evaluate the program or project, necessitating the amendment and/or termination of this Agreement.

8. City Responsibilities

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

A. Designate the Director of the Community and Economic Development Department (CEDD), the Assistant Director of CEDD, and the Housing Division Manager of CEDD to plan, administer, and implement programs and projects, to acquire property, to provide loans and other financing opportunities to low-income homeowners, homebuyers, CHDOs and housing developers according to program guidelines.

B. The City will provide appropriate staff to manage and disburse grant funds, issue, administer, and closeout all contracts, direct the services of consultants, subrecipients, contractors and sub-contractors and execute checks disbursing funds on behalf of the

Authority.

C. The Director of the Community and Economic Development Department (CEDD) may perform or may delegate the administrative responsibilities delegated by the Authority Board hereunder to the Assistant Director and/or the Housing Division Manager, as the Director determines is appropriate, to carry out the administrative functions provided for in this Agreement, as necessary to provide for the most effective and orderly rendition of administrative functions in light of the work load and availability of these three City employees. The term "Administrator" as hereinafter used shall denote any of the three individuals filling the above-defined position in CEDD, and such other individuals as designated by the Director with the approval of the Authority Board.

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

1. Forward to the Authority's Attorney of record non-judicial matters, and to engage the Authority's Attorney without prior Board approval for up to $2,500.00 per matter relating to single-family housing loans and administrative matters, and up to $5,000.00 per matter relating to economic development and multi-family housing loans; provided that such expenditures have been budgeted or are chargeable to a borrower.

2. Oversee the investment of the Authority funds to be made by the City Treasurer's office, in accordance with City investment policies and procedures and in compliance with applicable laws and regulations. The amount of funds which are not currently needed and which are currently available to be invested will be based on recommendation and findings by the authority accountant designated by the Authority board and in accordance with policies as, from time to time, are approved by resolution of the Authority Board. The City will provide periodic and adequate reports to the Authority Board in respect to the investment of TCRA funds. All interest earned on investments of HOME Investment Partnership (HOME) program funds received from the U.S. Department of Housing & Urban Development (HUD) of the repayment of loans made with HOME funds will (after payment of administrative fees as herein provided) be remitted to the U.S. Treasury, if required by HUD regulations. The City may charge an administrative fee for its administrative costs in administering investments and in providing administrative services under this agreement, which fee will be payable from any investment earnings, to the extent allowable under applicable federal laws and regulations.

3. Sign on behalf of the Authority required documentation on loans approved or modified by the Authority or the Administrator, as provided herein. The Administrator is further authorized to sign on behalf of the Authority lien releases on fully paid or forgiven loans and to authenticate or sign on behalf of the authority such other documents as are, from time to time, approved by resolution of the Authority Board.

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

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

Nothing herein shall limit the authority of the Board to:

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

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

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

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

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

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

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

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

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

   (g) monitoring and collection of loans; and

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

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

F. Approve on behalf of the Authority subordination requests when the Administrator determines in good faith that the requested subordination will not jeopardize the Authority's current collateral position nor cause additional risk to the Authority. The subordination must be recommended by the Housing Manager, or staff authorized to take action on their behalf. The same person is not authorized to both recommend and approve any such action. A report, including full loan write-up, will be provided to the Authority of all loans approved in the prior month. The Authority will ratify the action(s) of the Administrator at its next regular meeting or take action indicating it does not want the Administrator to take similar action in the future.

G. Approve loans through the Down Payment Assistance program, in an amount not to exceed $30,000.00. The loans must meet all program guidelines and be recommended by the Housing Division Manager, or staff authorized to take action on their behalf. The same person is not authorized to both recommend and approve any such action. A report, including full loan write-up, will be provided to the Authority of all loans approved in the prior month. The Authority will ratify the action(s) of the Administrator at its next regular meeting or take action indicating it does not want the Administrator to take similar action in the future.

H. Approve loans through its homeowner housing rehabilitation program, in an amount not to exceed $60,000.00 for direct rehabilitation costs. The loans must meet all program guidelines and be recommended by the Housing Division Manager, or staff authorized to take action on their behalf. The same person is not authorized to both recommend and approve any such action. A report, including full loan write-up, will be provided to the Authority of all loans approved in the prior month. The Authority will ratify the action(s) of the Administrator at its next regular meeting or take action indicating it does not want the Administrator to take similar action in the future.

I. Extend the maturity date of a loan for up to 90 days, per loan, with the recommendation of the Housing Division Manager (or staff authorized to take action), under the following conditions:

1. the loan is current and performing; and

2. (a) the extension request is based on need for additional time to gather necessary information needed to submit a formal request for extension to the Authority Board; or (b) the extension request is needed due to unanticipated loss of income by borrower, due to death or medical crises of the borrower, or a need for additional time to refinance the Authority loan.

