

A G E N D A

WALLA WALLA COUNTY BOARD OF COMMISSIONERS

MONDAY, JULY 15, 2019

(PLEASE NOTE SLIGHTLY EARLIER START TIME THIS DATE)

9:15 COUNTY COMMISSIONERS

Chairman Kimball

All matters listed within the Consent Agenda have been distributed to each County Commissioner for review and are considered routine. The Consent Agenda will be approved by one motion of the Board of County Commissioners with no separate discussion. If separate discussion is desired on a certain item, that item may be removed from the Consent Agenda at the request of a Commissioner, for action later.

- a) Roll call and establish a quorum
- b) Review warrant list

The county commissioners will take this time (at 9:15 a.m.) to review the list of warrants for approval under the consent agenda. This review time is open to the public. No other business will be transacted until the regular meeting start time of 9:30 a.m.

RECESS.

9:30 COUNTY COMMISSIONERS

Chairman Kimball

- c) Declarations re: conflict of interest
- d) Pledge of Allegiance
- e) Public comment period (time limitations may be imposed)

PLEASE NOTE: *If you wish to address the Commission, please raise your hand to be recognized by the Chair. When you have been recognized, please step up to the microphone and give your name and address before your comments. The Walla Walla County Commissioners are committed to maintaining a meeting atmosphere of mutual respect and speakers are encouraged to honor this principle. (An individual may request to address the board at a later time on the agenda, if time permits, by contacting the Clerk of the Board at least 24 hours prior to the meeting.) Thank you.*

- f) **Action Agenda Items:**
 - 1) Review submitted Employee Payroll Action Forms
- g) **Public Meeting:**
 - 1) To consider lease of County property (Parcel 360714140019)
- h) **Consent Agenda Items:**
 - 1) Resolution _____ - Minutes of County Commissioners' sessions of July 8 and 9, 2019
 - 2) Resolution _____ - Approving out of state travel for Walla Walla County Sheriff's Office Employee (Moses)
 - 3) Payroll action and other forms requiring Board approval

BOARD OF COUNTY COMMISSIONERS
WALLA WALLA COUNTY, WASHINGTON

IN THE MATTER OF APPROVING
OUT OF STATE TRAVEL FOR
SHERIFF'S OFFICE EMPLOYEE
(MOSES)

}

RESOLUTION NO. **19**

WHEREAS, Walla Walla County Sheriff Mark Crider has requested out of state travel approval for Mike Moses to travel to New Boston, Texas on July 18-27, 2019 to acquire an armored vehicle known as a M-ATV vehicle and transport the vehicle to Walla Walla; and

WHEREAS, said vehicle has been awarded to Walla Walla County at no cost other than the travel costs to acquire the vehicle; and

WHEREAS, said vehicle will benefit the citizens of Walla Walla County in emergency and crisis situations; and

WHEREAS, pursuant to County policy, an Employee Travel Authorization form has been submitted; now therefore

BE IT HEREBY RESOLVED by this Board of Walla Walla County Commissioners that out of state travel as outlined above is approved.

Passed this 15th day of July, 2019 by Board members as follows: Present or Participating via other means, and by the following vote: Aye Nay Abstained Absent.

Attest:

Diane L. Harris, Clerk of the Board

Todd L. Kimball, Chairman, District 2

James K. Johnson, Commissioner, District 1

Gregory A. Tompkins, Commissioner, District 3

*Constituting the Board of County Commissioners
of Walla Walla County, Washington*

RECEIVED

JUL 11 2019

WALLA WALLA COUNTY
Employee Travel AuthorizationDate of Request July 2, 2019WALLA WALLA COUNTY
COMMISSIONERS

Employee Attending: <u>Mike Moses</u>		Estimate of Cost (Includes all costs even prepaid)	
		Transportation	
		<input checked="" type="checkbox"/> Air <input type="checkbox"/> Bus/Train <input type="checkbox"/> County Vehicle	\$ 400.-
		<input type="checkbox"/> Private Vehicle _____ miles @ <u>Fuel</u>	\$ 1408.-
Meeting/Training: Start time/date: _____ End time/date: _____		<input type="checkbox"/> Rental Car <input checked="" type="checkbox"/> Cab/Bus	\$ 200.-
Location: City: <u>New Boston</u> State: <u>TX</u>		Lodging	
Title of Meeting/Training: (Attach agenda/training brochure)		<u>3</u> night(s) @ \$ <u>150</u>	\$ 450.-
		Meals	
Departure Date: <u>7/17 - 7/27</u> Time: _____		Breakfast(s) <u>4</u> @ \$ <u>19.-</u>	\$ 76.-
Return Date: _____ Time: _____		Lunch(s) <u>4</u> @ \$ <u>23.-</u>	\$ 92.-
		Dinner(s) <u>4</u> @ \$ <u>34.-</u>	\$ 136.-
Place of Lodging: <u>Unknown</u>		Registration/Tuition	
		Cancel Date: _____	\$
Phone Number: _____		Total Expenses	
		\$ <u>2762.-</u>	

Credit Card Use: ☒ Yes ☐ No Date Needed: _____

I hereby acknowledge receipt of the department credit card/advance travel funds, and certify that I will return the credit card/unexpended advance travel funds, together with an expense voucher, and all required receipts within five (5) days of my return. I further agree that if credit card receipts show any amount in excess of authorized reimbursements, I will attach a check or money order for that amount owed or that amount shall be deducted by the County Auditor's Office from my next paycheck.

M. Moses
Signature of Employee

Date: 7-3-19Recommended: ☒ Yes ☐ No

[Signature]
Supervisor Signature

Date: 7/3/19

Out-of-State Travel: ☐ Yes ☐ No
(Attach Resolution)

Approved: ☒ Yes ☐ No

[Signature]
Elected Official/Department Head

Date: 7/3/19



Mark Crider
Sheriff

WALLA WALLA COUNTY SHERIFF'S OFFICE

240 West Alder Street, First Floor
Walla Walla, WA 99362-0220

Sheriff's Office	(509) 524 - 5400
Fax	(509) 524 - 5480
Dispatch	(509) 527 - 3265
Toll Free	(866) 527 - 3268
Email:	sheriff@co.walla-walla.wa.us

Joe Klundt	<i>Undersheriff</i>
Richard L. Schram	<i>Chief Criminal Deputy</i>
Ron Varner	<i>Chief Civil Deputy</i>

Memorandum

Date: July 2nd, 2019

To: Board of County Commissioners

From: Mark Crider, Sheriff

RE: Out of state travel: Michael Moses

If you are not aware, we participate in the LESO 1033 Program. The National Defense Authorization Act authorizes the Secretary of Defense to transfer excess Department of Defense (DOD) personal property to federal, state, and local law enforcement agencies with special emphasis given to counter-drug and counter-terrorism initiatives. Part of the duties of the Crime Analysis Technician (CAT) is to monitor this program for items we may benefit from. In May of this year, the CAT advised the Operations Chief of an armored vehicle known as a M-ATV which was available. The Operations Chief proposed the needs for having this vehicle and we applied for it. We have just learned we were awarded this brand new vehicle; please see attached description for further vehicle specifics.

Our intended use for the is armored vehicle would be for:

- SWAT response to active shooter situations
- Barricaded suspect incident, emergency response
- First responder
- Critical incident response
- Hostage rescue
- Homeland security issues
 - To include protecting critical infrastructure of four Hydro - Electric Dams located on the Snake River within Walla Walla County and one located in Umatilla county on the Columbia River.
- Walla Walla also houses the regional office of the Corps of Engineers
- In addition to all of these, the City of Walla Walla has the Veterans Administration (VA) Hospital which provides treatment for PTSD, mental health, and substance abuse issues.
- Other intended uses would be for search and rescue missions where a traditional vehicle cannot travel.

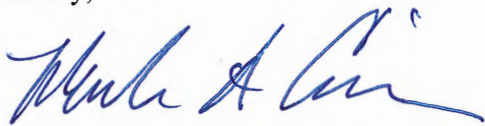
The Walla Walla Sheriff's Office has decommissioned our obsolete armored vehicle, due to age and maintenance issues, and this is a perfect replacement for that vehicle as well as a vast improvement in overall safety and capability. Walla Walla County is a large rural area, 1270 square miles, with wide open spaces. Approach to incidents or strongholds in such an open environment exposes deputies to great risk.

The Walla Walla Sheriff's Office participates in a Regional SWAT Team and crisis negotiators with the City of Walla Walla and the City of College Place. In addition to working within our county we have mutual aid agreements with Columbia County (WA) which has a population of 3995 and covers 868.63 square miles. We also have an agreement with Garfield county (WA) which has a population of 2228 and covers 710.69 square miles. Finally, we have a mutual aid agreement with Umatilla County (OR) which has a population of 76,820 and covers 3231 square miles. This is a total of 6079 square miles and a total population of 142,447 that our SWAT team is responsible for covering. It should be noted that Umatilla County is a High Intensity Drug Trafficking Area (HIDTA) area and is only 11 miles from the City of Walla Walla. The High Intensity Drug Trafficking Areas (HIDTA) program, created by Congress with the Anti-Drug Abuse Act of 1988, provides assistance to Federal, state, local, and tribal law enforcement agencies operating in areas determined to be critical drug-trafficking regions of the United States. This grant program is administered by the Office of National Drug Control Policy (ONDCP). There are currently 28 HIDTAs, which include approximately 18 percent of all counties in the United States and 66 percent of the U.S. population.

Walla Walla County is not designated as a HIDTA area; however, the City of Walla Walla is only 11 miles from Umatilla County which is designated as a HIDTA and an area we are responsible to assist with for mutual aid. The estimated usage for the MATV will be 2-5 uses a month.

The need for out of state travel would be to acquire the vehicle. Our options for acquisition are to have it shipped to us or pick it up and drive it back. The lowest cost we could obtain on a shipping quote is \$5,900.00 by a company out of Central Point, Oregon. The other option, of sending someone to get the vehicle and drive it back, totals out to \$2,762.00. This cost includes flight, hotel, per diem, fuel and a small buffer for any incidentals which may arise.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark A. Crider".

Mark Crider, Sheriff

Recommendation:

The Walla Walla County Board of Commissioners approve this out of state travel request.

MTAV New Boston Texas

Cost

Miles	2,000
Fuel Capacity	40gal
Range	320 miles
MPG	7.9
Top speed	65

Fuel est \$4 gal	352 gallons	\$ 1,408.00
Plane Ticket x1	Estimated	\$ 400.00
Motel x3	" "	\$ 450.00
Per Diem X4	" "	\$ 400.00
Hours	Flex or Comp	\$ -
Incidentals	Taxi, tolls	\$200.00
		<hr/>
		\$ 2,858.00
Shipping costs		<hr/>
		\$ (5,900.00)
Savings		<hr/>
		\$ (3,042.00)

M1240A1 ~ M-ATV w/ UIK (OGPK)

NSN: 2355-01-596-1330



ENDURING

System Description: The primary mission of the M-ATV is to provide protected ground mobility capable of operating in a threat environment involving ambushes employing the use of mines, IEDs, RPGs, EFPs, and SAF. The UIK includes the addition of an underbody ladder structure with Rolled Homogeneous Armor (RHA) belly plate; wheel well deflectors, and five cross-body tie rods. The UIK also includes a change in crew seats, suspension, and tires. The M1240A1 is equipped with the OGPK.

Missions: The Underbody Improvement Kit (UIK) is intended to provide additional under-body protection to the M-ATV from threats being encountered in the OEF theater of operation. The M-ATV with UIK is intended for missions in restrictive terrain found in rugged mountainous, complex, rural, and tightly packed urban areas.

Prime Contractor: Oshkosh

Point of Contact: APM: MAJ Denyada Barnes
Email: denyada.l.barnes.mil@mail.mil
Blackberry: (586)382-5111

System Characteristics

Configuration Type	4x4
Personnel Capacity	4 + gunner
Operational Length (total/reducible)	248/236.4 inches
Operational Width (total/reducible)	122.4/ 100.2 inches
Operational Height	129.1 inches
Min. Ground Clearance	16.8 inches
Max Speed	62.2 mph
Time to 50m	8.9 s
Min Turning Dia (curb to curb)	65.9 ft

Curb Weight	28,500 lbs
GVW	34,400 lbs
GVWR	37000 lbs
Payload	4000 lbs
Max Slope (Side/Incline)	30% side / 60% incline
Center of Gravity (GVW Vertical)	50.2 in
Consumption Rate (Mi/GAL)	7.9
HP	370
HP/Ton @ GVWR	26.2

Engine: CAT C-7, 7.2 Liter I-6 Diesel, 370 hp

Transmission: Allison 3500 SP 6 speed automatic

Suspension: Oshkosh TAK-4® Independent Suspension System

Transfer Case: Marmon-Herrington MVG-750

Tires: Michelin X XZL, 16.00R20, Load Range 'M'

CTIS: 2 Ch, 4 terrain settings w/ integrated driveline lock control system

Seats: Jankel Energy Absorbing Seats

Fire Suppression: AFES for front axle, rear axle, engine compartment, fuel tank and crew compartment + two manually operated portables

COUNTY COMMISSIONERS (continued)

i) **Action Agenda Items:**

- 1) County vouchers/warrants/electronic payments as follows: 4209809 in the through 4210081 totaling \$1,835,217.27
- j) Miscellaneous business to come before the Board
- k) Review reports and correspondence; hear committee and meeting reports
- l) Review of constituent concerns/possible updates re: past concerns

9:45

COUNTY FAIRGROUNDS

Bill Ogg

- a) Fairgrounds update and miscellaneous

Walla Walla Fair and Frontier Days

August 28 thru September 2, 2019

Bill Ogg, CFE
General Manager



Walla Walla Board of County Commissioners

Department Head Report

July 15, 2019

- A. Fairgrounds Department Staffing
- B. Expand Fairgrounds Facility Usage:
 - 1. Event Reports:
 - Monster Truck Show
 - 4th of July Fireworks Stands
 - On-going Private Events
 - 2. Future Events
 - Pink Ribbon Classic Horse Show
 - Friends of Children Jaripeo
- C. Fairgrounds Physical Plant Improvement
 - 1. Exhibitors Office Repairs
 - 2. Abandoned Building Asbestos Abatement
 - 3. Tietan Street work 2019
 - 4. Frontier Days Foundation Sherwood Trust Grant Application
- D. Fair 2019:
 - 1. Planning continuing – Positive Energy
 - 2. Countdown: 43 DAYS!
- E. Sponsorships:
- F. Fair Board:

a) Consent Agenda Items:

- 1) Resolution _____ - Setting a date of public hearing to consider extending interim zoning enacted by Ordinance 471, regarding the maximum density of mobile/manufactured home parks and residential uses in the Burbank Residential Zoning District

b) Department update and miscellaneous

BOARD OF COUNTY COMMISSIONERS
WALLA WALLA COUNTY, WASHINGTON

IN THE MATTER OF SETTING A
DATE OF PUBLIC HEARING TO
CONSIDER EXTENDING INTERIM
ZONING ENACTED BY ORDINANCE
471, REGARDING THE MAXIMUM
DENSITY OF MOBILE/
MANUFACTURED HOME PARKS
AND RESIDENTIAL USES IN THE
BURBANK RESIDENTIAL ZONING
DISTRICT

RESOLUTION NO. 19

WHEREAS, the Board of County Commissioners adopted Ordinance No. 471 on August 6, 2018, regarding the maximum density of mobile/manufactured home parks and residential uses in the Burbank Residential uses in the Burbank Residential Zoning District; and

WHEREAS, the interim zoning provided the County with additional time to review and amend its Comprehensive Plan and zoning and land use regulations related to density and development in the Burbank area;

WHEREAS, Walla Walla County has retained the services of a professional land use consulting firm, The Watershed Company, to assist with a review of the residential density of the Burbank Urban Growth Area; and

WHEREAS, Walla Walla County Community Development staff and the consultant team held a public workshop on June 29, 2019, in Burbank, at Columbia Middle School, to begin the process of obtaining comments from the residents of Burbank regarding their vision for their community; and

WHEREAS, County staff and the consultant team will summarize the results of that first outreach meeting, and present potential alternatives to the residents of Burbank at another public outreach workshop to be held later in fall of this year; and

WHEREAS, Ordinance 471 expires on August 7, 2019, now therefore

BE IT HEREBY RESOLVED by this Board of Walla Walla County Commissioners that, pursuant to Walla Walla County Code, a public hearing shall be set for 11:00 a.m. on July 29, 2019 in County Commissioners' Chambers, Walla Walla County Public Health and Legislative Building, 314 West Main, Walla Walla, to receive testimony on whether to extend or amend the interim zoning enacted by Ordinance 471, .

BE IT FURTHER RESOLVED that the required notice of said hearing shall be done by the Walla Walla County Community Development Department.

Passed this 15th day of July, 2019 by Board members as follows: Present or Participating via other means, and by the following vote: Aye Nay Abstained Absent.

Attest:

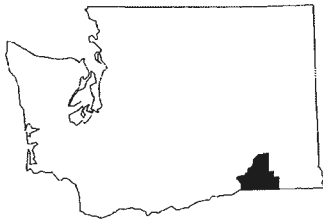
Diane L. Harris, Clerk of the Board

Todd L. Kimball, Chairman, District 2

James K. Johnson, Commissioner, District 1

Gregory A. Tompkins, Commissioner, District 3

*Constituting the Board of County Commissioners
of Walla Walla County, Washington*



WALLA WALLA COUNTY

Community Development Department

310 W. Poplar, Suite 200 • Walla Walla, WA 99362-2865

Director's Report

To: Board of County Commissioners
From: Tom Glover, Community Development Director
Date: July 15, 2019

Planning Commission:

- Zoning Code Text Amendment application to allow Irrigation Systems & Equipment Sales, Service & Storage facilities in the Primary Agriculture Zoning District (PA-40) and establish a definition for this use in the Walla Walla County Code, Chapter 17.08.
 - Workshop with the Planning Commission held on May 1, 2019.
 - Public Hearing scheduled held on June 5th, at 7:00 p.m.

Hearing Examiner:

- May 24th Public Hearing:
 - **Ponderosa Subdivision Final Plat Alteration (SUB19-005)**
Alterations to Final Plat for Ponderosa Subdivision which was recorded in 2015. The subdivision is located on Ponderosa Court a private road off of Frog Hollow Road. **Update: Pending.**
 - **Leeward Meadow Tracts Final Plat Alteration (SUB19-002)**
Alterations to the Leeward Meadow Tracts Final Plat (2006), which was amended in 2008 via another replat. The property is located within the Agriculture Residential 10 zoning district on Detour Road. **Update: Pending.**
 - **Phase 7 US12 Nine Mile Hill to Frenchtown Vicinity Project (SHR19-001)**
The Washington State Department of Transportation (WSDOT) has submitted a shoreline conditional use permit application for portion of US 12 Phase 7 project located within Touchet River shorelands which is regulated under the Walla Walla County Shoreline Master Program (SMP). **Update: Approved.**
 - **Nano Arts Expansion of Art Production Facility (CUP18-006)**
Expand operations of art production facility which operates at 96 Frontage Road with a 1,000 square foot addition and new uses on adjacent properties to the north and south (130 Frontage Road). The existing art production facility is located at 96 Frontage Road. **Update: Approved.**

County Comprehensive Plan Update:

- Workshop with the BoCC held on May 28th at 1:30 p.m.
- Public Hearing held on Monday, June 24th, at 1:30 p.m.
- Decision by BoCC on County-sponsored and non-County sponsored amendments held on July 8th at 8:00 a.m.
- Ordinances for adoption being prepared by staff at this time.
- 60-day appeal period will begin once ordinances are adopted by the BoCC.

Additional work on the Comprehensive Plan & Development Regulations:

- **From June 3rd Director's Report:** Finalized the agreement for services with The Watershed Company to address the residential density issue in the Burbank UGA, per Ordinance 471. First public outreach meeting set for Saturday, June 29th, 9:00 a.m. start.
 - **Update:** Workshop held, approx. 25 people in attendance.
 - **Schedule (subject to change):**
 - 1. Consultant team meeting week of July 8th to de-brief, and begin formulating a plan forward;
 - 2. Team will follow up with CDD Staff week of July 15th to provide recommendations for going forward.
 - 3. July 29th: public hearing to receive comment on extension of Ord. 471.
 - Next outreach meeting to be held in October, date to be determined.
 - 4. Plan will need to be sent to Planning Commission first in workshop format, followed by a public hearing.
 - 5. Planning Commission's recommendation to be forwarded to BoCC.

