

MEMORANDUM OF UNDERSTANDING for Governance, Decision Making and Administration of the Community Development Block Grant Program

This memorandum of understanding (MOU) is entered into between Thurston County (hereinafter the "County"), a political subdivision of the State of Washington, and the cities of Lacey (hereinafter "Lacey"), Tumwater (hereinafter "Tumwater"), Yelm (hereinafter "Yelm"), Tenino (hereinafter "Tenino"), Rainier (hereinafter "Rainier"), and the Town of Bucoda (hereinafter "Bucoda") (collectively, hereinafter the "Cities"), municipal corporations within Thurston County, for purposes of defining a governance, decision making and administrative structure to manage the Community Development Block Grant (hereinafter the "CDBG") entitlement funding. These CDBG funds are referenced in the Interlocal Cooperation Agreement To Participate In And Receive Funds Under The Federal Community Development Block Grant Entitlement Program: Program Years 2022-2024 (Agreement) between the County and the Cities to participate and receive funds under the federal CDBG entitlement program.

WHEREAS, the County and the Cities have agreed to pursue funding from the Department of Housing and Urban Development (HUD) for CDBG;

WHEREAS, the County and the Cities recognize the need to create a governance/administrative structure to manage CDBG funding in a fair and equitable way with particular attention paid to meeting both urban and rural needs;

NOW THEREFORE, in consideration of the mutual promises made herein and the mutual benefits received hereunder, the parties agree as follows:

- I. The County shall be the administrator of the CDBG Entitlement Program in accordance with the provisions of the Agreement referenced above.
- II. Projects will be solicited through an annual Request for Proposals (RFP). The County shall work with the respective Cities in each of the three years to issue the RFP.
- III. Decisions for the division of CDBG funding for each year within the three-year term of the agreement shall be as follows:
 - a. 2022 (Year 1):
 - i. Twenty percent (20%) of the all CDBG funding in 2022 shall be allocated to Thurston County for administrative costs related to the oversight of the CDBG Entitlement Program.
 - ii. A minimum of twelve percent (12%) of all CDBG funds in 2022 shall be allocated to on-going affordable housing programs selected in Year 1, as defined in Section V.
 - iii. A minimum of twelve percent (12%) of all CDBG funds in 2022 shall be allocated by a committee consisting of equal representation from south

county incorporated and unincorporated jurisdictions to other affordable housing efforts, as defined in Section IV. Should the review committee receive eligible applications for this purpose that equal less than the total 2022 set-aside for this purpose, the review committee may allocate remaining funds to any other CDBG eligible activities or programs, whether they are considered affordable housing efforts or not.

- iv. The remaining CDBG funds in 2022 shall be allocated for CDBG eligible projects selected by a committee consisting of equal representation from south county incorporated and unincorporated jurisdictions.
- v. Up to 15% of the total allocation may be used for public service activities, which may include a portion of funds for affordable housing efforts funded under (ii) or (iii).

b. 2023 (Year 2):

- i. Twenty percent (20%) of the all CDBG funding in 2023 shall be allocated to Thurston County for administrative costs related to the oversight of the CDBG Entitlement Program.
- ii. A minimum of sixteen percent (16%) of all CDBG funds in 2023 shall be allocated to on-going affordable housing programs selected in Year 1, as defined in Section V.
- iii. A minimum of thirty-two percent (32%) of all CDBG funds in 2023 shall be allocated by Lacey to other affordable housing efforts, as defined in Section IV. Should Lacey receive eligible applications for this purpose that equal less than the total 2023 set-aside for this purpose, Lacey may allocate remaining funds to other CDBG eligible activities or programs.
- iv. The remainder of CDBG funds in 2023 shall be allocated by Lacey for CDBG eligible projects.
- v. Up to 15% of the total allocation may be used for public service activities, which may include a portion of funds for affordable housing efforts funded under (ii) or (iii).

c. 2024 (Year 3):

- i. Twenty percent (20%) of the all CDBG funding in 2024 shall be allocated to Thurston County for administrative costs related to the oversight of the CDBG Entitlement Program.

- ii. A minimum of sixteen percent (16%) of all CDBG funds in 2024 shall be allocated to on-going affordable housing programs selected in Year 1, as defined in Section V.
- iii. A minimum of thirty-two percent (32%) of all CDBG funds in 2024 shall be allocated by Tumwater to other affordable housing efforts, as defined in Section IV. Should Tumwater receive eligible applications for this purpose that equal less than the total 2023 set-aside for this purpose, Tumwater may allocate remaining funds to other CDBG eligible activities or programs.
- iv. The remaining CDBG funds in 2024 shall be allocated by Tumwater for CDBG eligible projects.
- v. Up to 15% of the total allocation may be used for public service activities, which may include a portion of funds for affordable housing efforts funded under (ii) or (iii).

IV. Affordable housing efforts means projects or programs implemented by a subrecipient that are CDBG eligible and increase or maintain affordable housing stock or affordable housing options in Thurston County.

- a. Affordable housing units include but are not limited to:
 - i. Rental unit rehabilitation program.
 - ii. Homeowner unit rehabilitation program.
 - iii. Homebuyer assistance.
 - iv. New housing construction done by a community-based development organization.
 - v. Weatherization rehabilitation.
 - vi. Infrastructure or utility improvements that help maintain or expand housing stock.
 - vii. Acquisition of property to be used for affordable housing.
 - viii. Public service activity that assists low- and moderate-income persons to obtain or sustain housing.
- b. All affordable housing projects, excluding on-going affordable housing programs as defined in Section V, shall be awarded by jurisdictional representatives, as follows:
 - i. Year 1. One representative each from Bucoda, Rainier, Tenino, Yelm and Thurston County.