The same person is not authorized to both recommend and approve any such action.

J. Approve, on behalf of the Authority, a one-time deferment on housing loans up to 90-days with the recommendation of the Housing Division Manager, or staff authorized to take action on their behalf. The same person is not authorized to both recommend and approve

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

K. Modify loan in order to extend the first payment due date and, subsequently the maturity date, only under the following conditions:
    1. delay(s) in the construction process on a project;
    2. delay(s) in funding on a project;
    3. errors in the documentation and setup of a loan.

L. Approve expenditures of up to $5,000.00 of Authority Funds, per item or service contract, provided payment therefore has been budgeted. The Administrator will provide the following reports to the Board on a quarterly basis:
    1. TCRA budget-to-actual expenditures report;
    2. Financial Reports, including balance sheet, income statement and statement of cash flows;
    3. Check or ACH payments made on the Board's.

M. Approve expenditures of up to $10,000.00 of Authority funds for repairs and upkeep on any Authority-owned property. The expenditures, unless otherwise approved by the Authority Board, will be covered by income generated from the property. All requests will be recommended by the Housing Division Manager and will be reported to the Board. The purchase of goods and supplies authorized by the Administrator will be purchased through TCRA approved purchasing procedures. Contracts for services and repairs as authorized herein will be obtained and signed by the Administrator on behalf of the Authority. Purchases and contracts for services and repairs will comply with applicable TCRA and federal procurement and contract requirements and with such additional procurement and contract requirements as the Authority Board may, from time to time, provide by Board action.

Exhibit C

Compensation and Financial Requirements

1. Compensation.

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

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

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

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

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

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

2. Financial Requirements – Payments.

A. Application Regulations

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

B. Approved Uses

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

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

C. Funds Disbursement Provision

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

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

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

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

D. Inappropriate Funds Obligation

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

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

E. Multiple Funding Sources

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

F. Program Income

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

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

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

G. Unexpended Funds and Income

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

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

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

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

RECITALS

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

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

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

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

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

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

I. Definitions

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

Annual Action Plan – the annual plan through which the Lead Agency identifies the use of their HOME funds and the amount allocated to each program or project.
HOME Assisted Units – those units which were partially or totally acquired, rehabilitated, constructed, or otherwise, assisted with the use of HOME Funds.

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

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

Lead Agency – means the City of Tacoma.

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

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

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

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

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

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

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

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

Subrecipient – means the City of Lakewood

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

II. Sources and Uses of Funds

A. Amount.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

D. Program Description.

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

D.2 The Lead Agency has approved the Subrecipient's Annual Action Plan for the Program Year 2021-2022, which includes funding for Affordable Housing Project(s) in a total amount of Four Hundred Thousand Eight Hundred Sixteen Dollars and No/100 ($400,816.00)

D.3 The Lead Agency has approved the Subrecipient's Annual Action Plan for the Program Year 2022-2023, which includes funding for Affordable Housing

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

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

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

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

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

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

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

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

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

III. Project Requirements and Standards

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

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

B. Maximum Per-Unit Subsidy. The total amount of HOME funds that the Subrecipient may invest on a per-unit basis in affordable housing shall be in accordance with 24 CFR 92.250(a) and may not exceed the per-unit dollar limitations established under section 221(d)(3)(ii) of the National Housing Act (12 U.S.C. 17151(d)(3)(ii)) for elevator-type projects that apply to the Tacoma/Pierce County area.

C. Minimum Per-Unit Subsidy. The minimum amount of HOME funds that may be invested in a project is One Thousand Dollars and No/100 ($1,000.00).

D. Subsidy Layering. Before committing funds to a project, the Subrecipient must evaluate the project in accordance with guidelines it has adopted for the purpose of subsidy layering and not invest any more HOME funds, in combination with other governmental assistance, than is necessary to provide affordable housing.

E. Property Standards. In compliance with 24 CFR § 92.251, all housing that is constructed or rehabilitated with HOME funds will meet all applicable local codes, the Subrecipient's written rehabilitation standards, ordinance and zoning ordinances at the time of project completion, except as provided in paragraph (b) of § 92.251. The

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

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

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

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

H. Homeowner Rehabilitation Affordability. Housing that is currently owned by a household qualifies as affordable housing only if:

1. The estimated value of the property, after rehabilitation, does not exceed 95 percent of the median purchase price for the area, as published annual by HUD under the HOME program;

2. The housing is the principal residence of an owner whose household qualifies as a low-income family at the time HOME funds are committed to the housing; and

3. The ownership in the housing assisted meets the definition of "homeownership" in 24 CFR § 92.2.

I. Homeowner Acquisition Affordability. Housing that is for acquisition, with or without rehabilitation, must meet the affordability requirements 24 CFR § 92.254(a), including:

1. Housing must be single-family housing;

2. The housing must be modest housing with a purchase price that does not exceed ninety-five percent (95%) of the median purchase price for the area, as published annually by HUD. In the case of acquisition with rehabilitation, the housing must have an estimated value after rehabilitation that does not exceed 95% of the median purchase price for the area, as published annually by HUD;

3. The housing must be acquired by a homebuyer whose family qualifies as a low-income family and the housing must be the principal residence of the family throughout the period described in sub-paragraph 4 of this section;

4. The HOME-assisted housing must meet the affordability requirements, beginning after project completion, for not less than the applicable period as follows: Under $15,000.00 HOME-assistance per unit, 5 years; $15,000.00 to $40,000.00 HOME-assistance per unit, 10 years; over $40,000.00 HOME-assistance per unit, 15 years; and

5. To ensure affordability, the Subrecipient will impose recapture requirements that will allow TCRA, on behalf of the Consortium, to recoup all or a portion of the HOME assistance to the homebuyers if the housing does not continue to be the principal residence of the household for the duration of the period of affordability, as required in 24 CFR §92.254(a)(5)(ii). If the recapture requirements are triggered by a sale, voluntary or involuntary, of the housing unit and there are no net proceeds or the net proceeds are insufficient to repay the HOME investment due, the Lead Agency, Subrecipient and/or TCRA can only recapture the net proceeds, if any. Net proceeds are defined as the sale price minus superior loan repayment (other than HOME funds) and any closing costs. Funds recaptured under this provision are considered as recaptured funds and will be invested in additional eligible HOME projects allowed under 24 CFR § 92.503(c).

J. Repayments. Any HOME funds invested in housing that does not meet the affordability requirements for the affordability period specified in 24 CFR § 92.252 or § 92.254, as applicable, must be repaid by the Subrecipient in accordance with § 92.503(b)(3). Any HOME funds invested in a project that is terminated before completion, either voluntarily or otherwise, must be repaid by the Subrecipient in accordance with 24 CFR § 92.503(b)(3).

IV. Federal Requirements

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

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

B. Environmental Review. The effects of each activity related to the Program must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 and the related authorities in 24 CFR 58, and as detailed in 24 CFR Part 92.352. The Subrecipient must, *prior* to undertaking any choice limiting or physical activity with respect to the Project, regardless of whether such activity is to be funded by the HOME Funds, comply to the extent applicable, with the regulations found at 24 CFR Part 58. All applicable environmental review and clearance requirements as provided in 24 CFR 58.5 must be completed by the Subrecipient and a Release of Funds from the U.S. Department of Housing and Urban Development must be received prior to any commitment by the Subrecipient of HOME dollars, if applicable. The Subrecipient will abide by any special conditions, procedures and requirements of the environmental review and will advise the Lead Agency of any proposed change in the scope of the project or any change in environmental conditions in accordance with 24 CFR 58.71(b). The Subrecipient may not use any of the HOME Funds for acquisition or construction in identified special flood hazard areas unless the Project is subject to the mandatory purchase of flood insurance as required by Section 102(a) of the Flood Disaster Protection Act of 1973.

C. Uniform Relocation Act. All reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations and farms) as a result of a project assisted with HOME funds will be taken. A person displaced as a direct result acquisition, rehabilitation or demolition for a HUD-funded project must be provided relocation assistance at the levels described in, and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 USC 4201-4655) and 49 CFR part 24. This includes any permanent, involuntary move for an assisted project that is made after notice by the owner to move permanently from the property if the move occurs on or after (a) the date of submission of an application to the Subrecipient, if the applicant has site control and the application is later approved; (b) the date the Subrecipient approves the applicable site, if the applicant does not have site control at the time of the application; or (c) if the Subrecipient, Lead Agency or HUD determine that displacement resulted directly from the acquisition, rehabilitation or demolition of the project. Further definitions of displaced persons, permanent and temporary, may be found in the Act and at § 92.353(c)(2).

D. Labor. Every contract for new construction or rehabilitation of housing that includes 12 or more units assisted with HOME funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 USC 276a-276a-5), to all laborers and mechanics employed in the development of any part of the housing. Such contracts must also be subject to the overtime provisions, as applicable, of the

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

E. Lead-based Paint. Housing assisted with HOME funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR Part 35, Subparts A, B, J, K, M and R of this title.

F. Conflict of Interest. In the procurement of property and services by the Subrecipient, the conflict of interest provisions in 2 CFR 200.317-200.326 apply; in all cases not governed by 2 CFR 200.317-200.326, the provisions of 24 CFR 92.356(b) through § 92.356(f) apply.