RFQ/P for Building Plan Review & Construction Services:

- 7 Responses:
 - 3 from Washington
 - 1 from Oregon
 - 1 from California
 - 1 from Colorado
 - 1 from Alabama
 - Northwest Code Professionals – Eugene, Oregon (selected)
 - West Coast Code Consultants, Inc – Lynwood, Washington
 - Bureau Veritas North America, Inc – Sacramento, California
 - BHC Consultants, LLC – Seattle, Washington
 - SAFEbuilt – Loveland, Colorado
 - JHW Plan Review Services, LLC – Pleasant Grove, Alabama
 - Townzen & Associates, Inc. – Olympia, Washington

RFQ/P for Land Use Planning Services:

- 5 Responses, all from Washington:
 - 1 from Seattle
 - 1 from Kirkland
 - 1 from Woodinville
 - 1 from Wenatchee
 - 1 from Spokane Valley

Development Fees:

- Public Hearing regarding development fees proposal held on June 17th at 1:30 p.m. No comments from the public were received. Ordinance No. 475 adopting the new fee scheduled was approved by the BoCC on July 1st.
"Adoption of new land development application fees, resulting in an amendment replacing Walla Walla County Code Section 3.08.010, a new Section 3.08.065, and a repeal of Section 17.31.040."

Agreements:

- Established an agreement for plan review and construction inspections services with the City of Walla Walla, based on the 2002 intergovernmental agreement. This is for plan review and inspections for a large commercial project located in Burbank: Northwest Equipment Sales & Service.
- Established an agreement with the City of West Richland for construction inspection services for a large commercial project in the Attalia Industrial UGA for TEMPORARY OCCUPANCY for the Tyson plant addition.
- Established an agreement with the State Fire Marshal's Office (Washington State Patrol) for the provision of plan review and inspection of new commercial projects under the State Fire Code.
- Finalized an agreement with Northwest Code Professionals to provide building plan review and construction inspection services for commercial projects throughout the County, in coordination with our Interim Building Official/Fire Marshal.
- BoCC has approved the agreements between WW Co. and the County Conservation District, and the State Conservation Commission to continue local implementation of the Voluntary Stewardship Program (VSP), continuing work with Renee Hadley's team. This concerns protection of critical areas (environmentally sensitive areas) in farming practices/operations.

Personnel:

- Building Official/Fire Marshal position was advertised, deadline for application was May 16, 2019. Three applications received, including one in-house. Ron Bull appointed Interim Building Official/Fire Marshal until the position can be permanently filled.

Other:

- County has received a Conditional Use Permit application for a 330-unit manufactured home park in Burbank. Formal notice of Determination of Completeness (application) has been issued. A final decision on this project has not been made, it must go before the County's Hearing Examiner for review.
- A formal Notice of Application, Optional Determination of Non-Significance, SEPA Checklist for the Wa-Hi Bond Renovation Project has been issued. Comments due July 18th.
- There have been a rash of Code Compliance Cases where landowners have removed, or have allowed to be removed, natural vegetation and provided fill within protected stream buffers. Working on a public information piece for general circulation.

2019**Stats Jan. 1 through June 30:**

• Issued under Building Code:	241	(284 for April 2018)
• Issued under development regulations:	58	(68 in 2018)
• Residential Burn Permits:	510	(493 for April 2018)
• Total:	809	

a) Consent Agenda Items:

- 1) Resolution _____ - Signing an Agreement for On-Call Right of Way Services with Epic Land Solution, Inc
- 2) Resolution _____ - Request for reimbursable work from Garfield County to paint stripe certain county roads
- 3) Resolution _____ - Use of County roads for the Providence St. Mary Regional Cancer Center Gran Fondo Bicycling Event

b) Department update and miscellaneous

BOARD OF COUNTY COMMISSIONERS
WALLA WALLA COUNTY, WASHINGTON

IN THE MATTER OF SIGNING AN
AGREEMENT FOR ON-CALL
RIGHT OF WAY SERVICES WITH
EPIC LAND SOLUTION, INC.



RESOLUTION NO. 19

WHEREAS, on-call right of way services are required for various public works projects; and

WHEREAS, Walla Walla County does not have the personnel, expertise or equipment available to provide on-call right of way services for projects; and

WHEREAS, a consultant has been selected to provide On-Call Right of Way Services for a period of one year; now therefore

BE IT HEREBY RESOLVED by this Board of Walla Walla County Commissioners they do hereby enter into an agreement for on-call right of way services with Epic Land Solution, Inc. and the Chair of the Board shall sign the same in the name of the Board.

Passed this 15th day of July, 2019 by Board members as follows: Present or Participating via other means, and by the following vote: Aye Nay Abstained Absent.

Attest:

Diane L. Harris, Clerk of the Board

Todd L. Kimball, Chairman, District 2

James K. Johnson, Commissioner, District 1

Gregory A. Tompkins, Commissioner, District 3

*Constituting the Board of County Commissioners
of Walla Walla County, Washington*

BOARD OF COUNTY COMMISSIONERS
WALLA WALLA COUNTY, WASHINGTON

IN THE MATTER OF A REQUEST
FOR REIMBURSABLE WORK
FROM GARFIELD COUNTY TO
PAINT STRIPE CERTAIN COUNTY
ROADS

}

RESOLUTION NO. **19**

WHEREAS, Garfield County has submitted a Request for Reimbursable Work for Walla Walla County to paint stripe certain county roads; now therefore

BE IT HEREBY RESOLVED by this Board of Walla Walla County Commissioners that said Request for Reimbursable Work for Garfield County be signed authorizing the County Public Works Department to perform the work.

Passed this 15th day of July, 2019 by Board members as follows: Present or Participating via other means, and by the following vote: Aye Nay Abstained Absent.

Attest:

Diane L. Harris, Clerk of the Board

Todd L. Kimball, Chairman, District 2

James K. Johnson, Commissioner, District 1

Gregory A. Tompkins, Commissioner, District 3

*Constituting the Board of County Commissioners
of Walla Walla County, Washington*

BOARD OF COUNTY COMMISSIONERS
WALLA WALLA COUNTY, WASHINGTON

IN THE MATTER OF USE OF
COUNTY ROADS FOR THE
PROVIDENCE ST. MARY REGIONAL
CANCER CENTER GRAN FONDO
BICYCLING EVENT

RESOLUTION NO. **19**

WHEREAS, the Providence St. Mary Regional Cancer Center has requested permission to use Walla Walla County roads for the purpose of a fund raising event for the Providence St. Mary Regional Cancer Center; and

WHEREAS, said event will be held on Saturday, September 21, 2019, between the hours of 6:00 am and 3:00 pm; and

WHEREAS, said event will consist of 35-mile and 65-mile bicycle courses; and

WHEREAS, the event organizers have agreed to notify emergency services prior to the event for the necessary safety and emergency services information; and

WHEREAS, the event organizers have provided a certificate of insurance naming Walla Walla County as additional insured and have agreed to include Walla Walla County in their registration/release waiver; and

WHEREAS, the event organizers shall provide a news release to the local newspapers announcing the event date; now therefore

BE IT HEREBY RESOLVED, by this Board of Walla Walla County Commissioners, that permission be granted to the Providence St. Mary Regional Cancer Center to use the County roads as shown in attachment "A" on Saturday, September 21, 2019.

*Passed this 15th day of **September, 2019** by Board members as follows: Present or Participating via other means, and by the following vote: Aye Nay Abstained Absent.*

Attest:

Diane L. Harris, Clerk of the Board

Todd L. Kimball, Chairman, District 2

James K. Johnson, Commissioner, District 1

Gregory A. Tompkins, Commissioner, District 3

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Attachment "A" Roads

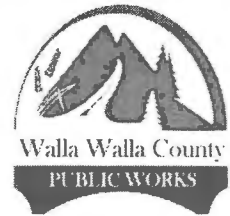
35 Mile Ride

Berney Drive
Russell Creek Road
Depping Road
Reser Road
Cottonwood Road
Powerline Road
Stateline Road
Valley Chapel Road
Frog Hollow Road
Mojonnier Road
Bussell Road
Old Milton Highway
Plaza Way
Prospect Avenue

65 Mile Ride

East Isaacs Avenue
Mill Creek Road
Five Mile Road
Russell Creek Road
Foster Road
Depping Road
Reser Road
Cottonwood Road
Hood Road
Stateline Road
Fredrickson Road
Frog Hollow Road
McDonald Road
Detour Road
Forest Road
Stovall Road
Last Chance Road
Locher Road
Old Milton Highway
Peppers Bridge Road
Taumarson Road
Prospect Road
Berney Drive

**Walla Walla County Public Works
PO Box 813
Walla Walla, WA 99362**



To: Board of County Commissioners

From: Tony Garcia Morales, Public Works Director

Date: 10 July 2019

Re: Director's Report for the Week of 8 July 2019

Board Action: 15 July 2019

Resolutions:

**In the Matter of Signing an Agreement for On-Call Right of Way Services with Epic Land Solution, Inc.
In the Matter of Signing a Reimbursable Work Agreement from Garfield County to Paint Stripe Certain
County Roads
In the Matter of Use of County Roads for the Providence St. Mary Regional Cancer Center Gran Fondo
Bicycling Event**

ENGINEERING:

- Blue Creek Bridge/Mill Creek FH: Poured concrete abutments on Blue Creek bridge, girders will be set next Thursday. Temporary detour will be open to traffic this week on Mill Creek Bridge. Will begin work on the City of Walla Walla water line relocation. Expected water line shut down is 23 July thru 25 July.
- Whitman Dr. W.: Contractor is working on embankment work.
- Middle Waitsburg Road MP 6.1 to MP 7.92: Working on right of way plans.
- Port Kelly Road & Dodd Road Railroad Crossing: Project out to ad. Bid opening will be on 5 August.

MAINTENANCE/FLEET MANAGEMENT:

- Crews finishing up sweeping and striping after chip seal for both County and Reimbursable agencies. Working on scrubbing/pre-leveling for next year's chip seal and routine maintenance work.
- Vegetation/Signs – Striping. Garfield County Reimbursable striping to happen either next week or the week after.
- Garage – Routine and preventive maintenance.

ADMINISTRATION:

- Reviewing applications for Maintenance Tech I and Mechanic II open positions.
- Attended a Mill Creek Workgroup meeting at the Community College's Water and Environmental Center.
- Conducted monthly Foremen's meeting.
- Finishing up our 2020 Budget.

10:30

PROSECUTING ATTORNEY

Jim Nagle/Jesse Nolte

- a) Miscellaneous business for the Board
- b) Possible executive session re:
litigation or potential litigation
(pursuant to RCW 42.30.110(i))
- c) **Consent Agenda Items:**
 - 1) Approving Request for Defense
(Hedine, Rossi Grant and Kulberg)

- a) Department update and miscellaneous
- b) **Active Agenda Items:**
 - 1) Possible discussion/decision re: any pending claims against the County
- c) **Action Agenda Items:**
 - 1) Revised job description approval form - Judicial Support Associate, Lead for District Court
- d) Possible executive session re: qualifications of an applicant for employment and/or review performance of a public employee (pursuant to RCW 42.30.110(g)), collective bargaining negotiations (pursuant to RCW 42.30.140(4)(a)(b)), and/or litigation or pending litigation (pursuant to RCW 42.30.110(i))

11:00

DEPARTMENT OF COMMUNITY HEALTH

Meghan DeBolt

a) Action Agenda Items:

- 1) Proposal 2019 07-15 DCH
Approval of recommendations by
Department of Community Health
Director on County owned permanent
supportive houses located in Walla Walla
and College Place (Alder Street, Chestnut
Street, Tausick Way and Southeast 3rd
Street)

b) Department update and miscellaneous



MEMO

Date:

Proposal ID: 2019 07-15 DCH

To: BOCC

From: Meghan M. DeBolt, MPH/MBA
Administrator

Intent – Additional details to County owned houses

Topic –Update on Alder, Chestnut, Tausick, CP duplex County owned houses

Summary

Additional details on the County owned houses, currently being managed by Comprehensive Healthcare.

These 4 houses have 40- and 50-year restrictions on them as agreed to in the initial contracts with Housing Trust Fund (HTF) through Commerce. There are two grant contracts (attached):

1. The first contract (#292-92410-37b) was entered into in 1992, and encompasses the Chestnut, Alder and Tausick properties. The restrictions for this contract end 50 years after project completion, which was in May of 1994. The zero-interest loan for these properties is not forgivable, but Community Health was going to pay the loan amount (\$257,002.95) this year out of funds that had been set aside. Clause 7.03 of the contract says that if the property is sold, or a change of use occurs, prior to 2044, the County would need to pay the loan balance plus a prorated portion of the appreciated value of the property, adjusted for depreciation, minus certain sale costs. These properties are income restricted to individuals less than 50 percent of the median income. No assignment can be made without approval from the State Department of Commerce. The state has a right of first refusal in the event of a termination and sale. This contract does not give much leeway with regard to selling the property.

2. The second contract (#03-49300-247) was entered into in 2003 and covers the College Place duplex. This is a 40-year grant, with a forgivable \$150,000 loan, at the end of the term (April 30, 2044). It must be used for housing chronically mentally ill, and residents may not exceed 30 percent of the median income (with the exception of the onsite manager).

If the property is sold, refinanced, transferred or the use changes, the award amount, plus the proportional share of the appreciated value of the property will be due and payable. However, under Clause 3, the property can be sold to a 501(c)3 organization

or governmental entity that is acceptable to the state (presumably in writing), so long as the property continues to be used for the purposes of the grant.

These houses require a significant level of case management on a weekly basis.

- Tausick Way: This is a transitional and clients may stay up to 24 months.
- Chestnut, Alder, College Place Duplex: These residences provide permanent supportive housing and clients may stay there indefinitely as long as they meet the income requirements and mental health diagnosis.

Comprehensive provides substantial match in terms of case management hours that the document recording fees do not cover (we could potentially fund this through 1/10% funds for the case management).

Other agencies can use these houses as they are currently designated; the challenge will be how to fund the increased case management, as that is beyond their current capacity. The most difficult house to manage will be the College Place duplex as staff are on site 365 days a year, 10 hours a day.

If the Board elected to open the houses to RFP, it would require significant time and oversight from DCH to ensure that the new agencies are meeting all the reporting requirements. This potentially could be 2-3 months of intensive involvement to ensure proper transition. When Comprehensive took over the program in 2014, direct staff transitioned with Comprehensive from DCH and therefore were already well-trained and versed in the requirements.

Comprehensive is the best suited to utilize these properties at this time but selling the properties (particularly the properties encumbered with the 1992 grant) would be difficult. The 2003 grant property in College Place would be sellable with State approval, but it is also a zero-interest forgivable loan.

A request has been submitted to the State about potentially selling these houses to Comprehensive on February 14, 2019. The only response received to date has been that the State is "reviewing the application and will respond in the future". A date for expected response from the State has not been given.

Cost

\$

Funding

.....

Alternatives Considered

....

Acquisition Method

...

Security

N/A

Access

N/A

Risk

....

Benefits

....

Conclusion/Recommendation

DCH requests BOCC to provide direction on if they would like to continue to pursue selling/gifting the houses to Comprehensive Healthcare. Or option two, if they would like the County to retain possession of the houses and if so, what type of maintenance agreement needs to occur between the County and Comprehensive Healthcare in order for Comprehensive to continue to occupy the properties.

Submitted By

Disposition

Meghan DeBolt, DCH

____ Approved

Name

Department

Date

____ Approved with modifications

____ Needs follow up information

Name

Department

Date

____ Denied

BOCC Chairman

Date

Additional Requirements to Proposal

____ Modification

____ Follow Up

Grant Agreement Amendment
Supportive Housing Program
Project Number: WA19T92-1424
Walla Walla County

The Grant Agreement dated January 19, 1993, between the Department of Housing and Urban Development (HUD) and the above named Grantee is amended as follows:

The allocation for the acquisition funding category is increased and the allocation for the rehabilitation funding category is decreased as follows:

<u>Funding Category</u>	<u>Original Amount</u>	<u>Amended Amount</u>
1010 Acquisition	\$105,705.00	\$146,805.00
1020 Rehabilitation	151,298.00	110,198.00
1060 Administration	12,853.00	12,853.00
TOTAL	\$269,853.00	\$269,853.00

UNITED STATES OF AMERICA
Department of Housing and Urban
Development

GRANTEE

By:

John W. Butler
(Signature)

Walla Walla County
(Name of Organization)

Acting Director, Office of Community
Planning and Development
(Title)

By: David S. Carey
(Authorized Signature)

05/03/94
(Date)

Chair, Board County Commissioners
(Title)

April 19, 1994
(Date)

BOARD OF COUNTY COMMISSIONERS
WALLA WALLA COUNTY, WASHINGTON

In the matter of authorizing
the Chairman to sign
contract amendment
between HUD and Walla
Walla County Department
of Human Services

RESOLUTION NO: 94 162

WHEREAS, Walla Walla County, Department of Human Services has signed a contract with Housing and Urban Development for mental health transitional housing, and

WHEREAS, this contract amendment will transfer budget from renovation to acquisition for purchase of third residence,

NOW THEREFORE BE IT RESOLVED, by the Board of Walla Walla County Commissioners do hereby authorize the Chairman to sign said contract amendment.

Done this 19th day of April 19 94

Attest: Connie R. Venti
Clerk of the Board.

David J. Conz
Chairman
Lewis L. Jacky
Commissioner
Charles A. Mader
Commissioner

Constituting the Board of County Commissioners
of Walla Walla County, Washington.

TRANSITIONAL HOUSING
SUPPORTIVE HOUSING DEMONSTRATION PROGRAM

GRANT AGREEMENT

This Grant Agreement is made by and between the United States Department of Housing and Urban Development (HUD) and Walla Walla County, the Recipient, for Project Number WA19T92-1424.

The assistance which is the subject of this Grant Agreement is authorized by Subtitle C of Title IV of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 et seq., as amended (the Act)). The term grant or grant funds means the assistance provided under this Agreement. This grant agreement will be governed by the Act and the provisions of Attachment A, which is attached hereto and made a part hereof. The term "Application" means the application submissions on the basis of which a Grant was approved by HUD, including the certifications and assurances and any information or documentation required to meet any grant award conditions. In the event of a conflict between any part of the Application and any of the Attachment A provisions, the latter shall control. HUD agrees, subject to the terms of the Grant Agreement, to provide the grant funds in the amount specified below for the approved project described in the application.

HUD's total fund obligation for this project is \$269,851, allocated as follows:

1. Grant for acquisition	\$105,705
2. Grant for rehabilitation	\$151,296
3. Grant for new construction	\$ -0-
4. Grant for operating/supportive services for Year 1	\$ -0-
5. Grant for operating/supportive services for Year 2	\$ -0-
6. Grant for operating/supportive services for Year 3	\$ -0-
7. Grant for operating/supportive services for Year 4	\$ -0-
8. Grant for operating/supportive services for Year 5	\$ -0-

9. Operating costs for repair and maintenance reserve for Year 1	\$ -0-
10. Operating costs for repair and maintenance reserve for Year 2	\$ -0-
11. Operating costs for repair and maintenance reserve for Year 3	\$ -0-
12. Operating costs for repair and maintenance reserve for Year 4	\$ -0-
13. Operating costs for repair and maintenance reserve for Year 5	\$ -0-
14. Operating costs for relocation for Year 1	\$ -0-
15. Operating costs for relocation for Year 2	\$ -0-
16. Operating costs for relocation for Year 3	\$ -0-
17. Operating costs for relocation for Year 4	\$ -0-
18. Operating costs for relocation for Year 5	\$ -0-
19. Grant for administration	\$ 12,850

The Recipient agrees to comply with all requirements of this Grant Agreement and to accept responsibility for such compliance by any entities to which it makes grant funds available.

If the Recipient is a State or other governmental entity required to assume environmental responsibility, it agrees that no costs to be paid or reimbursed with grant funds will be incurred before the completion of such responsibilities and HUD approval of any required Request for Release of Funds.

