



**Interagency Agreement with**

City of Snoqualmie

through

Growth Management Services

**For**

Middle Housing Grant

**Start date:**

Date of Execution

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## FACE SHEET

Contract Number: 23-63326-024

**Washington State Department of Commerce  
Local Government Division  
Growth Management Services  
Middle Housing Grant**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                    |                                           |                                                                            |                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------|
| <b>1. Contractor</b><br>City of Snoqualmie<br>38264 SE River Street<br>Snoqualmie, WA 98065                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                        | <b>2. Regional planner</b><br>Matt Ojennus<br>Senior Planner<br>360-292-3435<br>matthew.ojennus@commerce.wa.gov                                                                                                                                                                                                                                                                                                    |                                           |                                                                            |                                                                         |
| <b>3. Contractor Representative</b><br>Dylan Gamble<br><a href="mailto:DGamble@snoqualmiewa.gov">DGamble@snoqualmiewa.gov</a><br>425-888-5337                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                        | <b>4. COMMERCE Representative</b><br><table style="width: 100%;"> <tr> <td style="width: 50%;">Joe Tovar<br/>Senior Planner<br/>(360) 725-3088<br/>joe.tovar@commerce.wa.gov</td> <td style="width: 50%;">PO Box 42525<br/>1011 Plum Street SE<br/>Olympia Washington<br/>98504-2525</td> </tr> </table>                                                                                                           |                                           | Joe Tovar<br>Senior Planner<br>(360) 725-3088<br>joe.tovar@commerce.wa.gov | PO Box 42525<br>1011 Plum Street SE<br>Olympia Washington<br>98504-2525 |
| Joe Tovar<br>Senior Planner<br>(360) 725-3088<br>joe.tovar@commerce.wa.gov                                                                                                                                                                                                                                                                                                                                                                                                                                                        | PO Box 42525<br>1011 Plum Street SE<br>Olympia Washington<br>98504-2525                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                    |                                           |                                                                            |                                                                         |
| <b>5. Contract Amount</b><br>\$112,500                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>6. Funding Source</b><br>Federal: <input type="checkbox"/> State: <input checked="" type="checkbox"/> Other: <input type="checkbox"/> N/A: <input type="checkbox"/> |                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>7. Start Date</b><br>Date of Execution |                                                                            |                                                                         |
| <b>8. End Date</b><br>June 30, 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                    |                                           |                                                                            |                                                                         |
| <b>9. Federal Funds (as applicable)</b><br>NA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                        | <b>Federal Agency:</b><br>NA                                                                                                                                                                                                                                                                                                                                                                                       |                                           |                                                                            |                                                                         |
| <b>CFDA Number</b><br>NA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                    |                                           |                                                                            |                                                                         |
| <b>10. Tax ID #</b><br>NA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>11. SWV #</b><br>0007167-00                                                                                                                                         | <b>12. UBI #</b><br>79-000-205                                                                                                                                                                                                                                                                                                                                                                                     | <b>13. DUNS #</b><br>NA                   |                                                                            |                                                                         |
| <b>14. Contract Purpose</b><br>Implementation of Middle Housing grant for the purpose of funding actions needed to evaluate the adoption of middle housing types on thirty percent (30%) or more of lots that, before this work, only allowed single family development.                                                                                                                                                                                                                                                          |                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                    |                                           |                                                                            |                                                                         |
| <b>15. Signing Statement</b><br>COMMERCE, defined as the Department of Commerce, and the Contractor, as defined above, acknowledge and accept the terms of this Contract and Attachments and have executed this Contract on the date below and warrant they are authorized to bind their respective agencies. The rights and obligations of both parties to this Contract are governed by this Contract and the following documents hereby incorporated by reference: Attachment "A" – Scope of Work and Attachment "B" – Budget. |                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                    |                                           |                                                                            |                                                                         |
| <b>FOR CONTRACTOR</b><br><div style="border-bottom: 1px solid black; margin-top: 10px;"> </div> Katherine Ross, Mayor<br>City of Snoqualmie<br>12/13/2022<br><div style="border-bottom: 1px solid black; margin-top: 10px;"></div> Date                                                                                                                                                                                                                                                                                           |                                                                                                                                                                        | <b>FOR COMMERCE</b><br><div style="border-bottom: 1px solid black; margin-top: 10px;"> <small>DocuSigned by:</small><br/> </div> Mark K. Barkley, Assistant Director<br>Local Government Division<br>12/14/2022   5:48 PM PST<br><div style="border-bottom: 1px solid black; margin-top: 10px;"></div> Date<br><br><b>APPROVED AS TO FORM ONLY BY ASSISTANT ATTORNEY GENERAL 08/22/2019.<br/>APPROVAL ON FILE.</b> |                                           |                                                                            |                                                                         |