G. Consultant Services. No person providing consultant services in an employer-employee type relationship shall receive more than a reasonable rate of compensation for personal services paid with HOME funds. In no event, however, shall such compensation exceed the limits in effect under the provisions of any applicable statute (i.e.: annual HUD appropriations acts which have set the limit at the equivalent of the daily rate paid for Level IV of the Executive Schedule, see the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Acts, 1997, Pub. L. 104-204 (09/26/1996)). Such services shall be evidenced by written agreements between the parties which detail the responsibilities, standards, and compensation. Consultant services provided under an independent contractor relationship are not subject to the compensation limitation of Level IV of the Executive Schedule.

H. Procurement. The Subrecipient will establish procurement procedures to ensure that materials and services are obtained in a cost-effective manner. When procuring for services to be provided under this agreement, the Subrecipient shall comply at a minimum with the procurement standards at 2 CFR 200.318-200.326.

I. Uniform Administrative Requirements. The requirements of 2 CFR 200 apply to this agreement.

J. Non-discrimination. The Subrecipient agrees that they will utilize and make available the HOME funds in conformity with the non-discrimination and equal opportunity requirements set forth in the National Housing Affordability Act. These regulations include:

1. The requirements of the Fair Housing Act, 42 U.S.C. 3601-20, and implementing regulations at 24 CFR Part 100; Executive Order 11063 (Equal Opportunity in Housing) as amended by Executive Order 12259 and implementing regulations at 24 CFR 107; and Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, and implementing regulations at 24 CFR Part 1 (Nondiscrimination in Federally Assisted Programs);

2. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and the regulations at 24 CFR 146;

3. The prohibitions against discrimination on the basis of handicap under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR, Part 8;

4. The requirements of the Executive Order 11246 (Equal Employment Opportunity) and the regulations issued under the Order at 41 CFR Chapter 60;

5. The requirements of Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1702u (Employment Opportunities for Business and Lower Income Persons in Connection with Assisted Projects);

6. The requirements of Executive Orders 11625 and 12432 regarding Minority Business Enterprise, and 12138 regarding Women's Business Enterprise, and regulations S.85.36(e) of Section 281 of the National Housing Affordability Act; and

7. The requirements of Washington State Law as found at RCW 49.60.

K. Minority/Women-Owned businesses. Subrecipient will document and provide data on the outreach steps taken to assure that minority business (MBE) and women's business enterprises (WBE) have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction, and services. Subrecipient will report to the Lead Agency the contracts or subcontracts awarded to MBE and WBE businesses for the project.

L. Debarment. The Subrecipient may not award or permit an award of a contract to any party which is debarred, suspended or ineligible to participate in a Federal program. The Subrecipient certifies that it is not debarred, suspended or ineligible to participate in a Federal program. The Subrecipient will, prior to signing any contracts, ensure compliance with 24 CFR Part 24, "Debarment and Suspension" for any contractor, subcontractor or vendor. The Subrecipient will also assure that language pertaining to debarred, suspended or ineligibility to participate is inserted in all contract agreements. If during the time of this agreement the Subrecipient is debarred, suspended or ineligible to participate in a Federal program, the Consortium may terminate this agreement for cause.

M. Program Income. All program income will be deposited into the Lead Agency's HOME Investment Trust Fund local account. Program income derived from Consortium HOME activities undertaken by the Subrecipient will continue to be program income of the Consortium should the Subrecipient terminate its participation in the Consortium. Program income received in any one year from Subrecipient activities shall be accumulated and reallocated in the following year's Annual Action Plan for eligible administration and affordable housing activities to be conducted by the Subrecipient. Subrecipient understands that it will use any available HOME Program Income prior to requesting grant funding from the Lead Agency. Program Income funds will be used for additional eligible affordable housing activities; up to ten percent (10%) of program income may be used for administration costs in the program year allocated.

N. Violence Against Women Act. The federal Violence Against Women Act of 2013 ("VAWA") protects applicants, tenants, and program participants who are victims of domestic violence, dating violence, sexual assault, or stalking from being evicted, denied housing assistance, or terminated from housing assistance. These protections are available to victims regardless of sex, gender identity, or sexual orientation. All funded rental development projects and TBRA programs shall comply with all VAWA provisions, including the VAWA final rule which took effect on December 16, 2016.

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

V. Subrecipient covenants.

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

A. Reversion of Assets. Upon expiration of the Consortium, the Subrecipient must transfer to the Lead Agency any HOME funds on hand at the time of expiration and any accounts receivable attributable to the use of HOME funds.

B. Financial Responsibility. The Subrecipient agrees that it is financially responsible (liable) for any audit exception which occurs due to its negligence or failure to comply with the terms of this Agreement.

C. Indemnification. The Subrecipient agrees to hold TCRA, the Lead Agency and the Consortium harmless and to indemnify TCRA, the Lead Agency and the Consortium and its individual representative members against any and all liability, claims and costs of whatsoever kind and nature for injury to or death of any person or persons and for loss or damage to any property occurring in connection with or in any way incident to or arising out of activities undertaken under this Agreement.