HUD notifications to the Recipient shall be to the address of the Recipient as stated in the Application, unless HUD is otherwise advised in writing. Recipient notifications to HUD shall be to the HUD Field Office executing the Grant Agreement. No change may be made to the project nor any right, benefit, or advantage of the Recipient hereunder be assigned without prior written approval of HUD.

A default shall consist of any use of grant funds for a purpose other than as authorized by this Grant Agreement, failure in the Recipient's duty to provide the transitional housing for the minimum term in accordance with the requirements of the Attachment A provisions, noncompliance with the Act or Attachment A provisions, any other material breach of the Grant Agreement, or misrepresentations in the application submissions which, if known by HUD, would have resulted in this grant not being provided. Upon due notice to the Recipient of the occurrence of any such default and the provision of a reasonable opportunity to respond, HUD may take one or more of the following actions:

- a. direct the Recipient to submit progress schedules for completing approved activities; or
- b. issue a letter of warning advising the Recipient of the default, establishing a date by which corrective actions must be completed and putting the Recipient on notice that more serious actions will be taken if the default is not corrected or is repeated; or
- c. direct the Recipient to establish and maintain a management plan that assigns responsibilities for carrying out remedial actions; or
- d. direct the Recipient to suspend, discontinue or not incur costs for the affected activity; or
- e. reduce or recapture the grant; or
- f. direct the Recipient to reimburse the program accounts for costs inappropriately charged to the program; or
- g. continue the grant with a substitute Recipient of HUD's choosing; or
- h. other appropriate action including, but not limited to, any remedial action legally available, such as affirmative litigation seeking declaratory judgment, specific performance, damages, temporary or permanent injunctions and any other available remedies.

No delay or omission by HUD in exercising any right or remedy available to it under this Grant Agreement shall impair any such right or remedy or constitute a waiver or acquiescence in any Recipient default.

The Recipient shall file annual certifications with HUD that the transitional housing has been provided in accordance with the requirements of the Grant Agreement. Recipients not receiving assistance for acquisition, rehabilitation, or new construction shall file the certification for each year they receive assistance commencing on the date of initial occupancy. Recipients of assistance for acquisition, rehabilitation, or new construction shall file the certification each year of the 10 year period from the date of initial occupancy.

This Grant Agreement constitutes the entire agreement between the parties hereto, and may be amended only in writing executed by HUD and the Recipient. More specifically, the grantee shall not change location, budget, services, population to be served, or make any other change to information provided in the Application, which is a part of the Grant Agreement, without the prior approval of HUD. The effective date of this Grant Agreement shall be the date of execution by HUD, except with prior written approval by HUD.

SIGNATURES

This Grant Agreement is hereby executed as follows:

UNITED STATES OF AMERICA
Department of Housing and Urban Development

By:


Signature

John W. Peters

Typed name of signatory

Regional Director
Office of Community Planning
and Development

Title

JAN 19 1993

Date

RECIPIENT

Walla Walla County Department Human Services

Name of Organization

By:


Authorized Signature

David G. Carey

Typed name of signatory

Chair, Board of Commissioners

Title

December 14, 1992

Date

82ed

PROMISSORY NOTE

\$257,002

Walla Walla, Washington

Date: October 29, 1992

9266126

FOR VALUE RECEIVED, Walla Walla Department of Human Services ("Borrower"), a nonprofit agency, promises to pay in lawful money of the United States of America, to the order of State of Washington Department of Community Development ("Lender") at 906 Columbia St. SW, P.O. Box 48300, Olympia, Washington 98504-8300, or such other place as the holder of this Note may designate in writing from time to time, the principal sum of Two Hundred Fifty-Seven ^{thousand} and Two Dollars (\$257,002), or so much thereof as may be advanced hereunder.

9266125

This Note is subject to the terms and conditions of the Housing Assistance Program Agreement, Contract Number 2-92-410-37B ("Contract") executed between the Borrower and the Lender. Disbursement of the funds evidenced by this Note is to be made subject to the terms and conditions of the Contract. Borrower agrees that a schedule of the dates and amounts of advances and repayments on this Note certified by an officer of Lender shall be conclusive evidence for all purposes of such dates and amounts. All amounts payable hereunder shall be paid without any set-off or deduction of any nature.

The principal amount of this note which is advanced shall bear no interest and shall be due and payable upon the sale of the property, refinance, or change of use.

★ In the event the Property is sold, or the Property is not used as required by the Contract, in the Fifty (50) year period beginning on the date of the initial residential occupancy of the Property following the acquisition and rehabilitation contemplated by the Contract, Lender shall be entitled to (1) the unpaid principal balance of this note and any accrued interest, and (2) an amount representing the prorated, appreciated value of the Property as defined in the Contract.

In case Borrower defaults in payment of this Note, Borrower agrees to pay all of Seller's costs of collection, including but not limited to, reasonable attorney's fees incurred by Seller or the holder of this Note whether or not suit is instituted. If any legal proceedings are instituted relating to this Note, including without limitation any arbitration, bankruptcy, trial, or appellate proceedings, Walla Walla Department of Human Services shall pay Seller's costs, including reasonable attorney's fees in all such proceedings.

Borrower hereby waives presentment and demand for payment,

notice of dishonor, protest, notice of protest, and any other notice not specifically required by the Contract.

This Note is secured by a Deed of Trust covering property situated in Walla Walla County Washington, and shall be construed, enforced and otherwise governed by the laws of the State of Washington.

Borrower shall not have any liability for payment of this Note other than to have the Property referred to in the Contract, the rents therefrom, and all other collateral under the Deed of Trust applied to satisfy the obligations hereunder.

Time is of the essence of all of the provisions of this Note.

Walla Walla Department of Human Services

By: David G. Carey

Print Name: David G. Carey

Title: Chair, Board of Commissioners

FILED FOR RECORD
IN WALLA WALLA CO. WASH.
LAND TITLE OF WALLA WALLA

Nov 3 12 46 PM '92

JANICE E. BATES
COUNTY AUDITOR

STATE OF WASHINGTON

Department of Community Development
Housing Division

HOUSING ASSISTANCE PROGRAM AGREEMENT
CONTRACT NUMBER 2-92-410-37B

WALLA WALLA DEPARTMENT OF HUMAN SERVICES
310 W. Poplar
Walla Walla, WASHINGTON 99362

PART I: ENTIRE AGREEMENT

This contract and agreement made and entered into by and between the Department of Community Development, a department of the state of Washington (hereinafter referred to as the "DEPARTMENT"), and WALLA WALLA DEPARTMENT OF HUMAN SERVICES (hereinafter referred to as the "RECIPIENT"), and incorporated attachments, contains all terms and conditions agreed to by the DEPARTMENT and the RECIPIENT. In addition, ATTACHMENT I, INCOME GUIDELINES, and the RECIPIENT'S APPROVED HOUSING ASSISTANCE PROGRAM (HAP) APPLICATION, including its Application Assurances, are by this reference incorporated into this agreement as though set forth in full.

The DEPARTMENT and the RECIPIENT have executed this agreement as of the date and year last written below.

DEPARTMENT OF COMMUNITY
DEVELOPMENT

RECIPIENT

NAME

NAME

TITLE

Chair, Board of Commissioners
TITLE

DATE

October 19, 1992
DATE

Approved as to Form by the
Assistant Attorney General

Date

R e v .
2/5/92

2/5/92

PART II: INTRODUCTION

The DEPARTMENT has received appropriations from the Washington State Legislature under the authority of Chapter 43.185 RCW to provide financial assistance to units of local governments, local housing authorities, and nonprofit organizations to assist very low-income citizens in meeting their basic housing needs. Acting under the authority of Chapter 43.185 RCW, the DEPARTMENT has selected the RECIPIENT to receive a Housing Assistance Program (HAP) award for an approved HAP project.

PART III: PURPOSE

The DEPARTMENT and the RECIPIENT have entered into this agreement to undertake a local housing project which furthers the goals and objectives of the Washington State Housing Assistance Program. The project will be undertaken by the RECIPIENT and will include the activities described in PART VII: SCOPE OF WORK, as well as in the approved RECIPIENT'S HAP APPLICATION. The assisted project must be undertaken in accordance with PART V: GENERAL TERMS AND CONDITIONS, PART VI: SPECIAL TERMS AND CONDITIONS, and all applicable federal, state, and local laws, regulations, and ordinances, which by this reference are incorporated into this agreement as though set forth in full. A list of State Regulations is attached to the HAP APPLICATION and is incorporated herein by reference.

PART IV: CONSTRUCTION

All terms and provisions in the agreement, as well as the attachments, shall be construed in accordance with their ordinary and customary meaning. Where there is a conflict between this contract agreement and the RECIPIENT'S HOUSING ASSISTANCE PROGRAM APPLICATION, the contract controls.

PART V: GENERAL TERMS AND CONDITIONS

In consideration of the covenants, conditions, performances, and provisions contained here, the parties agree as follows:

5.01 Funding

The total funds to be disbursed to the RECIPIENT for the contract period shall be a sum not to exceed \$ Two Hundred Fifty-Seven Thousand and Two Dollars (\$257,002).

5.02 Payment

The RECIPIENT shall receive payment for eligible HAP expenditures through the issuance of warrants from the DEPARTMENT. Request for payments will be made on Washington State Invoice Voucher forms provided by the DEPARTMENT. Payment schedules shall be established as a special condition of this contract and will be based on adherence to and performance of agreed upon project timelines and

milestones. HAP MONIES MAY NOT BE USED TO REIMBURSE THE RECIPIENT FOR ANY COSTS INCURRED PRIOR TO EXECUTION OF THIS AGREEMENT.

5.03 Time of Performance

The activities described in the RECIPIENT'S HAP APPLICATION, and payable under this contract shall commence within six months from the date and year this contract is fully executed by both parties, and shall be completed by December 31, 1993 in accordance with the work plan and schedule found in the RECIPIENT'S HAP APPLICATION. Upon expenditure of all HAP funds, a Phase I financial closeout report and audit will be required.

The DEPARTMENT reserves the right to terminate the contract agreement and recover the RECIPIENT'S HAP award as described in Section 5.24, Termination for Cause, if the RECIPIENT fails to proceed with project implementation within six months of the formal execution of this contract. Time is of the essence.

5.04 Length of Commitment

The length of commitment to serve the original target population with the HAP-supported project will be fifty years, and shall commence upon project completion. Annual performance reports will be initiated by the DEPARTMENT and completed by the RECIPIENT within 30 days of receipt.

5.05 Benefit Standard

All beneficiaries of this project shall have incomes that do not exceed 50% (fifty percent) of the median for the area in which the project is located. These income limits are included in ATTACHMENT I, INCOME GUIDELINES, as adjusted annually by the United States Department of Housing and Urban Development. Income verifications will be made in accordance with methods prescribed by or agreed to by the DEPARTMENT.

5.06 Fair Housing/Affirmative Marketing

The project will be managed at all times in compliance with the United States and Washington State "Fair Housing Laws," RCW 49.60, and affirmatively marketed to all eligible beneficiaries in a non-discriminatory manner.

5.07 Women and Minority-Owned Business Enterprise

Nonprofit RECIPIENTS of HAP awards will contact Women and Minority-Owned Business Enterprises (WMBE) certified under Washington Administrative Code 326 at the beginning of the bid process. Local government and housing authority RECIPIENTS shall comply with WMBE regulations.

5.08 Legal Authority

The RECIPIENT certifies that it possesses legal authority as an

eligible applicant (city, county, public housing authority, or certified 501(c)(3) nonprofit corporation) to accept funds under the state of Washington Housing Assistance Program and to execute the project described in this contract by signing the contract documents. The RECIPIENT'S relation to the DEPARTMENT shall be at all times as an independent contractor.

5.09 Waiver

No conditions or provisions of this agreement can be waived unless approved in writing by the DEPARTMENT. The DEPARTMENT'S failure to insist upon the strict performance of any provision of this agreement, or to exercise any right based upon a breach of the agreement, or the acceptance of any performance during such breach, shall not constitute a waiver of any right under this agreement.

5.10 Amendments and Modifications

The DEPARTMENT or the RECIPIENT may request an amendment or modification of this agreement. However, such agreement shall not take effect until approved, in writing, by the DEPARTMENT and the RECIPIENT.

5.11 Recordkeeping

The RECIPIENT agrees to keep such beneficiary and other demographic records as the DEPARTMENT may reasonably require. Such records will include information pertaining to authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income as well as income information on beneficiaries of this HAP project. They will also include information pertaining to project performance and efforts to comply with the provisions of the contract. All such records, and all other records pertinent to the grant and work undertaken as part of the project, shall be retained by the RECIPIENT for a period equal to the length of commitment to serve the original target population unless otherwise required by the requirements included in the contract under PART VI: SPECIAL TERMS AND CONDITIONS or PART VII: SCOPE OF WORK. If any claim, litigation, or audit is started before expiration of the length of commitment, the records must be retained until all litigation, claims, or audit findings involving the records or the contract have been fully resolved or terminated.

5.12 Assignability

The RECIPIENT shall not assign any interest in this contract and shall not transfer any interest in the same (whether by assignment or novation), except with express written approval of the DEPARTMENT.

If this contract is subject to termination, the DEPARTMENT retains the right of first refusal on the sale of the subject property, even if it's interest is subordinate to those of other project financiers. The DEPARTMENT may, at it's option, assign it's interest in the project to an entity of its choosing or purchase

the property. This right of first refusal shall be exercised within ninety (90) days of the RECIPIENT's receipt of notification of contract termination by the DEPARTMENT.

5.13 Financial Management and Accounting

The RECIPIENT shall establish and maintain a financial management and accounting system that conforms to generally accepted accounting principles or such equivalent system as the DEPARTMENT may require.

5.14 Program Income

Program income is money earned from the use of Housing Assistance Program dollars, such as interest earnings on the deposit of Housing Assistance Program awards. When program income is generated, the earnings will be used first by the RECIPIENT before drawing additional funds to complete activities included in PART VII: SCOPE OF WORK and the referenced application.

5.15 Access to Records

The DEPARTMENT and duly authorized officials of the state government shall have full access and authority to conduct an on-site inspection during regular office hours and with reasonable notice to examine, excerpt, copy, or transcribe any pertinent documents, papers, records, and books of the RECIPIENT and of persons or organizations with which the RECIPIENT may contract, involving transactions related to the project and this contract.

5.16 Reports

The RECIPIENT shall furnish the DEPARTMENT with any periodic reports it may request pertaining to the activities undertaken under this contract, and certify the accuracy of the information contained in the periodic reports, including any close-out reports, the costs and obligations incurred in connection with the project, and any other matters covered by this contract. The RECIPIENT shall furnish the DEPARTMENT with annual monitoring reports including Pro Forma operating statements, operating and replacement reserve balances and activity, and other such financial and project information which it shall require.

5.17 Acquisition and Disposition of Property and Equipment

The use of proceeds from the sale or lease of real property acquired with Housing Assistance Program financial assistance shall be directed by the terms and conditions specified in PART VII: SCOPE OF WORK.

5.18 Obligations Regarding Third-Party Relationships

The RECIPIENT shall remain fully obligated under the provisions of this contract agreement notwithstanding its designation of any

third party or parties of the undertaking of all or any part of the project described here. Any subcontractor that is not the RECIPIENT shall comply with all lawful requirements of the RECIPIENT necessary to ensure that the project is carried out in accordance with the provisions of this contract agreement.

The RECIPIENT shall bind all subcontractors to each and every applicable contract provision. Each subcontract for any work to be performed with funds granted under this contract shall specifically include a provision that the DEPARTMENT and the state of Washington are not liable for damages or claims from damages arising from any subcontractor's performance or activities under the terms of the subcontracts.

5.19 Conflict of Interest

No officer or employee of the DEPARTMENT; no member, officer, or employee of the RECIPIENT or its designees or agents; no member of the governing body of the jurisdiction in which the project is undertaken or located; and no other official of such locality or localities who exercises any functions or responsibilities with respect to the project during his or her tenure, shall have any personal or pecuniary gain or interest, direct or indirect, in any contract, subcontract, or the proceeds, for work to be performed in connection with the project assisted under this contract agreement.

The RECIPIENT shall incorporate, or cause to incorporate, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this provision.

The DEPARTMENT reserves the right to waive these conflict of interest provisions based on a case-by-case review in accordance with each element required in 24 Code of Federal Regulations 570.611.

5.20 Recipient Not Employee of Department

The RECIPIENT, his employees, or agents performing under this contract are not deemed to be employees of the DEPARTMENT, nor as agents of the DEPARTMENT in any manner whatsoever. The contractor will not hold himself out as, nor claim to be, an officer or employee of the DEPARTMENT, or of the state of Washington and will not make any claim, demand, or application to, or for, any right or privilege applicable to any officer or employee of the DEPARTMENT or the state of Washington.

5.21 Political Activity

No portion of the funds provided under this contract shall be used for any partisan political activity or to further the election or defeat of any candidate for public office or influence the approval or defeat of any ballot issue.

5.22 Notices

The RECIPIENT shall comply with all public notices or notices to individuals required by applicable state, local, and federal laws and shall maintain a record of this compliance.

The RECIPIENT shall also submit all project-related press releases to the DEPARTMENT for review. All press releases shall identify the DEPARTMENT as a project participant and financier.

5.23 Prohibition Against Payment of Bonus or Commission

The assistance provided under this contract shall not be used in payment of any bonus or commission for the purpose of obtaining approval of the application for such assistance or any other approval or concurrence under this contract provided, however, that reasonable fees or bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

5.24 Termination by Mutual Agreement

This contract may be terminated when both parties agree that continuation is not feasible or would not produce beneficial results. The DEPARTMENT will determine whether an environmental review of the cancellation is required. The parties must agree on the termination conditions. The RECIPIENT shall not incur new obligations and shall attempt to cancel as many outstanding obligations as possible. The DEPARTMENT shall make funds available to the RECIPIENT to pay for allowable expenses incurred before the effective date of termination.

5.25 Termination for Cause

If the RECIPIENT fails to comply with the terms of this contract agreement, or fails to use the grant or loan for only those purposes set forth here, the DEPARTMENT may take the following actions:

A. Suspension - After thirty (30) days written notice to the RECIPIENT during which such period no funds shall be released nor disbursed, nor any obligation incurred, suspend the grant or loan and withhold any further payment of and prohibit the RECIPIENT from incurring additional obligation of HAP funding, pending corrective action by the RECIPIENT or a decision to terminate. In the written notice to RECIPIENT, the DEPARTMENT shall specify the reason(s) for the proposed suspension and the proposed corrective action. During the thirty-day notice and cure period, the RECIPIENT may initiate the dispute resolution process provided in Section 5.28.

B. Termination - Terminate the grant or loan in whole, or in part, at any time before the final HAP payment is made. The DEPARTMENT shall promptly notify the RECIPIENT in writing of its determination to terminate at least thirty (30) days prior to the proposed effective date of termination, proposed

corrective action and the proposed effective date of the termination. If the RECIPIENT corrects the deficiency to the satisfaction of the DEPARTMENT within the thirty (30) day period, the termination shall not be effective. During the thirty (30) day notice and cure period, the RECIPIENT may initiate the dispute resolution process provided in Section 5.28. Payments made to the RECIPIENT or recoveries by the DEPARTMENT shall be in accordance with the legal rights and liabilities of the parties.

5.26 Withdrawal of Funds

In the event funding from the 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, the DEPARTMENT may unilaterally terminate the agreement or renegotiate subject to those new funding limitations and conditions.

5.27 Recovery of Funds

In the event the RECIPIENT fails to expend funds under this contract in accordance with state law and/or the provisions of this contract, the DEPARTMENT reserves the right to recover state funds in an amount equivalent to the extent of the noncompliance. Repayment by the RECIPIENT of funds under this recovery of funds provision shall occur within thirty (30) days of demand. In the event that the DEPARTMENT is required to institute legal proceedings to enforce this recovery of funds provision, the DEPARTMENT shall be entitled to its costs relating to recovery, including reasonable attorney's fees.