**SPECIAL TERMS AND CONDITIONS  
INTERAGENCY AGREEMENT  
STATE FUNDS**

**1. AUTHORITY**

COMMERCE and Contractor enter into this Contract pursuant to the authority granted by Chapter 39.34 RCW.

**2. CONTRACT MANAGEMENT**

The Representative for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Contract.

The Representative for COMMERCE and their contact information are identified on the Face Sheet of this Contract.

The Representative for the Contractor and their contact information are identified on the Face Sheet of this Contract.

**3. COMPENSATION**

COMMERCE shall pay an amount not to exceed one-hundred and twelve thousand and five-hundred dollars (\$112,500) for the performance of all things necessary for or incidental to the performance of work under this Contract as set forth in the performance-based Scope of Work (Attachment A) and Budget (Attachment B).

**4. BILLING PROCEDURES AND PAYMENT**

COMMERCE will pay Contractor upon acceptance of services provided and receipt of properly completed invoices, which shall be submitted to the Representative for COMMERCE not more often than quarterly.

The parties agree this is a performance-based contract intended to produce the deliverables identified in Scope of Work (Attachment A). Payment of any invoice shall be dependent upon COMMERCE'S acceptance of Contractor's performance and/or deliverable. The invoices shall describe and document, to COMMERCE's satisfaction, a description of the work performed, the progress of the project, and fees. The invoice shall include the Contract Number 23-63326-024.

Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Contractor.

COMMERCE may, in its sole discretion, terminate the Contract or withhold payments claimed by the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this Contract.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COMMERCE.

The grantees must invoice for all expenses by June 17, 2023. All contracts with community based organizations must be submitted by June 17, 2023.

COMMERCE will pay Contractor for costs incurred prior to the start date of this Agreement, if such costs would have been allowable on or after July 1, 2022. To be allowable, such costs must be limited to the completion of tasks and deliverables outlined in the Scope of Work (Attachment A).

Duplication of Billed Costs

The Contractor shall not bill COMMERCE for services performed under this Agreement, and COMMERCE shall not pay the Contractor, if the Contractor is entitled to payment or has been or will be paid by any other source, including grants, for that service.

Disallowed Costs

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

**SPECIAL TERMS AND CONDITIONS  
INTERAGENCY AGREEMENT  
STATE FUNDS**

**5. INSURANCE**

Each party certifies that it is self-insured under the State's or local government self-insurance liability program, and shall be responsible for losses for which it is found liable.

**6. SUBCONTRACTOR DATA COLLECTION**

Contractor will submit reports, in a form and format to be provided by Commerce and at intervals as agreed by the parties, regarding work under this Agreement performed by subcontractors and the portion of funds expended for work performed by subcontractors, including but not necessarily limited to minority-owned, woman-owned, and veteran-owned business subcontractors. "Subcontractors" shall mean subcontractors of any tier.

**7. ORDER OF PRECEDENCE**

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

- Applicable federal and state of Washington statutes and regulations
- Special Terms and Conditions
- General Terms and Conditions
- Attachment A – Scope of Work
- Attachment B – Budget

**GENERAL TERMS AND CONDITIONS  
INTERAGENCY AGREEMENT  
STATE FUNDS**

**1. DEFINITIONS**

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

- A. "Authorized Representative" shall mean the Director and/or the designee authorized in writing to act on the Director's behalf.
- B. "COMMERCE" shall mean the Department of Commerce.
- C. "Contract" or "Agreement" means the entire written agreement between COMMERCE and the Contractor, including any attachments, documents, or materials incorporated by reference. E-mail or facsimile transmission of a signed copy of this contract shall be the same as delivery of an original.
- D. "Contractor" shall mean the entity identified on the face sheet performing service(s) under this Contract, and shall include all employees and agents of the Contractor.
- E. "Personal Information" shall mean information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers.
- F. "State" shall mean the state of Washington.
- G. "Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those services under this Contract under a separate contract with the Contractor. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.