D. Insurance and Bonds. The Subrecipient and its employees, volunteers, contractors or consultants shall carry throughout the life of this Agreement, General Liability

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

1. Professional Legal Liability: Subrecipient shall maintain Professional Legal Liability or Professional Errors and Omissions coverage appropriate to the Subrecipient's profession and shall be written subject to limits of not less than $1 million per claim and $1 million policy aggregate limit. The coverage shall apply to liability for a professional error, act or omission arising out of the scope of the work for this agreement. Coverage shall not exclude bodily injury, hazards, or property damage related to the work in this agreement, including design, testing, monitoring, measuring operations, or laboratory analysis where such services are rendered as part of the agreement. If Subrecipient will contract such work, Subrecipient will require above described coverage of that contractor.

2. Worker's Compensation (Industrial Insurance): Workers' compensation insurance as required by Title 51 RCW shall be maintained and Subrecipient shall provide evidence of coverage if so required.

3. Commercial General Liability: Commercial General Liability coverage shall be written on ISO occurrence form CG 00 01 or the equivalent and shall cover liability arising from premises, operations, independent contractors, personal injury and advertising injury. The insurance shall include the City of Tacoma, Tacoma Community Redevelopment Authority, the Consortium, and each entity's members, officers, officials, employees and agents with respect to performance of services, and shall contain no special limitations on the scope of protection afforded as an additional insured for both ongoing and completed operations using ISO forms CG2026 and CG 2037 or the equivalent. The insurance shall contain a Waiver of Subrogation Clause in favor of the City of Tacoma, the Consortium and Tacoma Community Redevelopment Coverage shall include limits of not less than $1 million per occurrence, and $2 million aggregate.

4. Employer's Liability with limits not less than $1,000,000 each person and $1,000,000 aggregate.

5. Automobile Liability: Commercial Automobile Liability insurance with a minimum combined limit no less than $1 million per accident for bodily injury and property damage shall be maintained. Coverage shall include all owned, hired, leased, and non-owned automobiles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If deemed necessary, the policy shall be endorsed to provide contractual liability coverage.

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

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

E. Financial Management. The Subrecipient agrees to adhere to the generally accepted accounting principles and procedures, and utilize adequate internal controls and maintain necessary source documentation for all costs incurred.

F. Audit. The Subrecipient will also comply with auditing standards issued by the Comptroller General of the United States. All Subrecipients that expend $750,000.00 or more in a year in Federal awards shall have a single audit conducted for that year in accordance with the provision of 2 CFR 200, Subpart F. When a Subrecipient expends Federal awards under only one Federal program, and the program's laws, regulations, or grant agreements do not require a financial statement audit, the Subrecipient may elect to have a program-specific audit conducted in accordance with 2 CFR 200.507. The audit must be conducted within 90 days of completion of this agreement.

G. Additional Audits. Non-Federal entities that expend less than $750,000.00 a year in Federal awards are exempt from Federal audit requirements for that year, except this does not limit the authority of Federal agencies, including HUD, Inspectors General, or General Accounting Office to conduct or arrange for additional audits. All records will be made available for review or audit by appropriate local, state and federal entities.

H. Corrective and Remedial Action. Subrecipient will immediately correct or cause to be immediately corrected, any and all actions or performance deficiencies in the project as may be determined by the TCRA, the Lead Agency, or HUD. Failure to correct such actions or performance deficiencies within 30 days from written notification may result in suspending HOME funds for this Agreement, the cancellation of this Agreement, and the reprogramming of HOME funds to other eligible Consortium activities, or the repayment of the HOME funds.

VI. Records and Monitoring

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

1. Subsidy layering guidelines adopted in accordance with 24 CFR § 92.250;

2. Procedures used for establishing the 95 percent of the median purchase price for the area in accordance with 24 CFR § 92.254(a)(2) for homeownership projects;

3. Recapture guidelines established in accordance with 24 CFR § 92.254(a)(5) for acquisition of homeownership housing;

4. Written Rehabilitation Standards;

5. A full description of each project assisted with HOME funds, including the location, form of HOME assistance, and the units or tenants assisted with HOME funds;

6. The source and application of funds for each project, including supporting documentation in accordance with 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), the maximum per-unit subsidy amount of 24 CFR § 92.250(a) and the subsidy layering guidelines adopted in accordance with 24 CFR § 92.250(b);

8. Records demonstrating that each project meets the property standards of 24 CFR § 92.251 and the lead-based paint requirements of 24 CFR § 92.355;

9. Records demonstrating that each family is income eligible in accordance with 24 CFR § 92.203;

10. Records demonstrating that each rental housing project meets the affordability and income targeting requirements of 24 CFR § 92.252 for the required period. Records must be kept for each family assisted;

11. Records demonstrating that the purchase price or estimated value after rehabilitation for each homeownership housing project does not exceed ninety-five percent (95%) of the median purchase price for the area in accordance with 24 CFR § 92.254(a)(2). The records must demonstrate how the estimated value was determined;