5.28 Disputes

Except as otherwise provided in this contract and agreement, any dispute concerning a question of fact arising under this contract and agreement that is not disposed of by contract or agreement shall be decided by the director of the DEPARTMENT or his/her designee, who shall reduce the decision to writing and mail, or otherwise furnish a copy, to the RECIPIENT. The decision of the DEPARTMENT may be referred to mediation at the request of either side and, if that is unsuccessful, arbitration. The DEPARTMENT and the RECIPIENT shall each pay half the costs of any mediator or arbitrator. A mediator shall be selected pursuant to agreement between the DEPARTMENT, the RECIPIENT, and the Attorney General's Office. If mediation is unsuccessful, an arbitrator shall be selected using the same process of consensus and the parties shall be bound by the decision of the arbitrator. Should the parties fail to agree on the selection of a mediator or arbitrator, one will be appointed by the Presiding Judge of the Thurston County Superior Court.

5.29 Jurisdiction

This contract shall be governed by the law and statutes of the state of Washington. The venue of any action hereunder shall be in the Superior Court for Thurston County, Washington.

5.30 Indemnification

It is understood and agreed that this contract is solely for the benefit of the parties to the contract and gives no right to any other party. No joint venture or partnership is formed as a result of this contract.

The RECIPIENT, its successors or assigns, will protect, save, and hold harmless the DEPARTMENT and the state of Washington and their authorized agents and employees, from all claims, actions, costs, damages, or expenses of any nature whatsoever by reason of the acts or omissions of the RECIPIENT, its subcontractors, assigns, agents, contractors, licensees, invitees, employees, or any person whomsoever arising out of or in connection with any acts or activities authorized by this contract. The RECIPIENT further agrees to defend the DEPARTMENT and the state of Washington and their authorized agents and employees in any litigation, including payment of any costs or attorney's fees for any claims or action arising out of or in connection with acts or activities authorized by this contract. This obligation shall not include such claims, costs, damages, or expenses which may be caused by the sole negligence of the DEPARTMENT or the state of Washington or their authorized agents or employees: Provided, that if the claims or damages are caused by or result from the concurrent negligence of (a) the DEPARTMENT and the state of Washington and their agents or employees, and (b) the RECIPIENT, its agents, or employees, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the RECIPIENT, or RECIPIENT'S agents or employees.

5.31 Ownership of Project/Capital Facilities

The DEPARTMENT makes no claim to any capital facilities or real property improved or constructed with funds under this contract and, through these funds does not and will not acquire any ownership interest or title to such property of the RECIPIENT unless stated otherwise in PART VII: SCOPE OF WORK. The RECIPIENT shall assume all liabilities arising from the ownership and operation of the project and agrees to hold the DEPARTMENT and the state of Washington harmless from any and all causes of action arising from the ownership and operation of the project.

5.32 Severability

If any provision under this contract agreement or its application to any person or circumstances is held invalid by any court of rightful jurisdiction, this invalidity does not affect other provisions of the contract agreement which can be given effect without the invalid provision.

5.33 Performance

The DEPARTMENT'S failure to insist upon the strict performance of any provision of this contract or to exercise any right based upon breach thereof or the acceptance of any performance during such breach, shall not constitute a waiver of any rights under this contract.

5.34 Audit

In the event the RECIPIENT is a unit or subdivision of local government, audits of the grant or loan will be conducted by the State Auditor's Office in accordance with any guidelines the DEPARTMENT may prescribe.

Audits of the grant or loan in regard to a nonprofit organization will be conducted on an annual basis and approved by the DEPARTMENT. The RECIPIENT is responsible for submitting a copy of the audit to the DEPARTMENT within 30 days of the RECIPIENT'S receipt of the audit report from the State Auditor's Office or an independent auditor. Payment for the audit shall be made by the RECIPIENT. An explanation of any questioned costs must be sent to the DEPARTMENT by the RECIPIENT within 30 days of the RECIPIENT'S receipt of the audit report.

The DEPARTMENT reserves the right to recover appropriate amounts of funding, if any, from the RECIPIENT after final audit. The recovery provision set forth in 5.27, Recovery of Funds, shall be applicable to this section as well.

5.35 Insurance

In the event that the RECIPIENT subcontracts for construction, the RECIPIENT shall cause its construction subcontractors to secure regular Public Liability and Property Damage Insurance Coverage in the amount of \$1,000,000 for death or injury to any one person \$50,000 for Property Damage in any one occurrence with any aggregate Property Damage coverage of \$100,000 for two or more occurrences from an insurance company authorized to do business in the state of Washington. The RECIPIENT shall stipulate that cancellation or lapse of the required insurance prior to subcontract completion shall be a material breach of the subcontract and cause for subcontract termination. The RECIPIENT shall cause the subcontractor to provide it with a 30-day notice of cancellation issued by the insurance company.

In the event the RECIPIENT subcontracts with owners/contractors for construction of single-family units, the RECIPIENT shall cause each owner/contractor to provide evidence of a 12-month standard form homeowner's insurance policy covering the course of construction.

5.36 Subcontracts for Architectural and Engineering Services

In the event that the RECIPIENT subcontracts for architectural or engineering services, the RECIPIENT shall require that the

architectural or engineering firm certify that it is authorized to do business in the state of Washington and that the firm is in full compliance with the requirements of the Board of Professional Registration, and all other applicable requirements under Washington law. The RECIPIENT shall require that the architectural or engineering firm be covered by errors and omissions insurance in an amount not less than the amount of the firm's subcontract. If the firm is unable to obtain errors and omissions insurance, the firm shall post a bond with RECIPIENT for the benefit of the RECIPIENT for not less than the amount of its subcontract. Such insurance or bond shall remain in effect for the entire term of the subcontract. The subcontract shall provide that cancellation or lapse of the bond or insurance during the term of the subcontract shall constitute a material breach of the subcontract and cause for subcontract termination. The RECIPIENT shall cause the subcontractor to provide it with a 30-day notice of cancellation issued by the insurance company. In the event that the architectural or engineering firm is also the project administrator, the RECIPIENT shall require that the bond or insurance shall be for not less than the amount of the entire HAP project.

5.37 Close-out

The DEPARTMENT will advise the RECIPIENT to initiate close-out procedures when the DEPARTMENT determines, in consultation with the RECIPIENT, that there are no impediments to close-out and that the following criteria have been met or soon will be met:

Phase I:

- A. The project as described in the RECIPIENT'S HAP APPLICATION has been completed, and all costs to be paid with HAP funds have been incurred with the exception of audit costs and any unsettled third-party claims against the RECIPIENT. Costs are incurred when goods and services are received or contract work is performed.

Phase II:

- B. The last scheduled performance report has been submitted following the expiration of the length of commitment. The RECIPIENT'S failure to submit a report will not preclude the DEPARTMENT from effecting close-out if it is deemed to be in the state's interest. Any excess HAP monies that may be in the RECIPIENT'S possession shall be returned by the RECIPIENT in the event of the RECIPIENT'S failure to finish or update the report.
- C. Other responsibilities of the RECIPIENT under this contract agreement and any close-out agreement and applicable laws and regulations appear to have been carried out satisfactorily or there is no further state interest in keeping the contract open for the purpose of securing performance.

5.38 Survival Clause

The section of PART V: GENERAL TERMS AND CONDITIONS, entitled 5.04 Length of Commitment, 5.14 Program Income, 5.15 Access to Records, 5.16 Reports, 5.17 Acquisition and Disposition of Property and Equipment, 5.27 Recovery of Funds, 5.30 Indemnification, 5.31 Ownership of Project/Capital Facilities, 5.34 Audit; PART VI: SPECIAL TERMS AND CONDITIONS; and PART VII: SCOPE OF WORK shall survive the Phase I close-out of this contract, and remain in place through the length of commitment stated in Section 5.04.

PART VI: SPECIAL TERMS AND CONDITIONS

6.01 Requirements for Drawdown of HAP Funds

Prior to the drawdown of HAP proceeds, the RECIPIENT shall provide documentation, in a form acceptable to the DEPARTMENT, that the following actions have been taken.

- A. All other funding sources for the project have been committed.
- B. The RECIPIENT has in place all applicable construction, land use, environmental, or zoning permits, and other approvals necessary.
- C. For projects including acquisition of land and/or buildings, an appropriate appraisal must be reviewed and approved by the DEPARTMENT.
- D. For projects including provision of rent subsidy payments from HUD's Section 8 program or other sources, the RECIPIENT must provide evidence to the DEPARTMENT that the subsidies have been committed.
- E. For projects including a social or human service component, the RECIPIENT must provide evidence to the DEPARTMENT that such services or an agreement to provide them are currently in place with an appropriate provider.

6.02 Timely Completion of Contract

The RECIPIENT shall notify and consult with the DEPARTMENT whenever any event affects the timely completion of the project as described in PART VII: SCOPE OF WORK, or the RECIPIENT's HAP APPLICATION.

6.03 Code Requirements

All construction and rehabilitation projects must satisfy the requirements of applicable local, state, and federal building, mechanical, plumbing, fire, energy and barrier-free codes. Compliance with the American Disabilities Act 1990 28 C.F.R. Part 35 may be required.

6.04 Description of Bidding Process

Prior to any bidding process for construction or rehabilitation work, the RECIPIENT shall provide the DEPARTMENT with a brief description of the bidding process to be used.

6.05 Notification of Tenant Rights/Responsibilities

The RECIPIENT shall provide all tenants with information outlining tenant rights and responsibilities under the Washington State Landlord/Tenant Act.

6.06 Participation in Religious Services

The RECIPIENT shall not require persons to participate in any religious service as a condition of receiving shelter or any other housing-related assistance.

6.07 Application for/Receipt of Non-HAP Funding

The RECIPIENT shall notify the DEPARTMENT of their application for and receipt of all non-HAP public or private project funding at any time during the length of commitment period.

6.08 Replacement Reserves

The RECIPIENT shall establish and maintain an escrow account for replacement and operating reserves. Such reserves shall be derived from property rents or other project revenue, as applicable. Replacement reserves shall be used for the replacement of building components, including appliances and mechanical systems. Operating reserves shall be used for shortfalls in project-specific operating revenues.

The reserve account balance shall be carried forward each year and identified on the HAP Annual Report.

PART VII: SCOPE OF WORK

7.01 Use of Funds and Property Location

The proceeds of this Housing Assistance Program (HAP) loan shall be used solely for the acquisition, rehabilitation, and related development costs of two single family homes located at 512 East Chestnut and 1778 Evergreen Street; one duplex located at 185/191 Tausick Way, in Walla Walla Washington. These units will provide permanent housing for 14 person who are chronically mentally ill.

7.02 Amount and Terms of Award

- A. The Term of the Loan shall be Fifty (50) years. The Total Loan Amount shall be Two Hundred Fifty-Seven Thousand and

Two Dollars (\$257,002). The loan shall be a 0% interest loan due and payable on December 31, 2042. Repayment of the loan shall be based on the annual project cash flow. The following formula shall be used:

1. If the annual project cash flow is 0 - \$2,000 the project sponsor shall deposit up to and including the \$2,000 into the project's Operating Reserve Account or Replacement Reserve Account as additional reserve.

2. If the annual project cash flow is \$2,000 - \$4,000, the Walla Walla Department of Human Services will keep the first \$2,000 in operating and/or replacement reserves and place any amount over \$2,000 and up to \$4,000 in a debt service reserve account for repayment of the Housing Assistance Program Loan.

3. If the annual project cash flow is greater than \$4,000 the sponsor will place \$2,000 in an operating reserve; \$2,000 will be placed in a debt service reserve; and any cash over \$4,000 shall be shared between the Walla Walla Department of Human Services and HAP. Funds received by the program will amortize the state loan. For example, if a project provides \$10,000 net cash flow in any year; \$2,000 would go into the operating or replacement reserve, \$2,000 would go into the operating or replacement reserve, \$2,000 would go into a debt service reserve for repayment of the HAP loan on an annual basis, and the balance of \$6,000 would be shared between the Department and Recipient on an equal basis. Thus \$3,000 would be paid to the Department reducing the loan balance; and \$3,000 would be available to the Recipient for use in an unrestricted manner.

4. The Loan Amount (\$257,002) minus any loan repayment from the preceding formula shall be due and payable on December 31, 2042.

Total Project Cash Flow is defined as project rent, rental subsidies, and income less approved yearly operating expenses, debt service, approved reserves including operating and replacement reserves, and services.

The Debt Service Reserve Account shall be interest-bearing and shall identify the DEPARTMENT as co-signator. Deposits to this account shall be used to meet the debt requirement of the HAP loan. All funds deposited to the account, including interest, shall be transferred to the DEPARTMENT either on December 31 of each year during the term of commitment or more frequently, at the DEPARTMENT'S option.

C. The DEPARTMENT expressly reserves the right to approve or disallow, project expenses, financing, management costs,

and operating costs. Such approval or disallowance shall occur in writing. Disallowance may result in repayment. Project operating expenses and income shall be provided annually in the project audit and in the Housing Assistance Program Annual Report.

7.03 Sale and Change of Use

If the subject property is sold, or a change of use occurs, prior to Fifty (50) years from project completion, the loan balance plus an amount representing the prorated, appreciated value of the property, adjusted by any depreciable improvements financed by the RECIPIENT, shall be due and payable to the DEPARTMENT.

The RECIPIENT may also deduct reasonable seller related costs such as appraisals and closing costs from the amount due the DEPARTMENT. Any depreciable improvement must be documented annually in the RECIPIENT's annual report to the DEPARTMENT.

7.04 Contingent Interest

The DEPARTMENT's proportional share of the appreciated value shall be based upon the project development cost. The project development cost is defined as the sum of predevelopment costs, the cost of acquisition, related development costs, the cost of rehabilitation, and the cost of depreciable improvements. If the subject property is sold, the listing price shall be established by an appraisal acceptable to the DEPARTMENT.

To calculate the Department's proportional share of the appreciated value, the appreciated value, if any, is multiplied by the Department's proportional share of the project development cost.

7.05 Target Population

For the fifty year length of commitment, persons served will earn no more than 50% of the median income for Walla Walla County, as adjusted annually by the United States Department of Housing and Urban Development. Any rents charged to tenants may not exceed 30% of the monthly income of the target population.

7.06 Title Insurance

The RECIPIENT shall purchase title insurance naming RECIPIENT and the DEPARTMENT as beneficiaries in an amount not less than the combined HAP acquisition and rehabilitation costs not to exceed ~~Two Hundred Fifty-Seven Thousand and Two Dollars~~ (\$257,000).

7.07 Replacement Cost, Property and Casualty Insurance

The RECIPIENT shall at all times keep the Project insured against loss by fire and such other hazards, casualties, liabilities, and contingencies in an amount equal to the replacement cost of the Project. The DEPARTMENT shall be named as a Copayee.

Casualty and public liability insurance policies shall be obtained by the RECIPIENT in the amount of \$1,000,000 (one-million dollars) per person, per occurrence. A minimum of \$2,999,999 (two million dollars) per occurrence shall be carried. The DEPARTMENT shall be named as Coinsured.

Personal Property insurance of \$100,000 (one hundred thousand dollars) per accident shall be carried.

7.08 Reimbursement

Drawdowns of HAP funds will be made on a reimbursement basis for costs incurred after formal execution of this contract. All project financing shall be committed before drawdowns of Housing Assistance Program Funds. The RECIPIENT shall provide, at the time of drawdown, appropriate documentation to support all costs claimed.

7.09 Comprehensive Management Plan

The RECIPIENT shall provide, by project opening, a Comprehensive Management Plan for the operation of the property. The plan shall address, but not be limited to, length of stay, tenant rights and responsibilities, maintenance plans and schedules, and a description of the cash management system to be used.

7.10 Non-recourse

This award is a non-recourse loan to the RECIPIENT, its officers, employees, agents and contractors. Nothing, however, shall diminish the RECIPIENT's liability for damages or deficiencies resulting from fraud, waste, material misrepresentation, and misappropriation of rents.

Project revenue is defined as project-specific income minus operating expenses, including operating and replacement reserves. Only revenue related to the operation of the subject property will be included in the project revenue calculation.

7.11 Covenant Running with the Land

The RECIPIENT shall cause to be recorded a covenant running with the land limiting the use of the project to households at fifty percent (50%) of county median income for a period of fifty years.

The following are incorporated into this contract by reference:

1. Department of Housing and Urban Development Median Income Statistics;
2. The Walla Walla Department of Human Services Final Application dated April 8, 1992;
3. Covenant running with the land;
4. Deed of trust in favor of the Department;
5. Promissory Note.
6. Revised project operating or development proformas, workplans and other project-related documents submitted.

FILED FOR RECORD
IN WALLA WALLA CO. WASH.
LAND TITLE OF WALLA WALLA

Nov 3 12 42 PM '92

JANICE E. DATES
COUNTY AUDITOR

The State of Washington
Housing Assistance Program Closing Instructions

To: Land Title of Walla Walla
P.O. Box 429
Walla Walla, WA 99362

Attention: Maureen Vollendorff

Act #1207

Re: Housing Assistance Program Loan to Walla Walla County
Department of Human Services, Contract Number 5-92-410-37B

Closing Date: October 30, 1992

State Housing Assistance Program Funds: \$257,002.00

1. The Parties:

- a. The State of Washington
- b. Walla Walla County Department of Human Services
- c. The Sellers

The State of Washington instructs you as follows:

- a. Borrower, Walla Walla County Department of Human Services, shall deliver to closing for recordation a duly executed Promissory Note in the amount of \$257,002 payable, with no interest, to the Department of Community Development.
- b. Borrower shall deliver for recordation a duly executed Deed of Trust which names the Department of Community Development as Beneficiary; and a duly executed copy of Housing Assistance Program contract number 5-92-410-37B which shall also be recorded.
- c. Borrower shall provide an owner's ALTA 1992 extended coverage title insurance policy, naming the state as coinsured, insuring title to the properties in the amount of the purchase price. The Borrower shall provide a lender's extended coverage title insurance policy in the amount of \$67,655.54 subject only to standard printed exceptions, to real estate taxes, and to the First Lender's Deed of Trust.

d. Borrower shall deliver into closing state funds in the sum of \$67,655.54.

e. The Sellers shall deposit Statutory Warrant Deeds which are duly executed and acknowledged, conveying the properties to Walla Walla Department of Human Services with no exceptions unless approved by the Department.

g. Sellers shall deposit a Real Estate Excise Tax Affidavit, duly executed and completed.

h. The State has delivered into closing a Covenant Running with the Land restricting the use of the property to very low income housing. The Covenant shall be duly recorded.

2. Actions to be taken by the closing agent -

a. Prepare a closing statement for the sale of the Property. No closing costs, fees, or title insurance premiums are to be charged to the State.

b. Ensure the completion of the following Conditions prior to recordation:

1. All documents and funds have been deposited as required by these instructions.

Upon the completion of the conditions stated above, you are authorized to take the following, with documents to be dated as of the closing date and recorded in the following order:

1. Record the Statutory Warranty Deeds and duly Deliver them to the Buyer,

2. Record the state's contract, deed of trust, promissory note, and covenant running with the land, and duly Deliver them to the state,

3. Disburse state funds as set forth in the approved Closing Statement,

5. Issue the extended title coverage to Walla Walla County Department of Human Services and lender's extended coverage title insurance to the state, and

6. Deliver copies of all recorded documents to the State.

3. Responsibility of Closing Agent

You shall have no responsibility or obligation to the state

with respect to this transaction except to comply with the instructions set forth herein. In the event of any dispute or reasonable uncertainty regarding the disposition of funds or the recordation of documents deposited with you, you are authorized to hold all funds and documents pending receipt of further written instruction from the state, or an order from a court of law with appropriate jurisdiction.

4. Modification or Revocation of Instructions.

These instructions may be modified, amended, or revoked only be a written document signed by the state. Unless revoked or amended, these instructions shall remain in full force and effect. If these instructions are revoked, withdrawn, or terminated by the state prior to closing, you shall return all funds and documents from the state.

Date: 10/29/92

By Ava Vatske

The Department of Community
Development

These instructions are acknowledged and accepted by Land Title of Walla Walla.