**2. ALL WRITINGS CONTAINED HEREIN**

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

**3. AMENDMENTS**

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

**4. ASSIGNMENT**

Neither this Contract, work thereunder, nor any claim arising under this Contract, shall be transferred or assigned by the Contractor without prior written consent of COMMERCE.

**5. CONFIDENTIALITY AND SAFEGUARDING OF INFORMATION**

- A. "Confidential Information" as used in this section includes:
  - i. All material provided to the Contractor by COMMERCE that is designated as "confidential" by COMMERCE;
  - ii. All material produced by the Contractor that is designated as "confidential" by COMMERCE; and
  - iii. All personal information in the possession of the Contractor that may not be disclosed under state or federal law.
- B. The Contractor shall comply with all state and federal laws related to the use, sharing, transfer, sale, or disclosure of Confidential Information. The Contractor shall use Confidential Information solely for the purposes of this Contract and shall not use, share, transfer, sell or disclose any Confidential Information to any third party except with the prior written consent of COMMERCE or as may be required by law. The Contractor shall take all necessary steps to assure that Confidential Information is safeguarded to prevent unauthorized use, sharing, transfer, sale or disclosure of Confidential Information or violation of any state or federal laws related thereto. Upon request, the Contractor shall provide COMMERCE with its policies and procedures on confidentiality.

**GENERAL TERMS AND CONDITIONS  
INTERAGENCY AGREEMENT  
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COMMERCE may require changes to such policies and procedures as they apply to this Contract whenever COMMERCE reasonably determines that changes are necessary to prevent unauthorized disclosures. The Contractor shall make the changes within the time period specified by COMMERCE. Upon request, the Contractor shall immediately return to COMMERCE any Confidential Information that COMMERCE reasonably determines has not been adequately protected by the Contractor against unauthorized disclosure.

- C. Unauthorized Use or Disclosure. The Contractor shall notify COMMERCE within five (5) working days of any unauthorized use or disclosure of any confidential information, and shall take necessary steps to mitigate the harmful effects of such use or disclosure.

**6. COPYRIGHT**

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

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

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

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

**7. DISPUTES**

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, Agreement terms and applicable statutes and rules and make a determination of the dispute. The Dispute Board shall thereafter decide the dispute with the majority prevailing. The determination of the Dispute Board shall be final and binding on the parties hereto. As an alternative to this process, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control.

**8. GOVERNING LAW AND VENUE**

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

**9. INDEMNIFICATION**

Each party shall be solely responsible for the acts of its employees, officers, and agents.

**GENERAL TERMS AND CONDITIONS  
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STATE FUNDS**

**10. LICENSING, ACCREDITATION AND REGISTRATION**

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

**11. RECAPTURE**

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

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

**12. RECORDS MAINTENANCE**

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

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

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

**13. SAVINGS**

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

**14. SEVERABILITY**

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

**15. SUBCONTRACTING**

The Contractor may only subcontract work contemplated under this Contract if it obtains the prior written approval of COMMERCE. Subcontracting with multiple community based organizations is encouraged for this granting program. COMMERCE shall approve each community based organization, such approval to be provided in writing.

If COMMERCE approves subcontracting, the Contractor shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, COMMERCE in writing may: (a) require the Contractor to amend its subcontracting procedures as they relate to this Contract; (b) prohibit the Contractor from subcontracting with a particular person or entity; or (c) require the Contractor to rescind or amend a subcontract.

Every subcontract shall bind the Subcontractor to follow all applicable terms of this Contract. The Contractor is responsible to COMMERCE if the Subcontractor fails to comply with any applicable term or condition of this Contract. The Contractor shall appropriately monitor the activities of the Subcontractor to assure fiscal conditions of this Contract. In no event shall the existence of a



**GENERAL TERMS AND CONDITIONS  
INTERAGENCY AGREEMENT  
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subcontract operate to release or reduce the liability of the Contractor to COMMERCE for any breach in the performance of the Contractor's duties.