12. Records demonstrating that each homeownership project meets the affordability requirements of 24 CFR § 92.254 for the required period;

13. Records demonstrating that a site and neighborhood standards review was conducted for each project which includes new construction of rental housing assisted to determine that the site meets the requirements of 24 CFR 983.6(b), in accordance with 24 CFR § 92.202;

14. Records demonstrating compliance with the written agreements required by 24 CFR § 92.504;

15. Records demonstrating compliance with the applicable uniform administrative requirements required by 24 CFR § 92.505;

16. Records documenting required inspections, monitoring review and audits, and the resolution of any findings or concerns;

17. Data on the extent to which racial and ethnic group and single-headed households (by gender of household head) have applied for, participated in, or benefited from, any program or activity funded in whole or in part with HOME funds;

18. Documentation of actions undertaken to meet the requirements of 24 CFR Part 135 which implements section 3 of the Housing Development Act of 1968, as amended (12 U.S.C. 1701u);

19. Documentation of the actions the Subrecipient has taken to affirmatively further fair housing;

20. Records demonstrating compliance with the affirmative marketing procedures and requirements of 24 CFR § 92.351;

21. Documents and data on the steps taken to implement the Subrecipient's outreach programs to minority-owned (MBE) and female-owned (WBE) businesses including data indicating the racial/ethnic or gender character of each business entity receiving a contract or subcontract of $25,000.00 or more paid, or to be paid, with HOME funds; the amount of the contract or subcontract, and documentation of participating jurisdiction's affirmative steps to assure that minority business and women's business enterprises have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction and services;

22. Records demonstrating compliance with the environmental review requirements of 24 CFR § 92.352 and 24 CFR part 58, including flood insurance requirements;

23. Records demonstrating compliance with the requirements of 24 CFR § 92.353 regarding displacement, relocation, and real property acquisition, including project occupancy lists identifying the name and address of all persons occupying the real property on the date described in 24 CFR § 92.353(c)(2)(i)(A), moving into the property on or after the date described in 24 CFR § 92.353(c)(2)(i)(A), and occupying the property upon completion of the project.

24. Records demonstrating compliance with the labor requirements of 24 CFR § 92.354, including contract provisions and payroll records;

25. Records demonstrating compliance with the lead-based paint requirements of 24 Part 35, Subparts A, B, J, K, M and R of this title;

26. Records supporting exceptions to the conflict of interest prohibition pursuant to 24 CFR § 92.356; and

27. Debarment and suspension certification required by 24 CFR Parts 24 and 91.

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

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

2. For homeownership housing projects, records may be retained for five years after the project completion date, except for documents imposing the recapture restrictions which must be retained for five years after the affordability period terminates.

3. Written agreements must be retained for five years after the agreement terminates.

4. Records covering displacement and acquisition must be retained for five years after the date by which all persons displace from the property and all persons whose property is acquired for the project have received the final payment to which they are entitled in accordance with 24 CFR § 92.353.

5. If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

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

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

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

VII. Miscellaneous

A. Relationship. The relationship of the Subrecipient to the Lead Agency and TCRA shall be that of an independent agency. Nothing herein shall be deemed to create the relationship of employer/employee or principal/agent between the parties.

B. Modification and Amendments. This agreement can only be amended in writing signed by the Lead Agency, TCRA and the Subrecipient. All modifications and amendments shall not take effect until specifically approved by the Lead Agency in writing.

C. Waivers. No conditions or provisions of this agreement can be waived unless approved by the Lead Agency in writing.

D. Assignment. The Subrecipient shall not assign any interest in this Agreement and shall not transfer any interest in this Agreement to any party (whether by assignment or novation) without prior written consent of the Lead Agency.

E. Severability. If any provision of this Agreement or portion thereof is held invalid by any court of rightful jurisdiction, the remainder of this Agreement shall not be affected providing the remainder continues to conform to applicable Federal and State law(s) and regulations and can be given effect without the invalid provision.

F. Attorney Fees and Costs. In the event of a lawsuit between the parties to this agreement, the prevailing party shall be entitled to recover judgment against the other party for reasonable attorney's fees and other costs either at trial or on appeal. If either party exercises any non-judicial right or remedy to enforce such party's rights hereunder, it shall be a condition for the cure of the default that the defaulting party will pay the non-defaulting party's reasonable attorney's fees incurred and all reasonable

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

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

H. Venue and Law. Venue for any action under this contract shall be in Pierce County, Washington. This agreement shall be governed by the laws of the State of Washington.