Date: _____

By _____

Authorized Official

2003 start

State of Washington
 Department of Community, Trade and Economic Development
 Office of Community Development
 Housing Finance Unit
 Contract Number: 03-49300-247
 Contract Officer: Bonnie L. Scott, (360) 725-2940

Walla Walla Department of Human
 Services
 310 West Poplar
 PO Box 1595
 Walla Walla, WA 99362-0329

Contact: Cindy Widmer
 (509) 527-3278

Tax I. D. #: 91-6001381

SPECIFIC TERMS AND CONDITIONS

Housing Finance Unit Contract for Walla Walla Department of Human Services

Supportive Housing for the Chronically Mentally Ill

PART I: INTRODUCTION

The Department of Community, Trade and Economic Development, Office of Community Development, hereinafter referred to as the DEPARTMENT, has received appropriations from the Washington State Legislature under the authority of Chapters 43.185 RCW, Washington State Housing Assistance Program and 43.185A RCW, Washington State Affordable Housing Program to provide financial assistance to local governments, local housing authorities, regional support networks, nonprofit community or neighborhood based organizations, federally recognized Indian Tribes in Washington and regional or statewide non-profit housing assistance organizations to assist low and very low-income households in meeting their basic housing needs.

The DEPARTMENT has selected Walla Walla Department of Human Services, a Washington local government agency, hereinafter referred to as the CONTRACTOR, to receive Housing Trust Fund (HTF) funding to undertake a local housing project that furthers the goals and objectives of the Housing Assistance and/or Affordable Housing Programs.

NOTE: In the event that historical or cultural artifacts are discovered at any project site during construction or rehabilitation, the CONTRACTOR or contractor shall immediately stop construction and notify the local historical preservation officer and the state historical preservation officer at the Office of Archaeology and Historic Preservation at (360) 407-0752.

DEPARTMENT represents and warrants that this Housing Trust Fund loan has not been funded or subsidized in whole or in part directly or indirectly from the proceeds of any bonds, the interest on which is exempt from federal taxation, any federal grant or any below-market loan funded in whole or part with federal funds.

PART II: SCOPE OF WORK

2.01 Use of Funds and Property Location

The proceeds of this loan shall be used solely for the construction of a duplex that will house up to seven (7) persons with chronic mental illness who at the time of initial occupancy have gross annual household incomes at or below

thirty percent (30%) median income for Walla Walla County, WA. One additional unit will house an on-site manager. The manager's unit shall not be rent or income restricted. This project is located at 221 Southeast Birch Street, College Place, WA. The real property located at this address and any improvements now existing or hereafter constructed thereon are hereinafter referred to as the "Property".

Certain eligible activities completed before execution of this contract (the "Contract") may be reimbursed when approved by the DEPARTMENT.

2.02 Amount and Terms of HTF Funding

A. The total loan amount shall be One Hundred Fifty Thousand Dollars (\$150,000.00).

B. Loan Terms and Conditions

1. Mortgage Period: Forty (40) years
2. Interest Rate: Zero percent (0%)
3. Administrative Fee: \$1,500.00; (1%) due within thirty (30) days of Contract execution.
4. Monitoring Fee: \$1,500.00; (1%) due within thirty (30) days of Contract execution.
5. Method of Payment:

The loan amount of \$150,000 shall be deferred for forty years until June 30, 2043 at zero percent interest. If at the end of the forty (40) year commitment period, all terms and conditions of the award have been met, the loan will be forgiven on June 30, 2043 with no expectation of repayment. However, if the property is sold, refinanced, transferred or the use changes during the 40 year deferral period, the award amount, plus a proportional share of the appreciated value of the property will be due and payable to the HTF within 30 days of such event.

C. Funding Budget

New construction	\$150,000.00
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D. Security

1. Promissory Note and Deed of Trust

The deferred loan (the "Loan") shall be evidenced by a promissory note (the "Promissory Note") and secured by a subordinate lien position deed of trust in favor of the DEPARTMENT (the "Deed of Trust"). The Deed of Trust shall be recorded in Walla Walla County, Washington and the original returned to the DEPARTMENT after recordation. The original Promissory Note shall be returned to the DEPARTMENT at Contract execution.

The amount secured by the Deed of Trust and Promissory Note shall be \$150,000.00. The subject Property is located at 221 Southeast Birch Street, College Place, WA.

2. Covenant Running with the Land

The CONTRACTOR shall cause to be recorded a covenant running with the land (the "Covenant") limiting the use of the Property to low income persons with chronic mental illness who at the time of initial occupancy have gross annual household incomes at or below thirty percent (30%) median

income for Walla Walla County, Washington for a period of forty (40) years. One additional unit will house an on-site manager. The manager's unit shall not be rent or income restricted.

3. Sale, Refinance or Change of Use

Except as otherwise provided for herein, if the Property is sold, refinanced, or its use changes to something other than that stated in Section 2.05 of this Contract prior to completion of the length of commitment period and the funds generated by such action are not timely reinvested in housing for low-income households to serve the populations targeted in this Contract, the loan balance plus an amount representing the DEPARTMENT's shared appreciation as defined herein shall be due and payable to the DEPARTMENT within 30 days of the closing of such sale, refinance, or change of use. If the loan has been repaid, the amount due the DEPARTMENT is its Shared Appreciation. Notwithstanding the provisions of this Section, Shared Appreciation shall not be due to the extent CONTRACTOR refinances the Property with the consent of the DEPARTMENT or sells, transfers or assigns its interest in the Property to any 501 (c)(3) organization or governmental entity reasonably acceptable to the DEPARTMENT and such organization or entity continues to serve the target population as noted in this Contract. Nor shall any such sale, transfer, or assignment to a 501(c)(3) organization or governmental entity reasonably acceptable to the DEPARTMENT be a default under the Deed of Trust or result in acceleration of the Note.

E. Non-Recourse Loan

Notwithstanding anything to the contrary herein, CONTRACTOR, its assigns and their respective officers, employees, agents and contractors shall have no personal liability for payment of the indebtedness evidenced hereby or performance of the covenants set forth in the Note, in the Deed of Trust or in this Contract, and the recourse of the holder of the note shall be confined to the exercise of its rights under the Deed of Trust, provided that nothing shall diminish the CONTRACTOR's liability for damages or deficiencies resulting from theft, waste, fraud, material misrepresentation and misuse of rents.

F. Casualty, Condemnation, Etc.

In the event of any fire or other casualty to the Property or eminent domain proceedings resulting in condemnation of the Property or any part thereof, CONTRACTOR shall have the right to rebuild the Property, and to use all available insurance or condemnation proceeds therefore, provided that (a) such proceeds are sufficient to keep the loan in balance and rebuild the Property in a manner that provides adequate security to the DEPARTMENT for repayment of the loan, or if such proceeds are insufficient to provide adequate security or to keep the loan in balance, then CONTRACTOR has funded any deficiency, (b) DEPARTMENT shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement, and such approval shall not be unreasonably withheld, and (c) no material default then exists under this Contract, the Note, the Deed of Trust or the Covenant. If the casualty or condemnation affects only part of the Property and total rebuilding is infeasible, then such insurance and/or condemnation proceeds may be used for partial rebuilding and partial repayment of the loan in a manner that provides adequate security to the DEPARTMENT for repayment of the remaining balance of the loan.

The DEPARTMENT shall be specifically named as a lender loss payee on all policies, and all policies shall be primary to any other valid and collectable insurance.

2.03 Shared Appreciation

- A. Except as otherwise provided for herein, if the Property is sold, refinanced, changes use, changes ownership, or is destroyed prior to the term of commitment, and the funds generated by the premature termination are not timely reinvested in housing for low-income persons and the

populations targeted in this Contract, the Department will share in the appreciated value of the Property.

- B. The DEPARTMENT'S Shared Appreciation will be due and payable at the time the Property is discontinued in service to the population it was intended to serve.
- C. Shared Appreciation is the DEPARTMENT'S proportionate share of the appreciated value of the Property, together with the appreciated value of the improvements constructed thereon regardless of whether such improvements are developed by the CONTRACTOR, its assigns, or by any lessee of the Property. Shared Appreciation (SA) is the product of the Net Proceeds (NP) less Total Original Development Costs (TODC) multiplied by the fraction whose numerator is the Original Principal (OP) amount of the HTF loan and whose denominator is the sum of Total Original Development Costs: $SA = (NP - TODC) \times OP / TODC$.

TODC costs include:

- 1. The cost of acquisition, including purchase price, the costs of surveys and inspections, appraisal, title insurance, pro-ration of real estate taxes and property insurance at closing, recording and escrow fees, attorneys fees, repairs prior to occupancy; plus
- 2. The cost of the initial development, including the cost of construction, hazardous materials abatement, architectural and engineering fees (but not developer fees), construction management fees, construction period interest and taxes, loan fees, environmental reports, soils reports, traffic studies, permit fees, impact fees, and accounting costs.

Net Proceeds shall be calculated as follows:

- 1. The value or sales price, as determined by an appraisal satisfactory to the DEPARTMENT, any balance remaining in the escrow account for replacement and operating reserves established pursuant to this Contract and any insurance or condemnation proceeds received; less
- 2. The outstanding balance, including unpaid interest, of any loans previously approved by DEPARTMENT in writing that are secured by liens against the Property, including this HTF loan but not including Shared Appreciation on this HTF loan or any interest on any other loans computed by reference to property value or sale proceeds; less
- 3. The actual reasonable approved costs of sale (if the Property is sold), including appraisal, real estate commissions, real property excise tax, escrow fees, recording fees, title and insurance premiums, less
- 4. Cost of depreciable improvements made to the Property subsequent to completion of the work funded or financed by this Loan.

Therefore, the DEPARTMENT'S Contingent Interest (Shared Appreciation) percentage is Original Principal divided by Total Original Development Costs, i.e., $\$150,000.00 / \$411,580.00 \approx 36.44\%$ multiplied by an amount equal to Net Proceeds less Total Original Development Costs. (The above number representing Total Original Development Costs is an estimated amount; at the time any Shared Appreciation is due, Total Original Development Costs will be based on actual project costs.)

2.04 Period of Performance and Length of Commitment

- A. The effective date of this Contract shall be the date of the last signature.
- B. The length of commitment to serve the target population shall be forty (40) years, and shall commence on July 1, 2003 and shall end on June 30, 2044.

- C. The activities in section 2.01 of this Contract shall be completed by the CONTRACTOR by July 1, 2003 in accordance with the work plan and schedule found in the CONTRACTOR's HTF application.
- D. The CONTRACTOR shall notify and consult with the DEPARTMENT whenever any event affects the timely completion/acquisition of the project as described in Section 2.01 of this Contract, or the CONTRACTOR's HTF Application.
- E. The termination date of this Contract shall be June 30, 2044.

2.05 Target Population and Benefit Standard

For the forty (40) years length of commitment, seven (7) of the units shall be occupied by persons with chronic mental illness who at the time of initial occupancy have gross annual household incomes at or below thirty percent (30%) median income for Walla Walla County, Washington, as adjusted annually by the United States Department of Housing and Urban Development. These income limits are included in Attachment I, Income Guidelines. One additional unit will house an on-site manager. The manager's unit shall not be rent or income restricted.

2.06 Tenant Rent

Rent charged to tenants may not exceed thirty percent (30%) of the monthly income of the target population. Rents shall be adjusted for family size and are less the monthly allowance for customary utilities and services (excluding telephone, cable television and other telecommunications), to be paid by tenant.

2.07 Comprehensive Management Plan

The CONTRACTOR shall provide to the DEPARTMENT, 60 days before any unit in the Property is leased to a tenant, a comprehensive management plan for the operation of the Property (the "Comprehensive Management Plan"). The Comprehensive Management Plan shall be approved by the DEPARTMENT prior to initial lease-up of the Property. DEPARTMENT'S failure to expressly approve or disapprove of the Comprehensive Management Plan within said 60-day period shall be deemed approval thereof. Its elements shall include a three year operating budget, including reserves; a facility maintenance plan; evidence of insurance; house rules; a description of the accounting system including procedures and safeguards; the service plan; and identification of the project management team with duties listed.

2.08 Requirements for Drawdown of HTF Funds

Except as approved by the DEPARTMENT, prior to the drawdown of HTF proceeds, the CONTRACTOR shall provide documentation, in a form acceptable to the DEPARTMENT, that the following actions have been taken.

- A. All funding sources for the project have been committed.
- B. The CONTRACTOR has in place all applicable construction, land use, environmental, zoning permits and other federal, state and local governmental approvals as necessary.
- C. For projects including acquisition of land and/or buildings, an appropriate appraisal must be reviewed and approved by the DEPARTMENT.
- D. For projects including provision of rent subsidy payment from HUD's Section 8 program or other sources, the CONTRACTOR must provide evidence to the DEPARTMENT that the subsidies have been committed. The CONTRACTOR agrees to continue applying for Section 8 program subsidies as long as they are available.

- E. For projects including a social or human service component, the CONTRACTOR must provide evidence to the DEPARTMENT that such services or an agreement to provide such services is currently in place with an appropriate provider.

The DEPARTMENT will not process more than one request for reimbursement per calendar month.

2.09 Title Insurance

The CONTRACTOR shall purchase an extended lender's policy of title insurance insuring the lien position of the Deed of Trust in an amount not less than \$150,000.00.

2.10 Annual Reporting

Annual performance reports initiated by the DEPARTMENT must be completed by the CONTRACTOR and returned to the DEPARTMENT within 30 days of receipt. Failure to file timely annual performance reports in accordance with DEPARTMENT requirements may result in penalties which may include, but not be limited to, the DEPARTMENT denying the CONTRACTOR's application in future funding rounds.

2.11 Prohibition of Sale

The DEPARTMENT shall not (a) sell, assign, transfer, or convey any such indebtedness (or any interest therein) to Federal Home Loan Mortgage Corporation ("Freddie Mac") or the Federal National Mortgage Association ("Fannie Mae"); or (b) include such indebtedness (or any interest therein) in a pool of loans to be sold, assigned, transferred, or conveyed to Freddie Mac or Fannie Mae.

PART III: INTERPRETATION OF CONTRACT

3.01 Construction

All terms and provisions in this Contract, as well as the attachments, shall be construed in accordance with their ordinary and customary meaning. Where there is a conflict between this Contract and the CONTRACTOR's HTP application, the Contract controls.

3.02 Entire Agreement

This Contract including referenced attachments represents 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.

3.03 Conformance

If any provision of this Contract violates any statute or rule of law of the state of Washington, it is considered modified to conform to that statute or rule of law.

3.04 Order of Precedence

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

- i. Applicable Federal and state of Washington statutes and regulations
- ii. Specific Terms and Conditions as contained in this basic Contract instrument
- iii. Attachment II - General Terms and Conditions
- iv. Any other provision, term or material incorporated herein by reference or otherwise incorporated

3.05 Approval

This Contract shall be subject to the written approval of the DEPARTMENT'S authorized representative and shall not be binding until so approved. The Contract may be altered, amended or waived only by a written amendment executed by both parties.

3.06 Rights and Obligations

All rights and obligations of the parties to this Contract shall be subject to and governed by the Specific Terms and Conditions contained in the text of this Contract instrument and the following documents are incorporated into this Contract by reference:

- Attachment I - Income Guidelines prepared by HUD
- Attachment II - Contract General Terms and Conditions
- CONTRACTOR's HTF Application
- Deed of Trust and Promissory Note
- Low Income Covenant Running with the Land

This Contract 03-49300-247 is executed by the persons signing below who warrant that they have the authority to execute the Contract.

**DEPARTMENT OF COMMUNITY, TRADE
AND ECONOMIC DEVELOPMENT; OFFICE
OF COMMUNITY DEVELOPMENT**



Ray Price

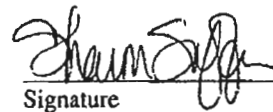
Assistant Director, Housing Division

Title

2-10-03

Date

**WALLA WALLA DEPARTMENT
OF HUMAN SERVICES**



Signature

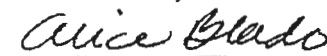
Director, Walla Walla County

Title Dept. of Human Services

2/28/03

Date

Approved as to Form by:



Alice Blado, Assistant Attorney General

2/7/03

Date

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FY 2003 SECTION 8/LOW INCOME LIMITS

FOR

THE STATE OF WASHINGTON

NOTE: Contractor is responsible for obtaining these income guidelines each year through the length of commitment to serve the population(s) targeted in the Specific Terms and Conditions of this Contract.

STATE:WASHINGTON

-----I N C O M E L I M I T S-----

PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Bellingham, WA MSA								
FY 2003 MFI: 55200								
30% OF MEDIAN	11600	13250	14900	16550	17900	19200	20550	21850
VERY LOW INCOME	19300	22100	24850	27600	29800	32000	34200	36450
LOW-INCOME	30900	35350	39750	44150	47700	51250	54750	58300
Bremerton, WA PMSA								
FY 2003 MFI: 61800								
30% OF MEDIAN	13000	14850	16700	18550	20000	21500	23000	24450
VERY LOW INCOME	21650	24700	27800	30900	33350	35850	38300	40800
LOW-INCOME	34600	39550	44500	49450	53400	57350	61300	65250
Olympia, WA PMSA								
FY 2003 MFI: 64300								
30% OF MEDIAN	13500	15450	17350	19300	20850	22400	23900	25450
VERY LOW INCOME	22500	25700	28950	32150	34700	37300	39850	42450
LOW-INCOME	36000	41150	46300	51450	55550	59650	63800	67900
Portland--Vancouver, OR--WA PMSA								
FY 2003 MFI: 65800								
30% OF MEDIAN	13800	15800	17750	19750	21300	22900	24500	26050
VERY LOW INCOME	23050	26300	29600	32900	35550	38150	40800	43450
LOW-INCOME	36850	42100	47400	52650	56850	61050	65250	69500
Richland--Kennewick--Pasco, WA MSA								
FY 2003 MFI: 58800								
30% OF MEDIAN	12350	14100	15900	17650	19050	20450	21850	23300
VERY LOW INCOME	20600	23500	26450	29400	31750	34100	36450	38800
LOW-INCOME	32950	37650	42350	47050	50800	54550	58350	62100
Seattle--Bellevue--Everett, WA PMSA								
FY 2003 MFI: 71900								
30% OF MEDIAN	16350	18700	21050	23350	25250	27100	29000	30850
VERY LOW INCOME	27250	31150	35050	38950	42050	45200	48300	51400
LOW-INCOME	39550	45200	50850	56500	61000	65550	70050	74600
Spokane, WA MSA								
FY 2003 MFI: 54600								
30% OF MEDIAN	11450	13100	14750	16400	17700	19000	20300	21600
VERY LOW INCOME	19100	21850	24550	27300	29500	31650	33850	36050
LOW-INCOME	30600	34950	39300	43700	47150	50650	54150	57650
Tacoma, WA PMSA								
FY 2003 MFI: 60200								
30% OF MEDIAN	12650	14450	16250	18050	19500	20950	22400	23850
VERY LOW INCOME	21050	24100	27100	30100	32500	34900	37300	39750
LOW-INCOME	33700	38550	43350	48150	52000	55850	59700	63550
Yakima, WA MSA								
FY 2003 MFI: 44900								
30% OF MEDIAN	10250	11700	13150	14600	15800	16950	18100	19300
VERY LOW INCOME	17050	19500	21900	24350	26300	28250	30200	32150
LOW-INCOME	27250	31150	35050	38950	42100	45200	48300	51450
Adams County								
FY 2003 MFI: 42300								
30% OF MEDIAN	10250	11700	13150	14600	15800	16950	18100	19300
VERY LOW INCOME	17050	19500	21900	24350	26300	28250	30200	32150
LOW-INCOME	27250	31150	35050	38950	42100	45200	48300	51450
Asotin County								
FY 2003 MFI: 46500								
30% OF MEDIAN	10250	11700	13150	14600	15800	16950	18100	19300
VERY LOW INCOME	17050	19500	21900	24350	26300	28250	30200	32150
LOW-INCOME	27250	31150	35050	38950	42100	45200	48300	51450
Chelan County								
FY 2003 MFI: 51300								
30% OF MEDIAN	10750	12300	13850	15400	16600	17850	19100	20300
VERY LOW INCOME	17950	20500	23100	25650	27700	29750	31800	33850
LOW-INCOME	28750	32850	36950	41050	44300	47600	50900	54150