- ii. Year 2. City of Lacey City Council.
 - iii. Year 3. City of Tumwater City Council.
- V. On-going affordable housing programs means affordable housing efforts that operate countywide for the duration of this agreement.
 - a. On-going affordable housing programs shall be selected in 2022 for 2022 (Year 1), 2023 (Year 2), and 2024 (Year 3) funding. The award of on-going affordable housing program funding for Year 2 and Year 3 shall be based on the proportion allocated in Year 1. In Year 2 and 3, the committee shall meet to review performance. Jurisdictions that are allocated CDBG funding each year agree to give substantial weight and consideration to the recommendations of the committee.
 - b. The selection and recommended funding amount of on-going affordable housing programs shall be performed by a committee of four composed of one representative member from Lacey, Tumwater, a south county jurisdiction, and Thurston County. One representative member each from Lacey, Tumwater, south county incorporated jurisdictions, and a representative from Thurston County for unincorporated areas. Each member of the committee shall have one vote regarding program decisions. All program decisions shall be made by simple majority vote of the members, provided all the members are present.
 - c. The committee may establish additional program eligibility criteria.
 - d. Should an entity selected for funding no longer provide the services for which they were awarded funding, or should services be deemed unsatisfactory by the selecting committee, funding may be terminated. If this occurs, the committee shall select other on-going affordable housing programs to allocate remaining funds.
- VI. The Board of County Commissioners, as the Administrator of CDBG Entitlement Funds, must approve all projects and will give substantial weight and consideration to the decision of the jurisdictions.
- VII. Affordable housing efforts and on-going affordable housing allocations shall take into consideration the goals, objectives, programs, and projects developed and approved by the Regional Housing Council.
- VIII. This Memorandum of Understanding will terminate in coordination with the end date of the Agreement.
- IX. This Memorandum of Understanding creates no separate legal entity.
- X. Prior to its entry into force, this Memorandum of Understanding shall be filed with the Thurston County Auditor's Office or posted upon the web sites of the County and Cities as provided by RCW 39.34.040.
- XI. This Memorandum of Understanding shall be governed by the laws of the State of Washington as to interpretation and performance. The parties agree that venue for enforcement of any provisions shall be the Superior Court of Thurston County or in the

superior court of either of the two nearest judicial districts.

XII. This agreement may be executed in any number of identical counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument which each party has signed one such counterpart.

XIII. This Agreement shall be effective upon the signature by the last of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be executed by the dates and signature herein under affixed. The persons signing this MOU on behalf of the parties represent that each has authority to execute this MOU on behalf of the party entering into this MOU.

Thurston County

City of Lacey

Tye Menser, Chair of Board

Scott Spence, City Manager

Date: _____

Date: _____

Approved as to form:

Approved as to form:

Deputy Prosecuting Attorney

Attorney

City of Tumwater

Debbie Sullivan, Mayor

Date: _____

Approved as to form:

Attorney

City of Yelm

Joe DePinto, Mayor

Date: _____

Approved as to form:

Attorney

City of Tenino

Wayne Fournier, Mayor

Date: _____

Approved as to form:

Attorney

City of Rainier

Robert Shaw, Mayor

Date: _____

Approved as to form:

Attorney

Town of Bucoda

Steven Purcell, Mayor

Date: _____

Approved as to form:

Attorney

Attachment 1
Example \$1,250,000 CDBG annual allocation - MOU 2022-2024

	2022 - YEAR 1				
			Total %	Total % (not including TC Admin)	Total % Affordable Housing (not including TC Admin)
Thurston County	Total CDBG funding	\$1,250,000	100%	\$1,000,000	-
	TC Admin	\$250,000	20%	-	-
	Affordable Housing Efforts	\$150,000	12%	15%	15%
	On-Going Affordable Housing Programs	\$150,000	12%	15%	15%
	Other CDBG Eligible Projects	\$700,000	56%	70%	-
	Totals	\$1,250,000	100%	100%	30%
	2023 - YEAR 2				
			Total %	Total % (not including TC Admin)	Total % Affordable Housing (not including TC Admin)
Lacey	Total CDBG funding	\$1,250,000	100%	\$1,000,000	-
	TC Admin	\$250,000	20%	-	-
	Affordable Housing Efforts	\$400,000	32%	40%	40%
	On-Going Affordable Housing Programs	\$200,000	16%	20%	20%
	Other CDBG Eligible Projects	\$400,000	32%	40%	-
	Totals	\$1,250,000	100%	100%	60%
	2024 - YEAR 3				
			Total %	Total % (not including TC Admin)	Total % Affordable Housing (not including TC Admin)
Tumwater	Total CDBG funding	\$1,250,000	100%	\$1,000,000	-
	TC Admin	\$250,000	20%	-	-
	Affordable Housing Efforts	\$400,000	32%	40%	40%
	On-Going Affordable Housing Programs	\$200,000	16%	20%	20%
	Other CDBG Eligible Projects	\$400,000	32%	40%	-
	Totals	\$1,250,000	100%	100%	60%

TOTAL CDBG 2022-2024	
Total CDBG Funding 2022 - 2024	\$3,750,000
Total CDBG Funding 2022 - 2024 (not including TC Admin)	\$3,000,000
Total Affordable Housing	\$1,500,000
Total Affordable Housing % (not including TC Admin)	50%