XIII. Duration of Agreement

A. Suspension or Termination. This agreement may be cancelled "for cause" or "not for cause" by providing written 30 days' notice by certified mail, return receipt requested, to the other signatory members of this agreement. There are three (3) separate methods of suspension or termination of this Agreement:

i. By fulfillment. The Agreement will be considered to be terminated upon fulfillment of its terms and conditions, including all affordability periods for project received HOME funds under this agreement.

ii. By mutual consent. The Agreement may be terminated or suspended in whole or in part, at any time, if both parties consent to such termination or suspension. The conditions of the suspension or termination shall be documented by giving a minimum of 30 days written notice.

iii. For cause. The Lead Agency may suspend or terminate this Agreement in whole or in part, for cause, when the Subrecipient has failed in whole or in part to meet its commitments and obligations as outlined and when the Lead Agency deems continuation to be detrimental to its interest. Failure to carry out the project as described in the approved application and in compliance with HOME Program regulations found at 24 CFR 92 will be deemed a failure to perform and cause the immediate repayment of HOME funds. "For cause" includes:

aa. failure to comply with the terms and conditions of this Agreement, or to substantiate compliance;
bb. improper or illegal use of project funds or resources;
cc. any illegal act by the Subrecipient and its representatives.

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

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

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

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

SUBRECIPIENT(S):

TACOMA COMMUNITY REDEVELOPMENT AUTHORITY

747 Market St, Rm 900
Tacoma, WA 98402

_____
TCRA Officer Date

Attest:

_____
City Clerk Date

Approved as to Form:

_____
City Attorney Date

CITY OF LAKEWOOD

6000 Main Street SW
Lakewood, WA 98499

_____
City Manager Date

CITY OF TACOMA

747 Market St, Rm 900
Tacoma, WA 98402

_____
City Manager Date

_____
Jeff Robinson Date
Community & Economic Development Director

_____
Andrew Cherullo Date
Finance Director

Approved as to form:

_____
Debra Casparian Date
Deputy City Attorney

Exhibit A

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

1) Federal Award Identification:

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

2) Program Budget Breakdown:

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

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

Exhibit B - Amended

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

1) Federal Award Identification:

(xiv) Subrecipient name: City of Lakewood;
(xv) Subrecipient's unique identifiers: EIN: 91-1698185 DUNS: 949462758;
(xvi) Federal Award Identification Number (FAIN): TBD
(xvii) The Federal Award Date (as defined in 2 CFR 200.39): TBD;
(xviii) The amount of Federal Funds Obligated by this action by the City of Tacoma to the Subrecipient is $400,816.00;
(xix) The total amount of Program Income (PI) Obligated to the Subrecipient by the Tacoma Community Redevelopment Authority (TCRA) is $77,892.00;
(xx) The total amount of the Federal Award and Program Income committed to the Subrecipient by the City of Tacoma and TCRA is $ 400,816.00
(xxi) The Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA): The TCRA will be the administrator of the City of Lakewood's HOME funds with the intent to promote affordable housing for low-income households through the acquisition, construction, or rehabilitation of non-luxury housing, and by providing loans and technical assistance to income qualified homeowners, homebuyers, and to organizations that develop, own and/or sponsor affordability housing. In certain instances, where the need and/or opportunity is identified, the Subrecipient may reserve the right to directly acquire and/or develop projects to meet the intent of this Agreement.
(xxii) The name of:
- Federal awarding agency: United States Department of Housing and Urban Development
- Pass-through entity: City of Tacoma

(xxiii) Contact information for awarding official of the pass-through entity: Director of community & Economic Development; 747 Market St, Room 900, Tacoma, WA 98402; (253) 591-5139; jrobinson@cityoftacoma.org
(xxiv) CFDA Number: 14.239; Name: HOME Investment Partnerships Program (HOME);
(xxv) This award to the Subrecipient is a non-Research and Development award; and
(xxvi) The Subrecipient shall not charge an indirect cost rate to the Federal award under this Subrecipient Agreement.

2) Program Budget Breakdown:

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

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

Exhibit C - Amended

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

1) Federal Award Identification:

(xxvii) Subrecipient name: City of Lakewood;
(xxviii) Subrecipient's unique identifiers: EIN: 91-1698185 UEI: C8USBK5DLRF2;
(xxix) Federal Award Identification Number (FAIN): TBD
(xxx) The Federal Award Date (as defined in 2 CFR 200.39): TBD;
(xxxi) The amount of Federal Funds Obligated by this action by the City of Tacoma to the Subrecipient is $309,376.00;
(xxxii) The total amount of Program Income (PI) Obligated to the Subrecipient by the Tacoma Community Redevelopment Authority (TCRA) is $208,613.00;
(xxxiii) The total amount of the Federal Award and Program Income committed to the Subrecipient by the City of Tacoma and TCRA is $517,989.00
(xxxiv) The Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA): The TCRA will be the administrator of the City of Lakewood's HOME funds with the intent to promote affordable housing for low-income households through the acquisition, construction, or rehabilitation of non-luxury housing, and by providing loans and technical assistance to income qualified homeowners, homebuyers, and to organizations that develop, own and/or sponsor affordability housing. In certain instances, where the need and/or opportunity is identified, the Subrecipient may reserve the right to directly acquire and/or develop projects to meet the intent of this Agreement.
(xxxv) The name of:
- Federal awarding agency: United States Department of Housing and Urban Development
- Pass-through entity: City of Tacoma