STATE:WASHINGTON

-----I N C O M E L I M I T S-----

PROGRAM		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Clallam County									
FY 2003 MFI: 50500	30% OF MEDIAN	10600	12100	13650	15150	16350	17550	18800	20000
	VERY LOW INCOME	17700	20200	22750	25250	27250	29300	31300	33350
	LOW-INCOME	28300	32300	36350	40400	43650	46850	50100	53350
Columbia County									
FY 2003 MFI: 49300	30% OF MEDIAN	10350	11850	13300	14800	15950	17150	18350	19500
	VERY LOW INCOME	17250	19700	22200	24650	26600	28600	30550	32550
	LOW-INCOME	27600	31550	35500	39450	42600	45750	48900	52050
Cowlitz County									
FY 2003 MFI: 53700	30% OF MEDIAN	11300	12900	14500	16100	17400	18700	20000	21250
	VERY LOW INCOME	18800	21500	24150	26850	29000	31150	33300	35450
	LOW-INCOME	30050	34350	38650	42950	46400	49850	53250	56700
Douglas County									
FY 2003 MFI: 49200	30% OF MEDIAN	10350	11800	13300	14750	15950	17100	18300	19500
	VERY LOW INCOME	17200	19700	22150	24600	26550	28550	30500	32450
	LOW-INCOME	27550	31500	35400	39350	42500	45650	48800	51950
Ferry County									
FY 2003 MFI: 40400	30% OF MEDIAN	10250	11700	13150	14600	15800	16950	18100	19300
	VERY LOW INCOME	17050	19500	21900	24350	26300	28250	30200	32150
	LOW-INCOME	27250	31150	35050	38950	42100	45200	48300	51450
Garfield County									
FY 2003 MFI: 50000	30% OF MEDIAN	10500	12000	13500	15000	16200	17400	18600	19800
	VERY LOW INCOME	17500	20000	22500	25000	27000	29000	31000	33000
	LOW-INCOME	28000	32000	36000	40000	43200	46400	49600	52800
Grant County									
FY 2003 MFI: 43600	30% OF MEDIAN	10250	11700	13150	14600	15800	16950	18100	19300
	VERY LOW INCOME	17050	19500	21900	24350	26300	28250	30200	32150
	LOW-INCOME	27250	31150	35050	38950	42100	45200	48300	51450
Grays Harbor County									
FY 2003 MFI: 44600	30% OF MEDIAN	10250	11700	13150	14600	15800	16950	18100	19300
	VERY LOW INCOME	17050	19500	21900	24350	26300	28250	30200	32150
	LOW-INCOME	27250	31150	35050	38950	42100	45200	48300	51450
Jefferson County									
FY 2003 MFI: 52200	30% OF MEDIAN	10950	12550	14100	15650	16900	18150	19400	20650
	VERY LOW INCOME	18250	20900	23500	26100	28200	30300	32350	34450
	LOW-INCOME	29250	33400	37600	41750	45100	48450	51800	55100
Kittitas County									
FY 2003 MFI: 52200	30% OF MEDIAN	10950	12550	14100	15650	16900	18150	19400	20650
	VERY LOW INCOME	18250	20900	23500	26100	28200	30300	32350	34450
	LOW-INCOME	29250	33400	37600	41750	45100	48450	51800	55100
Klickitat County									
FY 2003 MFI: 45200	30% OF MEDIAN	10250	11700	13150	14600	15800	16950	18100	19300
	VERY LOW INCOME	17050	19500	21900	24350	26300	28250	30200	32150
	LOW-INCOME	27250	31150	35050	38950	42100	45200	48300	51450
Lewis County									
FY 2003 MFI: 46300	30% OF MEDIAN	10250	11700	13150	14600	15800	16950	18100	19300
	VERY LOW INCOME	17050	19500	21900	24350	26300	28250	30200	32150
	LOW-INCOME	27250	31150	35050	38950	42100	45200	48300	51450

STATE:WASHINGTON

-----I N C O M E L I M I T S-----

PROGRAM		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Lincoln County									
FY 2003 MFI: 47900	30% OF MEDIAN	10250	11700	13150	14600	15800	16950	18100	19300
	VERY LOW INCOME	17050	19500	21900	24350	26300	28250	30200	32150
	LOW-INCOME	27250	31150	35050	38950	42100	45200	48300	51450
Mason County									
FY 2003 MFI: 48900	30% OF MEDIAN	10250	11750	13200	14650	15850	17000	18200	19350
	VERY LOW INCOME	17100	19550	22000	24450	26400	28350	30300	32250
	LOW-INCOME	27400	31300	35200	39100	42250	45400	48500	51650
Okanogan County									
FY 2003 MFI: 38900	30% OF MEDIAN	10250	11700	13150	14600	15800	16950	18100	19300
	VERY LOW INCOME	17050	19500	21900	24350	26300	28250	30200	32150
	LOW-INCOME	27250	31150	35050	38950	42100	45200	48300	51450
Pacific County									
FY 2003 MFI: 44400	30% OF MEDIAN	10250	11700	13150	14600	15800	16950	18100	19300
	VERY LOW INCOME	17050	19500	21900	24350	26300	28250	30200	32150
	LOW-INCOME	27250	31150	35050	38950	42100	45200	48300	51450
Pend Oreille County									
FY 2003 MFI: 41100	30% OF MEDIAN	10250	11700	13150	14600	15800	16950	18100	19300
	VERY LOW INCOME	17050	19500	21900	24350	26300	28250	30200	32150
	LOW-INCOME	27250	31150	35050	38950	42100	45200	48300	51450
San Juan County									
FY 2003 MFI: 58200	30% OF MEDIAN	12350	14100	15850	17600	19000	20450	21850	23250
	VERY LOW INCOME	20550	23500	26400	29350	31700	34050	36400	38750
	LOW-INCOME	32850	37550	42250	46950	50700	54450	58250	62000
Skagit County									
FY 2003 MFI: 55300	30% OF MEDIAN	11600	13250	14950	16600	17900	19250	20550	21900
	VERY LOW INCOME	19350	22100	24900	27650	29850	32050	34300	36500
	LOW-INCOME	30950	35400	39800	44250	47800	51300	54850	58400
Skamania County									
FY 2003 MFI: 51000	30% OF MEDIAN	10700	12250	13750	15300	16500	17750	18950	20200
	VERY LOW INCOME	17850	20400	22950	25500	27550	29600	31600	33650
	LOW-INCOME	28550	32650	36700	40800	44050	47350	50600	53850
Stevens County									
FY 2003 MFI: 44600	30% OF MEDIAN	10250	11700	13150	14600	15800	16950	18100	19300
	VERY LOW INCOME	17050	19500	21900	24350	26300	28250	30200	32150
	LOW-INCOME	27250	31150	35050	38950	42100	45200	48300	51450
Wahkiakum County									
FY 2003 MFI: 50900	30% OF MEDIAN	10700	12200	13750	15250	16500	17700	18950	20150
	VERY LOW INCOME	17800	20350	22900	25450	27500	29500	31550	33600
	LOW-INCOME	28500	32600	36650	40700	44000	47250	50500	53750
Walla Walla County									
FY 2003 MFI: 50400	30% OF MEDIAN	10600	12100	13600	15100	16350	17550	18750	19950
	VERY LOW INCOME	17650	20150	22700	25200	27200	29250	31250	33250
	LOW-INCOME	28200	32250	36300	40300	43550	46750	50000	53200
Whitman County									
FY 2003 MFI: 52600	30% OF MEDIAN	11050	12600	14200	15800	17050	18300	19550	20850
	VERY LOW INCOME	18400	21050	23650	26300	28400	30500	32600	34700
	LOW-INCOME	29450	33650	37850	42100	45450	48800	52200	55550

State of Washington
Department of Community, Trade and Economic Development
Office of Community Development
Housing Finance Unit

ATTACHMENT II

GENERAL TERMS AND CONDITIONS

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

1.01. "DEPARTMENT" shall mean the Department of Community, Trade and Economic Development, Office of Community Development, of the State of Washington, any division, section, office, unit or other entity of the DEPARTMENT, or any of the officers or other officials lawfully representing the DEPARTMENT.

1.02. "DIRECTOR" shall mean the Director, Department of Community, Trade and Economic Development, Office of Community Development, and/or the delegate authorized in writing to act on the Director's behalf.

1.03. "HFU" shall mean the Housing Finance Unit of the Housing Services Division of the DEPARTMENT.

1.04. "CONTRACTOR" shall mean that firm, provider, organization, individual or other entity performing services under this contract, and shall include all employees of the Contractor.

1.05. "STATE" shall mean the State of Washington

1.06. "CONTRACT" shall mean the specific terms and conditions (the "Specific Terms and Conditions") unique to each project funded and the general terms and conditions (the "General Terms and Conditions") applicable to each project funded.

1.07. "SUBCONTRACT" shall mean a contract between the CONTRACTOR and/or its assigns and a firm, provider, organization, individual or other entity to perform services and/or work for the CONTRACTOR.

1.08. "SUBCONTRACTOR" shall mean one not in the employment of the CONTRACTOR, who is performing all or part of the services under this Contract under a separate contract with the CONTRACTOR. The terms "Subcontractor" and "Subcontractors" mean "Subcontractor(s)" in any tier.

1.09. "LOAN DOCUMENTS" shall refer to all of the documents executed pursuant to an award from the HFU, i.e., Specific Terms and Conditions, General Terms and Conditions, Promissory Note, Deed of Trust, Covenant, the Assignment, Assumption and Consent Agreement, etc.

2.0 GENERAL PROVISIONS

2.01 Amendments and Modifications

The DEPARTMENT or the CONTRACTOR may request an amendment or modification of this contract. However, such amendment shall not take effect until approved, in writing, by the Director and the CONTRACTOR and is attached to the original contract.

2.02 Assignability, Cure and Right of First Refusal

The DEPARTMENT retains the right to assign its interest in this Contract or project.

Except as expressly provided for in the Contract, the CONTRACTOR shall not assign any interest in this Contract or project and shall not transfer any interest in the same whether by assignment, succession, or novation except with the express written approval of the Director.

[THE REMAINDER OF CLAUSE 2.02 DOES NOT APPLY TO FEDERALLY RECOGNIZED INDIAN TRIBES OR HOMEOWNERSHIP PROJECTS]

In the event of default by the CONTRACTOR in any of its obligations, the DEPARTMENT shall have the right to cure ("Right to Cure") a default and exercise additional contractual remedies, as provided herein, even though its interest may be subordinate to those of other project financiers.

Within sixty (60) days of the occurrence of any following event, the CONTRACTOR shall provide the DEPARTMENT with notice of a default, breach, lapse of any condition or requirement, failure to perform a duty, or noncompliance of any material term of this, or another, agreement which may affect the DEPARTMENT's financial interest, security, public purpose, or beneficiaries. The DEPARTMENT will identify a manner in which the CONTRACTOR may cure and a timetable for effecting such cure. Failure, or inability to cure, or perform, in a timely fashion within the judgment of the DEPARTMENT shall constitute an event of default which shall result in the DEPARTMENT exercising its Right to Cure, or right of first refusal ("Right of First Refusal"), as may be applicable.

In the event the CONTRACTOR intends to accept an offer to purchase the property from a third party, the offer shall first be sent to the DEPARTMENT. The DEPARTMENT shall have first Right of First Refusal under the same terms and conditions provided in the third party's offer. The DEPARTMENT must notify the CONTRACTOR of the DEPARTMENT's election to exercise its first Right of First Refusal within sixty (60) days of the receipt of the offer by the DEPARTMENT.

If the DEPARTMENT elects to exercise its Right of First Refusal to purchase the property, it shall do so by written notification to the CONTRACTOR to be received by the CONTRACTOR within sixty (60) days of receipt of notification by the DEPARTMENT or other lien or mortgage holder, of an event of default.

Notwithstanding Section 2.02, the DEPARTMENT will exercise its Right of First Refusal only to the extent the CONTRACTOR or its successor in interest does not exercise any right of first refusal granted under or pursuant to Section 42 of the Federal Internal Revenue Code. For Tax Credit Projects only: The DEPARTMENT will not exercise its Right of First Refusal until the tax credit compliance period has expired.

2.03 AUDIT

A. GENERAL REQUIREMENTS

CONTRACTORS are to procure audit services based on the following guidelines. Cost of the audit are NOT an allowable expenditure.

The CONTRACTOR shall maintain its records and accounts so as to facilitate the Department's audit requirement and shall ensure that Subcontractors also maintain auditable records.

The CONTRACTOR is responsible for any audit exceptions incurred by its own organization or that of its Subcontractors.

The DEPARTMENT reserves the right to recover from the CONTRACTOR all disallowed costs resulting from the audit.

As applicable, CONTRACTORS required to have an audit must ensure the audits are performed in accordance with Generally Accepted Auditing Standards (GAAS); Government Auditing Standards (the Revised Yellow Book) developed by the Comptroller General and the OMB Compliance Supplement for Single Audits of Educational Institutions and Other Nonprofit Organizations.

Responses to any unresolved management findings and disallowed or questioned costs shall be included with the audit report. The CONTRACTOR must respond to DEPARTMENT requests for information or corrective action concerning audit issues within 30 days of the date of request.

B. FEDERAL FUNDS REQUIREMENTS

CONTRACTORS expending \$300,000 or more in federal funds from all sources, direct and indirect, are required to have an audit conducted in accordance with Office of Management and Budget (OMB) Revised Circular A-133 "Audits of Institutions of Higher Education and Other Non-Profit Institutions." Revised OMB A-133 requires the CONTRACTOR to provide the auditor with a schedule of Federal Expenditure for the fiscal year(s) being audited. The Schedule of State Financial Assistance must be included. Both schedules include:

- Grantor agency name
- Federal agency
- Federal program name
- Other identifying contract numbers
- Catalog of Federal Domestic Assistance (CFDA) number
- Grantor contract number
- Total award amount including amendments (total grant award)
- Beginning balance
- Current year revenues
- Current year expenditures
- Ending balance
- Program total

If the CONTRACTOR is a state or local government entity, the Office of the State Auditor shall conduct the audit. Audits of non-profit organizations are to be conducted by a certified public accountant selected by the CONTRACTOR in accordance with OMB Circular A-110 "Uniform Requirements for Grants and Agreements with Institutions of Higher Education and Other Non-Profit Organizations."

The CONTRACTOR shall include the above audit requirements in any subcontracts.

In any case, the CONTRACTOR'S financial records must be available for review by the DEPARTMENT.

C. STATE FUNDS REQUIREMENTS

CONTRACTORS expending \$100,000 or more in total state funds in a fiscal year must have a financial audit as defined by Government Auditing Standards (The Revised Yellow Book) and according to Generally Accepted Auditing Standards (GAAS). The Schedule of State Financial Assistance must be included. The schedule includes:

- Grantor agency name
- State program name
- BARS account number
- Grantor
- Agency contract number
- Contract award amount including amendments (total grant award)
- Beginning balance
- Current year revenues
- Current year expenditures
- Ending balance
- Program total

If the CONTRACTOR is a state or local government entity, the Office of the State Auditor shall conduct the audit. Audits of non-profit organizations are to be conducted by a certified public accountant selected by the CONTRACTOR in accordance with OMB Circular A-110 "Uniform Requirements for Grants and Agreements with Institutions of Higher Education and Other Non-Profit Organizations."

The CONTRACTOR shall include the above audit requirements in any subcontracts.

In any case, the CONTRACTOR's financial records must be available for review by the DEPARTMENT.

D. DOCUMENTATION REQUIREMENTS

The CONTRACTOR must send a copy of the audit report no later than 9 months after the end of the CONTRACTOR's fiscal year(s) to:

Department of Community Trade and Economic Development
Office of Community Development
ATTN: Audit Review Office
906 Columbia Street SW
PO Box 48350
Olympia WA 98504-8350

In addition to sending a copy of the audit, when applicable, the CONTRACTOR must include:

Corrective action plan for audit findings
Copy of the Management Letter

2.04 Bidding Process

The CONTRACTOR must ensure that any required bidding process for construction and/or rehabilitation work funded by the HFU under this Contract will be conducted in an open, competitive manner in accordance with state and federal laws and regulations. The CONTRACTOR shall maintain records documenting the bidding process.

2.05 Close-Out

The DEPARTMENT will initiate close-out procedures when the DEPARTMENT determines that all programmatic and contractual requirements have been met.

Phase I - Project Completion:

The project as described in the CONTRACTOR's HFU Application and Contract scope of work ("Scope of Work") has been completed, and all costs to be paid with HFU funds have been incurred with the exception of any applicable audit costs and any unsettled third-party claims against the CONTRACTOR. Costs are incurred when goods and services are received or Contract work is performed.

Phase II - Completion of Commitment Period:

The last scheduled annual performance report (the "Annual Report") has been submitted following the end of the length of commitment that the CONTRACTOR is required to complete and return to the DEPARTMENT within the required time frame. The CONTRACTOR's failure to submit a final Annual Report will not preclude the DEPARTMENT from effecting close-out, if it is deemed to be in the state's interest. Any excess HFU monies that may be in the CONTRACTOR's possession shall be returned by the CONTRACTOR to the DEPARTMENT.

2.06 Code Requirements

All construction and rehabilitation projects must satisfy the requirements of applicable local, state, and federal building, mechanical, plumbing, fire, energy and barrier-free codes. Compliance with the Americans with Disabilities Act of 1990 28 C.F.R. Part 35 will be required, as specified by the local building Department.

2.07 Conflict of Interest

No officer or employee of the DEPARTMENT; no member of Congress, no member, officer, or employee of the CONTRACTOR or its designee or agents; no member of the governing body of the jurisdiction in which the project is undertaken or located; and no other official of such locality or localities who exercises any functions or responsibilities with respect to the project during his or her tenure, shall have any pecuniary gain or interest, in any contract, subcontract, or the proceeds, for work to be performed in connection with the project assisted under this Contract.

The CONTRACTOR shall incorporate, or cause to incorporate, in all such contracts or subcontracts, a provision prohibiting such conflict of interest pursuant to the purpose of this provision.

2.08 Federal and State Laws

The CONTRACTOR shall comply with all applicable laws, ordinances, codes, regulations and policies of local, state and federal governments, as now or hereafter amended including, but not limited to:

- A. Regulations for Barrier Free Facilities, Chapter 51.10 WAC
- B. State Environmental Policy Act (SEPA), Chapter 43.21(c) RCW
- C. Shoreline Management Act, Chapter 90.58 RCW
- D. State Noise Control Act of 1979, Chapter 70.107 RCW
- E. State Coastal Zone Management Program, See Publication 01-06-003, Shorelands and Environmental Assistance Program, Washington Department of Ecology
- F. Nonprofit Organization Board Immunity from Civil Liability, Chapter 4.24 RCW
- G. Prevailing Wage Law, Chapter 39.12 RCW
- H. Public Disclosure Act, Chapter 42.17 RCW
- I. Uniform Relocation Assistance and Real Property Acquisition Policy Act, Chapter 8.26 RCW
- J. State Open Public Meeting Act, Chapter 42.30 RCW
- K. Interlocal Cooperation Act, Chapter 39.34 RCW
- L. State Building Code, Chapter 19.27 RCW; and Provisions in Buildings for Aged and Handicapped Persons, Chapter 70.92 RCW
- M. State Energy Code, Chapter 19.27A RCW

2.09 Governing Law

This Contract shall be governed by the laws of the state of Washington. In the event of a lawsuit involving this Contract, venue shall be proper only in Thurston County, Washington. The CONTRACTOR, by execution of this Contract, acknowledges the jurisdiction of the courts of the state of Washington in this matter.

2.10 Indemnification

The CONTRACTOR agrees to defend, hold harmless, and indemnify the State of Washington, The DEPARTMENT and their officers, agents, employees, and assigns from any claim, demand or any suit at law or equity, and from any loss or cost of any nature, including reasonable attorney fees, resulting or allegedly resulting from the CONTRACTOR'S performance under this Contract or from the CONTRACTOR'S failure to fulfill any of its obligations under this Contract.

2.11 Program Income

All interest earned on HFU funds and held by the CONTRACTOR shall accrue to the benefit of the CONTRACTOR and be applied to the eligible costs of the approved project.

In the case of HOME Investment Partnership (HOME) Program and Homeownership revolving loan projects, program income may be used to fund additional activities as described in the Specific Terms and Conditions, Scope of Work in the contract.

2.12 Legal Authority

The CONTRACTOR certifies by signing the Contract Loan Documents that it possesses legal authority as an eligible applicant to accept funds under the state of Washington HFU programs and to execute the project described in this Contract. The CONTRACTOR's relation to the DEPARTMENT shall be at all times as an independent contractor.