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

**16. SURVIVAL**

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

**17. TERMINATION FOR CAUSE**

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

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

COMMERCE reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by COMMERCE to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the Contractor: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of COMMERCE provided in this contract are not exclusive and are in addition to any other rights and remedies provided by law.

**18. TERMINATION FOR CONVENIENCE**

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

**19. TERMINATION PROCEDURES**

Upon termination of this contract, COMMERCE, in addition to any other rights provided in this contract, may require the Contractor to deliver to COMMERCE any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

COMMERCE shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by COMMERCE, and the amount agreed upon by the Contractor and COMMERCE for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by COMMERCE, and (iv) the protection and preservation of property, unless the termination is for default, in which case the Authorized Representative shall determine the extent of the liability of COMMERCE. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. COMMERCE may withhold from any amounts due the Contractor such sum as the Authorized Representative determines to be necessary to protect COMMERCE against potential loss or liability.

The rights and remedies of COMMERCE provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

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After receipt of a notice of termination, and except as otherwise directed by the Authorized Representative, the Contractor shall:

- A. Stop work under the contract on the date, and to the extent specified, in the notice;
- B. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
- C. Assign to COMMERCE, in the manner, at the times, and to the extent directed by the Authorized Representative, all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case COMMERCE has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- D. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Authorized Representative to the extent the Authorized Representative may require, which approval or ratification shall be final for all the purposes of this clause;
- E. Transfer title to COMMERCE and deliver in the manner, at the times, and to the extent directed by the Authorized Representative any property which, if the contract had been completed, would have been required to be furnished to COMMERCE;
- F. Complete performance of such part of the work as shall not have been terminated by the Authorized Representative; and
- G. Take such action as may be necessary, or as the Authorized Representative may direct, for the protection and preservation of the property related to this contract, which is in the possession of the Contractor and in which the Authorized Representative has or may acquire an interest.

**20. TREATMENT OF ASSETS**

Title to all property furnished by COMMERCE shall remain in COMMERCE. Title to all property furnished by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in COMMERCE upon delivery of such property by the Contractor. Title to other property, the cost of which is reimbursable to the Contractor under this contract, shall pass to and vest in COMMERCE upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by COMMERCE in whole or in part, whichever first occurs.

- A. Any property of COMMERCE furnished to the Contractor shall, unless otherwise provided herein or approved by COMMERCE, be used only for the performance of this contract.
- B. The Contractor shall be responsible for any loss or damage to property of COMMERCE that results from the negligence of the Contractor or which results from the failure on the part of the Contractor to maintain and administer that property in accordance with sound management practices.
- C. If any COMMERCE property is lost, destroyed or damaged, the Contractor shall immediately notify COMMERCE and shall take all reasonable steps to protect the property from further damage.
- D. The Contractor shall surrender to COMMERCE all property of COMMERCE prior to settlement upon completion, termination or cancellation of this contract

All reference to the Contractor under this clause shall also include Contractor's employees, agents or Subcontractors.

**21. WAIVER**

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

### Scope of Work

SOURCE: Section 189 of [Engrossed Substitute Senate Bill 5693](#), of the supplemental operating budget for fiscal year 2023 is provided solely for Commerce to administer grants to eligible cities for actions relating to adopting ordinances that would authorize middle housing types on at least 30 percent of lots currently zoned as single family residential. For the purposes of this grant program, "middle housing types" include duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, courtyard apartments, cottage housing, and stacked flats.