(xxxvi) Contact information for awarding official of the pass-through entity: Director of Community & Economic Development; 747 Market St, Room 900, Tacoma, WA 98402; (253) 591-5139; jrobinson@cityoftacoma.org
(xxxvii) CFDA Number: 14.239; Name: HOME Investment Partnerships Program (HOME);
(xxxviii) This award to the Subrecipient is a non-Research and Development award; and
(xxxix) The Subrecipient shall not charge an indirect cost rate to the Federal award under this Subrecipient Agreement.

2) Program Budget Breakdown:

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

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

Exhibit D - Amended

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

1) Federal Award Identification:

(xl) Subrecipient name: City of Lakewood;
(xli) Subrecipient's unique identifiers: EIN: 91-1698185 UEI: C8USBK5DLRF2;
(xlii) Federal Award Identification Number (FAIN): TBD
(xliii) The Federal Award Date (as defined in 2 CFR 200.39): TBD;
(xliv) The amount of Federal Funds Obligated by this action by the City of Tacoma to the Subrecipient is $341,255.00;
(xlv) The total amount of Program Income (PI) Obligated to the Subrecipient by the Tacoma Community Redevelopment Authority (TCRA) is $142,558.00;
(xlvi) The total amount of the Federal Award and Program Income committed to the Subrecipient by the City of Tacoma and TCRA is $483,813.00;
(xlvii) The Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA): The TCRA will be the administrator of the City of Lakewood's HOME funds with the intent to promote affordable housing for low-income households through the acquisition, construction, or rehabilitation of non-luxury housing, and by providing loans and technical assistance to income qualified homeowners, homebuyers, and to organizations that develop, own and/or sponsor affordability housing. In certain instances, where the need and/or opportunity is identified, the Subrecipient may reserve the right to directly acquire and/or develop projects to meet the intent of this Agreement.
(xlviii) The name of:
- Federal awarding agency: United States Department of Housing and Urban Development
- Pass-through entity: City of Tacoma

(xlix) Contact information for awarding official of the pass-through entity: Director of Community & Economic Development; 747 Market St, Room 900, Tacoma, WA 98402; (253) 591-5139; jrobinson@cityoftacoma.org
(l) CFDA Number: 14.239; Name: HOME Investment Partnerships Program (HOME);
(li) This award to the Subrecipient is a non-Research and Development award; and
(lii) The Subrecipient shall not charge an indirect cost rate to the Federal award under this Subrecipient Agreement.

2) Program Budget Breakdown:

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

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

Exhibit E - Amended

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

3) Federal Award Identification:

(liii) Subrecipient name: City of Lakewood;
(liv) Subrecipient's unique identifiers: EIN: 91-1698185 UEI: C8USBK5DLRF2;
(lv) Federal Award Identification Number (FAIN): TBD
(lvi) The Federal Award Date (as defined in 2 CFR 200.39): TBD;
(lvii) The amount of Federal Funds Obligated by this action by the City of Tacoma to the Subrecipient is $341,255.00;
(lviii) The total amount of Program Income (PI) Obligated to the Subrecipient by the Tacoma Community Redevelopment Authority (TCRA) is $68,755;
(lix) The total amount of the Federal Award and Program Income committed to the Subrecipient by the City of Tacoma and TCRA is $410,010.00;
(lx) The Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA): The TCRA will be the administrator of the City of Lakewood's HOME funds with the intent to promote affordable housing for low-income households through the acquisition, construction, or rehabilitation of non-luxury housing, and by providing loans and technical assistance to income qualified homeowners, homebuyers, and to organizations that develop, own and/or sponsor affordability housing. In certain instances, where the need and/or opportunity is identified, the Subrecipient may reserve the right to directly acquire and/or develop projects to meet the intent of this Agreement.
(lxi) The name of:

- Federal awarding agency: United States Department of Housing and Urban Development
- Pass-through entity: City of Tacoma

(lxii) Contact information for awarding official of the pass-through entity: Director of Community & Economic Development; 747 Market St, Room 900, Tacoma, WA 98402; (253) 591-5139; jrobinson@cityoftacoma.org
(lxiii) CFDA Number: 14.239; Name: HOME Investment Partnerships Program (HOME);
(lxiv) This award to the Subrecipient is a non-Research and Development award; and
(lxv) The Subrecipient shall not charge an indirect cost rate to the Federal award under this Subrecipient Agreement.

4) Program Budget Breakdown:

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

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