2.13 Licensing, Accreditation and Registration

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

2.14 Limitation of Authority

Only the Director or Director's delegate by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this Contract. Furthermore, any alteration, amendment, modification, or waiver of any clause or condition of this Contract is not effective or binding unless made in writing.

2.15 Notices and Acknowledgement HFU Funding

The CONTRACTOR shall comply with all public notices or notices to individuals required by applicable state, local, and federal laws and shall maintain a record of this compliance.

The CONTRACTOR shall provide all project-related press releases to the DEPARTMENT. Press releases shall identify the DEPARTMENT as a project financier. If signage is erected during construction or rehabilitation, signage shall identify the project as one funded by the DEPARTMENT and HFU.

The CONTRACTOR shall affix, in a publicly viewed common area, a plaque or other approved permanent signage which identifies the DEPARTMENT, program, and housing as an investment of the people of the state of Washington.

2.16 Obligations Regarding Third-Party Relationships

The CONTRACTOR shall remain fully obligated under the provisions of this Contract notwithstanding its designation of any third party or parties for the undertaking of all or any part of the project described here. Any Subcontractor that is not the CONTRACTOR shall comply with all lawful requirements of the CONTRACTOR necessary to ensure that the project is carried out in accordance with the provisions of this Contract.

The CONTRACTOR shall bind all Subcontractors to each and every applicable Contract provision. Each Subcontract for any work to be performed with funds under this contract shall specifically include a provision that the DEPARTMENT, its officers, employees, assigns, and the state of Washington are not liable for damages or claims from damages arising from any Subcontractor's performance or activities under the terms of the subcontracts.

2.17 Political Activity

No portion of the funds provided under this Contract shall be used for any political activity or to further the election or defeat of any candidate for public office or influence the approval or defeat of any ballot issue.

2.18 Prevailing Wage Law

The project funded by this Contract may be subject to state prevailing wage law, Chapter 39.12 RCW. The CONTRACTOR is advised to consult the Washington State Department of Labor and Industries and/or private counsel to determine whether prevailing wages must be paid. The DEPARTMENT is not responsible for determining whether prevailing wage law applies to the Project or for any prevailing wage payments that may be required by law. CONTRACTOR is responsible for notifying all Sub-contractors who are awarded funds as the result of activities under this Contract.

2.19 Prohibition Against Payment of Bonus or Commission

The funds provided under this Contract shall not be used in payment of any bonus or commission for the purpose of obtaining approval of the application for such funds or any other approval or concurrence under this Contract provided, however, that reasonable fees or bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

2.20 Recapture of Funds

In the event the CONTRACTOR fails to expend funds under this Contract in accordance with state and federal laws, and/or the provisions of this Contract, the DEPARTMENT reserves the right to recapture ("Right to Recapture") state funds in an amount equivalent to the extent of the noncompliance.

Such Right of Recapture shall exist for a period not to exceed six (6) years following Contract termination. Repayment by the CONTRACTOR of funds under this recapture provision shall occur within thirty (30) days of demand. In the event that the DEPARTMENT is required to institute legal proceedings to enforce this recapture provision, the DEPARTMENT shall be entitled to its costs thereof, including reasonable attorney's fees.

2.21 Receipt of Non-HFU Funding

The CONTRACTOR shall notify the DEPARTMENT, upon receipt and in its HFU Annual Report, of any other public or private subsidy for the project at any time during the commitment period. Such written notification shall explain the source of the funds, conditions and the effect upon the project. The DEPARTMENT reserves the right to amend, reduce and or restructure its award to the CONTRACTOR based upon the CONTRACTOR'S receipt of additional project funding.

2.22 Contractor Not Employee of Department

The CONTRACTOR, his employees, or agents performing under this Contract are not deemed to be employees of the DEPARTMENT, nor as agents of the DEPARTMENT in any manner whatsoever. The CONTRACTOR will not hold itself out as, nor claim to be, an officer or employee of the DEPARTMENT, or of the state of Washington and will not make any claim, demand, or application to, or for, any right or privilege applicable to any officer or employee of the DEPARTMENT or the state of Washington.

2.23 Reimbursement

Unless otherwise noted in this Contract, drawdowns of funds will be made on a reimbursement basis for expenses incurred after formal execution of this Contract. At the time of drawdown, the CONTRACTOR shall provide appropriate documentation to support all costs claimed.

The CONTRACTOR shall receive payment from the DEPARTMENT for eligible HFU expenditures through Electronic Funds Transfer whenever possible. Request for payments will be made on Washington State Invoice Voucher forms provided by the DEPARTMENT. Payment schedules shall be established as a special condition of this Contract and will be based on adherence to and performance of project timelines and milestones. State funds may not be used to fund any activities or costs incurred prior to the execution of this agreement unless consented to in writing by the DEPARTMENT.

2.24 Religious Organizations/Services

The completed housing project must be used exclusively for secular purposes, available to all persons regardless of religion. In particular, there must be no religious or membership criteria for tenants of the property.

2.25 Replacement and Operating Reserves

For rental housing projects only, the CONTRACTOR shall establish and maintain a separate account for replacement and operating reserves. Replacement reserves shall be used for the replacement of building components, including appliances and mechanical systems. Operating reserves shall be used for project-specific operating expenses.

The reserve account balances shall be carried forward each year and reserve account activity shall be identified on the HFU Annual Report.

2.26 Right of Inspection

The CONTRACTOR shall provide right of access to its facilities to the DEPARTMENT, or any of its officers, or to any other authorized agent or official of the state of Washington at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this Contract.

2.27 Severability

If any provision under this Contract or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Contract which can be given effect without the invalid provision, and to this end the provisions of this Contract are declared to be severable.

2.28 Subcontracts for Architectural and Engineering Services

In the event that the CONTRACTOR subcontracts for architectural or engineering services, the CONTRACTOR shall require that the architectural or engineering firm certify that it is authorized to do business in the state of Washington and that the firm is in full compliance with the requirements of the Board of Professional Registration, and applicable requirements under Washington State law. The CONTRACTOR shall require that the architectural or engineering firm be covered by errors and omissions insurance in an amount not less than the amount of the firm's subcontract. The CONTRACTOR shall cause the subcontractor to provide it with a 30-day notice of cancellation issued by the insurance company. In the event that the architectural or engineering firm is also the project administrator, the CONTRACTOR shall require that the bond or insurance shall be for not less than the amount of the entire HFU project.

2.29 Timely Commencement of Contract

The activities described in the CONTRACTOR's HFU Application shall commence within six (6) months from the date this Contract is executed by both parties. The CONTRACTOR shall notify and consult with the DEPARTMENT whenever any event affects the timely completion of the project activities as described in Specific Terms and Conditions-Scope of Work or the CONTRACTOR'S HFU Application.

2.30 Waiver of Default

No conditions or provisions of this Contract can be waived unless approved in writing by the DEPARTMENT. The DEPARTMENT's failure to insist upon the strict performance of any provision of this Contract, or to exercise any right based upon a breach of the Contract, or the acceptance of any performance during such breach, shall not constitute a waiver of any right under this Contract. Waiver of any default shall not be construed to be a modification of the terms of the Contract unless stated to be such in writing, signed by the Director and attached to the original Contract.

2.31 Local Public Transportation Coordination

Where applicable, CONTRACTOR shall participate in local public transportation forums and implement strategies designed to ensure access to services.

3.0 INSURANCE

3.01 Industrial Insurance Coverage

The CONTRACTOR shall provide evidence of or purchase industrial insurance coverage prior to performing work under this Contract. The DEPARTMENT will not be responsible for payment of industrial insurance premiums or for any other claim or benefit for the CONTRACTOR, or any subcontractor or employee of the CONTRACTOR, which might arise under the industrial insurance laws during performance of duties and services under this Contract. If the DEPARTMENT of Labor and Industries, upon audit, determines that industrial insurance payments are due and owing as a result of work performed under this contract, those payments shall be made by the CONTRACTOR. The CONTRACTOR shall indemnify the DEPARTMENT and guarantee payment of such amounts.

3.02 Insurance for Construction or Rehabilitation

In the event that the CONTRACTOR subcontracts for construction, the CONTRACTOR shall cause its construction subcontractors to secure Public Liability and Casualty Insurance and Property Damage Insurance Coverage naming the DEPARTMENT as additional insured in the amount of \$1,000,000 for death or injury to any person in an occurrence, with a minimum of \$2,000,000 insurance in the aggregate per occurrence. The CONTRACTOR shall stipulate that cancellation or lapse of the required insurance prior to subcontract completion shall be a material breach of the subcontract and cause for subcontract termination. The CONTRACTOR shall cause the subcontractor to provide it with a 30-day notice of cancellation issued by the insurance company.

3.03 Insurance - Reconstruction Following Loss

At its sole cost and expense, the CONTRACTOR shall keep the building and all other improvements on the premises insured throughout the term of the contract against the following hazards:

Loss or damage by fire and such other risks (not including earthquake damage) in an amount sufficient to permit such insurance to be written at all times on a replacement cost basis.

Loss or damage from leakage or sprinkler systems now or hereafter installed in any building on the premises.

Loss or damage by explosion of steam boilers, pressure vessels, oil or gasoline storage tanks or similar apparatus now or hereafter installed in a building or buildings on the premises.

The DEPARTMENT shall be specifically named as a loss payee on all policies, and all policies shall be primary to any other valid and collectable insurance. In the case of homeownership revolving loan fund projects, this insurance may be in favor of the CONTRACTOR.

Certificates or other evidence satisfactory to the DEPARTMENT confirming the existence, terms and conditions of all insurance required above shall be delivered to the DEPARTMENT within five (5) days of Contract execution. The policy(ies) of insurance required to be maintained in accordance with this Contract shall not be canceled or given notice of non-renewal nor shall the terms or conditions thereof be altered or amended without forty-five (45) days prior written notice being given to the DEPARTMENT.

3.04 Public Liability Insurance

The CONTRACTOR shall at all times during the term of this Contract, at its cost and expense, carry and maintain general public liability insurance, including contractual liability, against claims for bodily injury, personal injury, death or property damage occurring or arising out of services provided under this Contract. This insurance shall cover such claims as may be caused by any act, omission, or negligence of the CONTRACTOR or its officers, agents, representatives, assigns or servants. The limits of liability insurance, which may be increased from time to time as deemed necessary by the DEPARTMENT, with the approval of the CONTRACTOR (which shall not be unreasonably withheld), shall not be less than \$1,000,000 each occurrence and \$2,000,000 general aggregate. The DEPARTMENT shall be specifically named as an additional insured on all policies.

4.0 RECORD KEEPING, AND REPORTING

4.01 Access to Records

The DEPARTMENT and duly authorized officials or agents of local, state, and federal government shall have authority to conduct an on-site inspection during regular office hours and with reasonable notice examine, excerpt, copy, or transcribe any pertinent documents, project or records, and books of the CONTRACTOR, involving transactions related to accounts, statements, and ledgers under this Contract.

4.02 Financial Management and Accounting

The CONTRACTOR shall establish and maintain a financial management and accounting system that conforms to Generally Accepted Accounting Principles (GAAP) and such as the DEPARTMENT may require. The

CONTRACTOR shall designate a specific account in its accounting system for this loan and shall provide annual reports of its balance and activity.

4.03 Recordkeeping

The CONTRACTOR agrees to keep such beneficiary and other demographic records as the DEPARTMENT may reasonably require. Such records will include information pertaining to authorizations, obligations, balances, assets, liabilities, outlays and expenses, and income as well as income information on beneficiaries of this HFU project. The DEPARTMENT and the CONTRACTOR will use procedures which maintain the confidentiality of project residents.

Records will also include information pertaining to project performance and efforts to comply with the provisions of the Contract. All such records, and all other records pertinent to the work undertaken as part of the project, shall be retained by the CONTRACTOR for a period of six (6) years from the last financial audit or the completion of the length of commitment, whichever is later. If any claim, litigation, or audit is started before expiration of the length of commitment, all records must be retained for the DEPARTMENT until the litigation, claims, or audit findings involving the records or the Contract have been fully resolved or terminated.

If federal funds are present in the project, both a state and federal auditor shall have the right to inspect the records of the project and the CONTRACTOR as stated in the preceding paragraph.

4.04 Reports

The CONTRACTOR shall furnish the DEPARTMENT with any periodic reports it may request pertaining to the activities undertaken under this Contract, and certify the accuracy of the information contained in the periodic reports, including any reports, costs and obligations incurred in connection with the project, and any other matters covered by this Contract. Any such reports shall be completed by the CONTRACTOR and returned to the DEPARTMENT as required. Failure to provide timely periodic or annual performance reports in accordance with DEPARTMENT requirements may result in penalties which may include, but not be limited to, the DEPARTMENT denying the CONTRACTOR's application in future funding rounds.

5.0 AFFIRMATIVE ACTION AND NONDISCRIMINATION

5.01 Fair Housing and Affirmative Marketing

The project will be managed at all times in compliance with the United States and Washington State "Fair Housing Laws," RCW 49.60, and affirmatively marketed to all eligible beneficiaries in a non-discriminatory manner. IF THE CONTRACTOR IS A FEDERALLY RECOGNIZED INDIAN TRIBE, TRIBAL FAIR HOUSING LAWS MAY TAKE PRECEDENCE.

5.02 Nondiscrimination

During the performance of this Contract, the CONTRACTOR shall comply with all federal and state nondiscrimination laws, including, but not limited to chapter 49.60 RCW, Washington's Law Against Discrimination, 42 U.S.C. 12101 et seq, the Americans with Disabilities Act (ADA) and Title VII of the Civil Rights Act of 1964, Public Law 88-352.

5.03 Noncompliance with Nondiscrimination Laws

In the event of the CONTRACTOR'S noncompliance or refusal to comply with any nondiscrimination law, regulation, or policy, this Contract may be rescinded, canceled or terminated in whole or in part, and the CONTRACTOR may be declared ineligible for further contracts with the DEPARTMENT. The CONTRACTOR shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.

5.04 Notification of Tenant Rights/Responsibilities

The CONTRACTOR shall provide all tenants, if any, with information outlining tenant rights and responsibilities under the Washington State Landlord Tenant Act.

5.05 Minority and Women-Owned Business Enterprises (MWBE)

Federal Funds Only: The CONTRACTOR shall provide outreach and monitor their efforts and successes in soliciting the participation of Minority and Women-Owned Enterprises (MWBE) in activities funded by this Contract. The CONTRACTOR will contact Minority and Women-Owned Business Enterprises certified under Washington Administrative Code 326 at the beginning of the bid process and comply with all federal and state MWBE regulations. Documentation of compliance with affirmative action and nondiscrimination requirements shall be maintained in the project files. IF THE CONTRACTOR IS A FEDERALLY RECOGNIZED INDIAN TRIBE, TRIBAL PREFERENCES MAY TAKE PRECEDENCE.

State Funds Only: The DEPARTMENT reserves the right to add appropriate Minority and Women's Business Enterprise language that is consistent with Initiative 200, which was approved by the voters on November 3, 1998. The DEPARTMENT will advise the CONTRACTOR of this language by letter.

6.0 PERFORMANCE, TERMINATION AND DISPUTES

6.01 Disputes

Except as otherwise provided in this Contract, when a bona fide dispute arises between the parties and it cannot be resolved through discussion and negotiations, either party may request a dispute hearing. The parties shall select a dispute resolution team to resolve the dispute. The team shall consist of a representative appointed by the DEPARTMENT, a representative appointed by the CONTRACTOR, and a third party mutually agreed upon by both parties. The team shall attempt, by majority vote, to resolve the dispute. The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

6.02 Termination by Mutual Agreement

This Contract may be terminated when both parties agree that continuation is not feasible or would not produce beneficial results. The DEPARTMENT will determine whether an environmental review of the cancellation is required. The parties must agree on the termination conditions. The CONTRACTOR shall not incur new obligations and shall attempt to cancel as many outstanding obligations as possible.

6.03 Termination for Cause

The DEPARTMENT reserves the right to terminate the Contract and recapture funds if the CONTRACTOR fails to substantially and materially perform the duties stated in the Specific Terms and Conditions of this Contract. Fraud, misrepresentation, and the failure to satisfy a condition shall result in termination. The DEPARTMENT may take the following actions:

A. **Suspension** - After thirty (30) days written notice to the CONTRACTOR during which such period no funds shall be released nor disbursed, nor any obligation incurred, suspend the Contract and withhold any further payment of and prohibit the CONTRACTOR from incurring additional obligation of HFU funding, pending corrective action by the CONTRACTOR or a decision to terminate. In the written notice to CONTRACTOR, the DEPARTMENT shall specify the reason(s) for the proposed suspension and the proposed corrective action including a timetable and permit the CONTRACTOR to respond, take corrective action or appeal the suspension. During the 30 day notice and cure period, the CONTRACTOR may initiate the disputes resolution process in the Disputes clause of this Contract.

B. **Termination** - Terminate the Contract in whole, or in part, at any time withhold payment, and prohibit the CONTRACTOR from incurring additional obligation of HFU funds. The DEPARTMENT shall promptly notify the CONTRACTOR in writing of its determination to terminate at least thirty (30) days prior to the proposed effective date of termination, propose corrective action, and the effective date of the termination. If the CONTRACTOR corrects the deficiency to the satisfaction of the DEPARTMENT within the thirty (30) day period, the termination shall not occur. Payments made to the CONTRACTOR, or recoveries by the DEPARTMENT, shall be in accordance with the legal rights and liabilities of the parties.

6.04 Withdrawal of Funds

In the event funding from the state, federal government, or other source is withdrawn, reduced, reallocated, or limited, after the effective date of this Contract and prior to normal completion, the DEPARTMENT may immediately and unilaterally terminate the Contract, withdraw funding, or renegotiate the Contract subject to those new funding limitations and conditions. The DEPARTMENT shall promptly notify the CONTRACTOR of such termination, withdrawal of funds or intent to renegotiate the Contract. In the event the source of funding for this Contract is eliminated on a temporary or permanent basis, the DEPARTMENT will not be responsible for reimbursing the CONTRACTOR for any work performed after the receipt of the notification.

7.0 FEDERAL PROVISIONS

IN ADDITION TO THE PRECEDING PROVISIONS, HFU CONTRACTS SUPPORTED BY FEDERAL FUNDING MUST COMPLY WITH THE FOLLOWING TERMS AND CONDITIONS:

7.01 Certification Regarding Debarment, Suspension or Ineligibility

If federal funds are the basis for this Contract, the CONTRACTOR certifies that neither it nor its principals or subcontractors are presently debarred, declared ineligible, or voluntarily excluded from participation in transactions by any federal department or agency.

7.02 Financial Management and Accounting

The CONTRACTOR shall establish and maintain a financial management and accounting system which conforms to generally accepted accounting principles and the following:

A. Local Government - must establish procurement policies and procedures which meet, at a minimum, the procurement policies and procedures of OMB Circulars A-102, Uniform Administrative Requirements for Grants in Aid for State and Local Governments.

B. Non-Profit Corporation - shall establish procurement policies and procedures which meet, at a minimum, the requirements of OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Non-profit Agencies.

7.03 Acquisition and Disposition of Property and Equipment

The use of proceeds from the sale or lease of real property acquired with federal HFU funds shall be directed by the requirements in the Specific Terms and Conditions - Scope of Work of this Contract.

7.04 Federal Laws and Regulations

The CONTRACTOR shall comply with all applicable federal laws, ordinances, codes, regulations and policies, as now or hereafter amended, including, but not limited to:

A. Administration/Financial Management

1. General Requirements

Standards for Audit of Governmental Organizations, Programs, Activities, and Functions Guidelines for Finance and Compliance Audit of Federally Assisted Programs (GAO).

2. Requirements for Local Governments

- a. Cost Principles Applicable to Grants and Contracts with State and Local Governments, OMB Circular A-87, 46 CFR 9548-9554; and
- b. Uniform Administration Requirements for Grants in Aid for State and Local Governments, OMB Circular A-102.

3. Requirements for Non-Profit Corporations

- a. Uniform Administrative Requirements for Grants and Agreements with Nonprofit Agencies, OMB Circular A-110; and
- b. Cost Principles for Nonprofit Organizations, OMB Circular A-122.