- (a) A city is eligible to receive a grant if:
  - i. The city is required to plan under RCW 36.70A.040; and
  - ii. The city is required to take action on or before June 30, 2024, to review and, if needed, revise its comprehensive plan and development regulations pursuant to RCW 36.70A.130(5)(a).
- (b) Grant recipients must use grant funding for costs to conduct at least three of the following activities:
  - i. Analyzing comprehensive plan policies and municipal code to determine the extent of amendments required to meet the goal of authorizing middle housing types on at least 30 percent of lots currently zoned as single family residential;
  - ii. Preparing informational material for the public;
  - iii. Conducting outreach, including with the assistance of community-based organizations, to inform and solicit feedback from a representative group of renters and owner-occupied households in residential neighborhoods, and from for-profit and nonprofit residential developers;
  - iv. Drafting proposed amendments to zoning ordinances for consideration by the city planning commission and city council;
  - v. Holding city planning commission public hearings;
  - vi. Publicizing and presenting the city planning commission's recommendations to the city council; and
  - vii. Holding city council public hearings on the planning commission's recommendations.
- (c) Before updating their zoning ordinances, a city must use a racial equity analysis and establish antidisplacement policies as required under RCW 36.70A.070(2)(e) through (h) to ensure there will be no net displacement of very low, low, or moderate-income households, as defined in RCW 43.63A.510, or individuals from racial, ethnic, and religious communities which have been subject to discriminatory housing policies in the past.
- (d) Commerce will prioritize applicants who:
  - i. Aim to authorize middle housing types in the greatest proportion of zones; and
  - ii. Subcontract with multiple community-based organizations that represent different vulnerable populations in overburdened communities, as defined in RCW 70A.02.010, that have traditionally been disparately impacted by planning and zoning policies and practices, to engage in eligible activities as described in (b) of this subsection.

Commerce will be monitoring the contracts biannually to review progress in meeting milestones, deliverables and invoicing.

## Attachment A

| Grant Objective                    | Land use assessments and the development and review of policy and program actions to consider allowing a minimum of 30% of land area or lots currently zoned single family residential as places where middle housing types are considered  |                     |                         |
|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------|
| Actions/<br>Steps/<br>Deliverables | Description                                                                                                                                                                                                                                 | Start Date          | End Date                |
| <b>Action 1</b>                    | <b>Public Engagement Activities</b>                                                                                                                                                                                                         | <b>January 2023</b> | <b>May 2023</b>         |
| Step 1.1                           | Develop community engagement plan                                                                                                                                                                                                           | January 2023        | February 2023           |
| Step 1.3                           | Inform and solicit feedback from a representative group of for-profit and nonprofit residential developers, renters, and owner-occupied households in residential neighborhoods.                                                            | January 2023        | April, 2023             |
| Step 1.4                           | Developing informational materials for the public                                                                                                                                                                                           | January 2023        | April 2023              |
| <b>Deliverable 1a</b>              | <b>Public Engagement Plan</b>                                                                                                                                                                                                               |                     | <b>February 1, 2023</b> |
| <b>Deliverable 1b</b>              | <b>Public Engagement Results w/ Informational Materials</b>                                                                                                                                                                                 |                     | <b>May 1, 2023</b>      |
| <b>Action 2</b>                    | <b>Racial Equity Report</b>                                                                                                                                                                                                                 | <b>January 2023</b> | <b>May , 2023</b>       |
| Step 2.1                           | <i>Identify local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing, including: zoning that may have a discriminatory effect; disinvestment; and infrastructure availability.</i>  | January 2023        | April , 2023            |
| Step 2.2                           | <i>Identify areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations.</i>                                                                                              | January 2023        | April , 2023            |
| Steps 2.3                          | Evaluate displacement risk of very-low, low, and moderate-income households.                                                                                                                                                                | January 2023        | April , 2023            |
| Step 2.4                           | Evaluate displacement risk of individuals from racial, ethnic, and religious communities which have been subject to discriminatory housing policies in the past.                                                                            | January 2023        | April , 2023            |
| Step 2.5                           | Evaluate displacement risk of locally owned businesses.                                                                                                                                                                                     | January 2023        | April , 2023            |
| Step 2.6                           | <i>Develop policies and regulations to address and begin to undo the impacts of local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing. This is consistent with Pierce County</i> | January 2023        | April , 2023            |
| Step 2.7                           | <i>Develop anti-displacement strategies, including strategies to minimize displacement of low-income residents resulting from redevelopment.</i>                                                                                            | January, 2023       | April , 2023            |
| Steps 2.8                          | Develop anti-displacement policy documents that include a schedule of programs and actions to implement the anti-displacement strategies including a timeline.                                                                              | January 2023        | April, 2023             |
| <b>Deliverable 2</b>               | <b>Racial equity analysis report and proposed policies to address anti-displacement</b>                                                                                                                                                     |                     | <b>May 1 , 2023</b>     |
| <b>Action 3</b>                    | <b>Policy, Code and Program Development</b>                                                                                                                                                                                                 | <b>January 2023</b> | <b>June 2023</b>        |

## Attachment A

|                       |                                                                                                                                                                                                                                                                                                                                                                                |              |                       |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------------|
| Step 3.1              | <i>Review and evaluate the current comprehensive housing element and their alignment with middle housing type development.</i>                                                                                                                                                                                                                                                 | January 2023 | May 2023              |
| Step 3.2              | Review buildable lands report and current residential land uses for potential to allow middle housing, or where development areas or higher intensity uses might be defined, or where commercial areas might be converted or residential to mixed-use development.                                                                                                             | January 2023 | May 2023              |
| Step 3.3              | Review current programs, development regulations, impact fees, system development charges, and permitting processes as to how they might encourage or discourage the development of middle housing types.                                                                                                                                                                      | January 2023 | May, 2023             |
| Step 3.4              | Consider incentives for affordable housing to accompany any changes in zoning that increase density to accommodate middle housing types.                                                                                                                                                                                                                                       | January 2023 | May 2023              |
| Step 3.5              | Gather data, analyze and review to understand the realistic potential of the various changes to support and/or encourage the development of middle housing types, and conduct financial feasibility analysis of developing new various housing typologies in various zones.                                                                                                    | January 2023 | May 2023              |
| <b>Deliverable 3a</b> | <b>Staff report with analysis of comprehensive plan policies and the municipal code to determine the extent of amendments required to meet the goal of authorizing middle housing types on at least 30 percent of lots currently zoned as single family residential.</b>                                                                                                       |              | <b>June 15 , 2023</b> |
| <b>Deliverable 3b</b> | <b>Identification of amendments to the zoning ordinance needed to authorize middle housing types on at least 30 percent of lots currently zoned as single family residential. Draft proposed amendments to zoning ordinances for consideration by the city planning commission and city council; which will may be amended after the granting period before consideration.</b> |              | <b>June 15, 2023</b>  |
| <b>Action 4</b>       | <b>Update Buildable Lands/Land Capacity Analysis within City limits and City Potential Annexation Area</b>                                                                                                                                                                                                                                                                     |              |                       |
| Step 4.1              | Gather data and review all geospatial data from existing data sources such as critical areas/buffer, tribal owed and King County tax assessor. Evaluate “market factor” assumptions as well as pipeline projects. Coordinate with staff to identify updated information on vacant and redevelop-able property.                                                                 | January 2023 | May 2023              |
| Step 4.2              | Produce new building lands/capacity maps/tables.                                                                                                                                                                                                                                                                                                                               | January 2023 | May 2023              |
| Step 4.3              | Data analysis with finalized maps.                                                                                                                                                                                                                                                                                                                                             | January 2023 | May 2023              |
| Step 4.4              | Draft and format a land capacity analysis memo                                                                                                                                                                                                                                                                                                                                 | January 2023 | May 2023              |
| <b>Deliverable 4</b>  | <b>Staff report and draft Buildable Lands/Land Capacity Analysis</b>                                                                                                                                                                                                                                                                                                           |              | <b>June 15 , 2023</b> |

## Budget

| Deliverables                                                                                                                                                                                                                                                                                                        | Commerce Funds    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| <b>Deliverable 1a</b> Public Engagement Plan                                                                                                                                                                                                                                                                        | \$1,000           |
| <b>Deliverable 1b</b> Public Engagement Results w/ Informational Materials                                                                                                                                                                                                                                          | \$5,000           |
| <b>Deliverable 2</b> Racial equity analysis report and proposed policies to address anti-displacement                                                                                                                                                                                                               | \$20,000          |
| <b>Deliverable 3a.</b> Staff report with analysis of comprehensive plan policies and municipal code to determine the extent of amendments required to meet the goal of authorizing middle housing types on at least 30 percent of lots currently zoned as single family residential.                                | \$30,000          |
| <b>Deliverable 3b</b> Identification of amendments to the zoning ordinance needed to authorize middle housing types on at least 30 percent of lots currently zoned as single family residential. This can be in the form of a draft ordinance or a detailed outline of code sections that would need to be amended. | \$20,000          |
| <b>Deliverable 4</b> Staff report and draft Buildable Lands/Land Capacity Analysis                                                                                                                                                                                                                                  | \$36,500          |
| <b>Total:</b>                                                                                                                                                                                                                                                                                                       | <b>\$ 112,500</b> |