B. Affirmative Action/Laws Against Discrimination

1. Nondiscrimination in Benefits, Title VI of the Civil Rights Act of 1964, Public Law 88-352, 42 U.S.C. 2002d et seq, 24 CFR Part 1; and
2. Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101-07, 45 CFR Part 90 ;
3. Nondiscrimination in Federally Assisted Programs, 10 CFR Part 104;
4. Equal Employment Opportunity, Executive Order 11246, as amended by Executive Order 11375 and supplemented in U.S. Department of Labor regulations, 41 CFR 60;
5. Section 3, Housing and Urban Development Act of 1969, 12 USC 1701u (see 24 CFR 570.607(b);
6. Handicapped Employees of Government CONTRACTORS, Rehabilitation Act of 1973, Section 503, 29 U.S.C. 793;
7. Handicapped CONTRACTORS of Federal Financial Assistance, Rehabilitation Act of 1973, Section 504, 29 U.S.C. Section 794; and
8. Displaced Persons - Title II and III of the Uniform Relocation Assistance and Real Property Acquisition Act of 1970, P.L. 91-846.

C. Conflicts of Interest

Anti-Kickback Act, 18 U.S.C. 874, 40 U.S.C. 276b, 276c; 41 U.S.C. 51-54.

D. Environmental Standards

1. National Environmental Policy Act of 1969, 42 USC 4321 et seq. and the implementing regulations of 24 CFR 58 (HUD) and 40 CFR 1500 - 1508 (Council on Environmental Quality)
2. Lead-Based Paint Poisoning Prevention Act, 42 USC 4821-4846, 24 CFR 35.

E. Labor, Safety and Building Code Standards

1. Federal Fair Labor Standards Act, 29 U.S.C.; and
2. Work Hours and Safety Act of 1962, 40 U.S.C. 327-330 and Department of Labor regulations, 29 CFR Part 5; and
3. Convict Labor, 18 U.S.C. 751, 752, 4081, 4082; and
4. All rental units assisted with federal funds must satisfy the requirements of applicable local, state, federal housing code requirements for the duration of the affordability period.

F. Minority and Women-Owned Business Enterprises

1. Creating a National Women's Business Enterprise Policy Executive Order 12138, 44 FR 29637, 3 CFR, Part 393;
2. Minority Business Enterprise Development, Executive Order 12432, 48 FR 32551, 3 CFR

3. Minority Business Enterprises, Executive Order 11625, 15 U.S.C. 631, and 41 CFR 1-1.1310-2(a).

G. Miscellaneous

Section 8 Housing Assistance Payments Program , 24 CFR 813 and 24 CFR 882.109 (F);

H. Political Activity

1. Hatch Political Activity Act, 5 U.S.C. 1501-8

2. Executive Order 12250, 28 CFR 41

Governmental Guidance for New Restrictions on Lobbying; Interim Final Guidance, Federal Register 1, Vol. 54, No. 243/Wednesday, December 20, 1989

Internal Revenue Service Rules, August 31, 1990

5. Law restricting use of Federal funds for lobbying, 31, U.S.C., 1352. The CONTRACTOR must also sign a certification regarding lobbying.

I. Privacy

Privacy Act of 1974, 5 U.S.C. 522(a)(5)

Approved by:

Original Signature in HFU Contracts Office
Alice Blado, Assistant Attorney General

April 4, 2001
Date

I have read and understand and agree to be bound by the General Terms and Conditions applicable to this Contract.

Contractor Signature

Title

Date

11:15

COUNTY COMMISSIONERS acting as the BOARD OF HEALTH

- a) Presentation re 2020-2024 Department
of Community Health Strategic Plan



Mission

Improve the quality of life and wellbeing of our communities within Walla Walla County through prevention, promotion and protection.

Vision

Always working for a safer, healthier and thriving Walla Walla County

Value Statements

Integrity

We are honest, trustworthy and transparent in all we do. We strive to do the right thing to achieve the best community health outcomes.

Collaboration

We value the unique contributions of our employees and partners to promote health equity. We develop positive relationships, foster innovative solutions, and strengthen our capacity to accomplish our mission.

Respect

We uphold a standard of conduct that recognizes and values the diversity and contributions of all. We foster a working environment in which listening to and understanding our differences is encouraged and confidences are protected.

Science

We use the best scientific data and methods available to guide our policies and actions to promote healthy living. We rely on the objective facts of evidence-based science to build a strong foundation to address health needs and concerns.

Accountability

We are effective and efficient managers of the public trust and public funds and hold ourselves and others to appropriate high standards. We operate with open communication, transparency, timeliness, and continuous quality improvement.



Staff

Ensure staff are trained and are adequately prepared to do their job

1. Create detailed Roles and Responsibilities Departmental Organizational Structure
 - a. Create and update an organizational chart that shows titles of staff in each position. Update as positions or jobs change or as new staff is hired.
 - b. Programs description
 - c. Position descriptions: Update job descriptions to include recent revised activities, responsibilities and role definition in first quarter of 2020.
 - i. Internal roles
 - ii. Internal connections to other programs: DD and MCH, Preparedness and CD
 - iii. External roles
2. Develop office manuals/procedures for each position, with standard template.
3. Create/fine tune onboarding process. To include:
 - a. New hire checklist
 - i. General to DCH
 - ii. Specific to position/division – use manual, required training, etc.
 1. For example: what keys do they need, what programs do they need access to, what email list do they need to be added to, what calendars do they need access to etc.)
 - b. New Manager checklist:
 - i. Outlines each program, program requirements, commitments, grants, work being done in the community.
 - ii. Orientation to grants/funds through formal check off lists, cheat sheets, 1:1 meeting, strategic planning for budgets, and possible funding opportunities by January 2020. Bi-monthly updates/ quarterly after that or as needed.
 - c. Onboarding process to include orientation meetings with staff, leadership, BOCC, etc.
4. Cross-training Plan
 - a. Who is back-up for each program?
 - b. Survey staff to assess other programs of interest for cross-training, list of top 3 interests.

Timeline:

Who will do:

How will we monitor:



Staff

Monitor and ensure staff morale is positive

1. Survey staff to assess capacity
 - a. Completing a time study for 1 or 2 weeks over the course of 2-3 months
 - b. Bi-annual review of staff duties, or as needed if new task is being required/proposed
 - c. Update job descriptions to include recent revised activities, responsibilities and role definition in first quarter of 2020
2. Gather data from staff to determine interest in specific trainings or professional groups that would support their professional growth by creating and implementing a staff survey
 - a. Managers review survey findings regarding staff trainings/ professional groups and create a master plan and an individualized plan for each staff members' professional development using this info and 1:1 meetings.
3. Conduct assessment of staff's work-life balance, obtain a validated tool to distribute and analyze, repeat at year 3 of strategic plan.
4. Link to onboarding process, cross training, and manuals
5. Celebrations committee
6. Recognition of accomplishments

Timeline:

Who will do:

How will we monitor:



Staff

Create intern program

1. Identify intern point person who will create master doc of all known internship opportunities/ deadlines (Whitman Fellow, etc) with timelines.
2. Gather data from staff regarding their interest/ availability to support interns and their ideas for potential intern tasks by creating and implementing a staff survey. Use template we have from Kansas.

Timeline:

Who will do:

How will we monitor:



Internal Communication

Have a single process and place for the team to know who is in/out

1. Set up a shared calendar (similar to the vehicle calendars) that all staff can enter sick/vacation/trainings days on so that all this information is in one location.
 - Develop a DCH staff Outlook group and calendar for planned outages, require staff to review and update weekly.
2. Have manager send out weekly email on 'what's going on this week' that shares who will be in and out

Timeline:

Who will do:

How will we monitor:



Internal Communication

Ensure staff are connected and Aware of Activities occurring within all of DCH

1. Create internal newsletter that goes out to staff every other month that all staff provide updates and info.
2. Each section/ division should begin holding monthly meetings with the team to discuss upcoming events, etc.
 - Monthly section meetings of each department and put agenda and/or notes in a folder on the Shared Drive.
3. Director to send out monthly director's report to staff with any additional info on grants, etc.
4. Provide notes from weekly managerial team meeting to staff.

Share/Celebrate meaningful content about exciting news, recognition, new grants awarded, upcoming community events/hot topics/ policy changes/ new hires, etc?

1. Create internal newsletter that goes out to staff every other month that all staff provide updates and info.
2. Each section/ division should begin holding monthly meetings with the team to discuss upcoming events, etc.
 - Monthly section meetings of each department and put agenda and/or notes in a folder on the Shared Drive.
3. Director to send out monthly director's report to staff with any additional info on grants, etc.
4. Provide notes from weekly managerial team meeting to staff.
5. Celebrations committee
6. Recognition of accomplishments

Timeline:

Who will do:

How will we monitor:



Internal Communication

How can staff learn more about each other's programs and existing resources?

1. Develop template for program "cheat sheets" and procedural manuals
2. Staff meeting program presentations
3. Create internal newsletter that goes out to staff every other month that all staff provide updates and info.
4. Each section/ division should begin holding monthly meetings with the team to discuss upcoming events, etc.
 - Monthly section meetings of each department and put agenda and/or notes in a folder on the Shared Drive.
5. Director to send out monthly director's report to staff with any additional info on grants, etc.

Timeline:

Who will do:

How will we monitor:



External Communication

Share information about our department with the community/stakeholders. Who we are, what we do, why we do it.

-What guide do we use in sharing this information?

-How do we ensure consistency?

1. Develop and implement a communications plan by 2020 (realistic date?2021?). This plan will provide guidance and consistency when sharing information with stakeholders (E.g. what info to share? What platform to use?)
2. Develop a newsletter template by Fall 2019, first newsletter by Jan 2020. Use template from DCH internal letter that will facilitate speed and info already in available.
 - a. (See Community Development's newsletter. They share stats, upcoming events, staff highlights, etc. Their newsletter has logo, office hours, staff contact.)
 - b. Ask Communications Coordinator to send out monthly request for any upcoming activities/ events so that they can be posted to our social media accounts and included in any possible newsletters.
3. Website - Annual review of the website to make sure all the information is relevant. This is beginning now since our website is being created from scratch.
4. Social Media: Each program to provide 1-2 weekly social media tidbits
5. PSAs: news media PSAs regarding outreach events or topical issues of the moment.
6. Presentations: Schedule community presentations to talk about who we are and the services offered

Timeline:

Who will do:

How will we monitor:



External Communication

Complete new Branding Process – Who are we?

1. New Look for the WWDCH – branding to identify who we are
2. Explore feasibility of branded coats, vests, shirts, hats, “uniform” for DCH staff to purchase or get funding to cover costs. Narrow down to 3 items for staff to vote on.

Timeline:

Who will do:

How will we monitor:



External Communication

Coordinated effort for Outreach

1. Determine calendar of events and coordinate media releases around those so it is easier to plan and get on a schedule. Ex:
 - September – Suicide Prevention Month
 - May – Mental Health Awareness Month
 - October – Red Ribbon Week
2. Should DCH put an emphasis on outreach for 2020? Requiring/encouraging staff to attend 3-4 events per month/qtr?

Timeline:

Who will do:

How will we monitor:



External Communication

Determine is we are meeting community need - Customer service

1. Do quarterly or 2 times a year surveys to community and stakeholders to see how we can improve our presence in the community.

Timeline:

Who will do:

How will we monitor:



FUNDING

Create Business and Admin Plan (How do we fund our administration costs for DCH?)

1. Using county and program budgets, create Business Plan for next 3 years
2. Determine DCH Indirect/Admin rate
3. Determine all Admin available from grants/funds, what is unmet?
4. Assigned staff to look at local grants/funds/foundations for services already being provided that DCH can bill for admin or other add-on services to buffer current funding levels.

Timeline:

Who will do:

How will we monitor:



FUNDING

Maintain or increase funding, despite threats of cuts

1. Create master doc of all grants we receive, the deadlines for application, amount we receive, stipulations.
2. Ensure we spend down all grants/contract we have
 - a. Create a team to analyze current grants we receive and possibilities for increasing amounts we apply for/ analyze spend-down of those grants. Meet monthly beginning July 2019 and review 1-2 funding sources each month.
3. What is funding outlook? What is a timeline for projects program areas with funding attached

Timeline:

Who will do:

How will we monitor:



FUNDING

Create a process for identifying new/alternative funding for new and emerging programs:

1. Staff to network with other counties/agencies on how they fund their programs and services on quarterly basis through conferences, community relationships, etc..
2. Staff will look for new grants/funds on a monthly basis (locate and book mark, reminders in calendars for annual funds) starting in January 2020. Look at having an intern look for grants/funds and identify reoccurring funds as well. Review total allowable billable admin on all current grants/funds.
3. Identify who is responsible for looking for sustainable funding sources?
4. Establish a grant writing position or team (volunteers of existing staff) to seek grants, support programs with data, text, LOS templates, language or text for DCH background or about us type grant questions, timelines, and other common aspects of most grant proposal.
 1. Grant writing position maybe for WW County as a whole?

Timeline:

Who will do:

How will we monitor:



FUNDING

What types of data, success stories, program reports, program goals can be used as support for the county charter of public health responsibilities to secure local funds?

1. Compile annual report of all program successes and completed work plans as a funding support document to provide to BOCC and others.
 1. Showcase success stories somehow to potential funders

Timeline:

Who will do:

How will we monitor:



2019

- July
 - STAFF:
 - Orientation Survey – Orientation Checklist
 - Review Intern Plan from Kansas
 - COMMUNICATION:
 - Director to Share Directors Report monthly
 - Management Team Meeting Highlights weekly
 - Division Meetings monthly
 - Sustainable Funding:
 - Create 3-year business plan
 - Admin Funds- clear picture of what admin we have available
 - Source Contract list up to date
 - Quarterly check of budget with program and manager
- October
 - Communication:
 - Survey staff on shared calendar ideas
 - Calendar of events
 - Monthly internal newsletter/email with updates
 - Community newsletter template
 - Outreach events plan
- December
 - STAFF:
 - Roles/responsibilities -program back up
 - Manual template
 - Update orientation checklist
 - Intern procedure plan
 - Communication:
 - Have plan for shared calendars – from survey in October
 - Celebration committee plan
 - Sustainable Funding:
 - Determine/calculate indirect rate
 - Unallocated admin



2020

- January
 - STAFF: Leadership Program through Sherwood
 - Communication:
 - Communication plan Outline
 - Outreach events roll out
 - Sustainable Funding:
 - AmpliFund grant research
 - Staff on ACHS/WSALPHO/GCACH committees
 - Leadership Program through Sherwood
- March
 - Communication: NACCHO Branding Process
- June/July
 - STAFF: Mid-year check in on manuals
 - Communication:
 - Communications plan
 - Community newsletter
 - Sustainable Funding: Grant writing plan
- December
 - STAFF: Desk manuals complete
 - Communication:
 - Recognition certificates
 - Stakeholder surveys
 - Sustainable Funding: Strategy to cover unallocated admin

2021

- January
 - STAFF:
 - Communication:
 - Sustainable Funding:
- March
 - STAFF:
 - Long term cross training plan
 - Succession plan
 - Communication:
 - Sustainable Funding:

11:30

COUNTY COMMISSIONERS

- a)** Presentation by City of Walla Walla
re: Micro-Business Assistance Program
- b)** Miscellaneous or unfinished business
to come before the Board
- c)** Executive session re: collective
bargaining negotiations (pursuant
to RCW 42.30.140(4)(a)(b)) (12:00 p.m.)

MICRO-BUSINESS ASSISTANCE (MBA) PROGRAM UPDATE

wallawalla.wa.gov

Armed & Dangerous



2018 PROGRAM WRAP-UP & 2019 PROGRAM START-UP

wallawallawa.gov

A WONDERFUL
PLACE TO

**LIVE
WORK
PLAY**



WHY MBA?

In an effort to build a stronger community that serves and supports the entire Walla Walla valley, the City of Walla Walla decided to use Community Development Block Grant (CDBG) funding as the catalyst to build a program that focuses on building and supporting entrepreneurial skills among a population that has historically been underserved – low-income minorities and women.

With support from our partners such as the City of College Place, the Port of Walla Walla, and financial institutions we were then able to join with Mercy Corps NW to create the Micro-Business Assistance (MBA) program.



A WONDERFUL PLACE TO **LIVE** **WORK** **PLAY**



WHO IS MERCY CORPS NW?

Mercy Corp NW is the U.S. economic development office of Mercy Corps, the Portland-based international relief and development agency. The organization was incorporated in the State of Oregon on 03/16/2001,

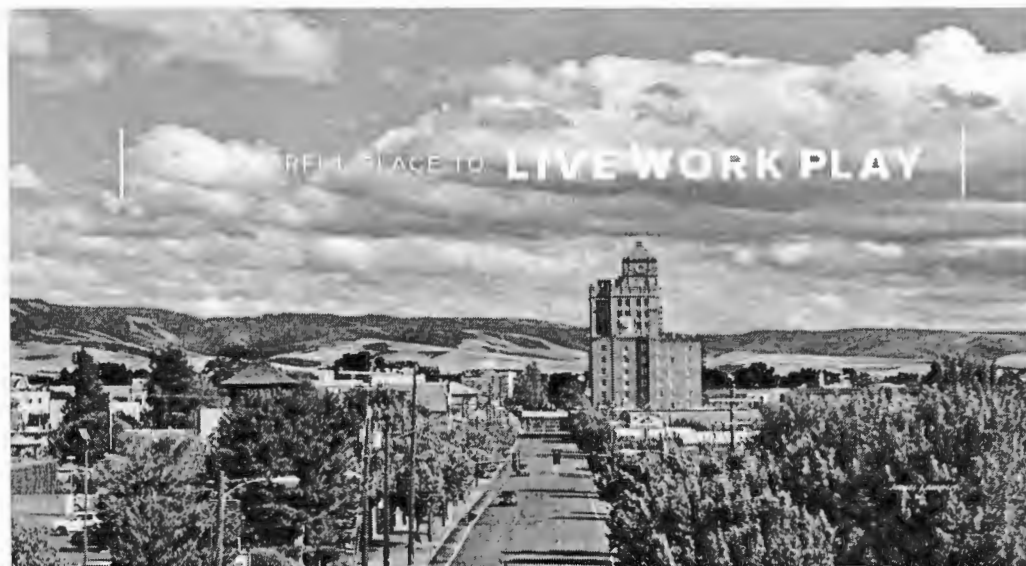
received nonprofit status on 06/17/2002 and is a Community Development Financial Institution (CDFI). Mercy Corp NW has offices in Portland, Seattle and Walla Walla.

MERCY CORPS SERVICES

Mercy Corps NW provides the following services in the Walla Walla region:

Individual Development Account (IDA) is a special savings vehicle that helps individuals and families with limited financial resources build assets, gain valuable training and enter the financial mainstream. For the Walla Walla region, cohort members must save \$500 over a six-month period. Upon successful completion of the six-week class-room program and developing a written business plan, the cohort members qualify for a \$4,000 matching grant.

Micro-lending between \$500 - \$50,000.





2018 PROGRAM PARTNERS

FUNDING PARTNERS

Government:

City of Walla Walla	\$80,000
City of College Place	\$ 7,200
Port of Walla Walla	\$ 5,000

Financial Institutions:

Baker Boyer Bank	\$10,000
Banner Bank	\$10,000
Community Bank	\$ 5,000
HAPO Credit Union	\$ 2,500

Community Institutions:

Blue Mountain Community Foundation	\$6,000
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TOTAL FUNDING: \$125,700

IN-KIND PARTNERS

La Ramada Mexican Restaurant

Walla Walla Community College

Walla Walla Community Council

Walla Walla Valley Chamber of Commerce

Walla Walla Public Schools



2018 PROGRAM DEMOGRAPHICS

2018 Cohort Graduates

Language:

English Speaking	1	8%
Spanish Speaking	11	92%

Home Location:

City of Walla Walla	9	75%
City of College Place	2	17%
Walla Walla County	1	8%

Age:

18 - 29	0	0%
30 - 39	4	33%
40 - 49	6	50%
50 - 59	2	17%
60+	0	0%

Gender:

Male	1	8%
Female	11	92%



2018 PROGRAM EXPENSES

Class/Instructional Expense:

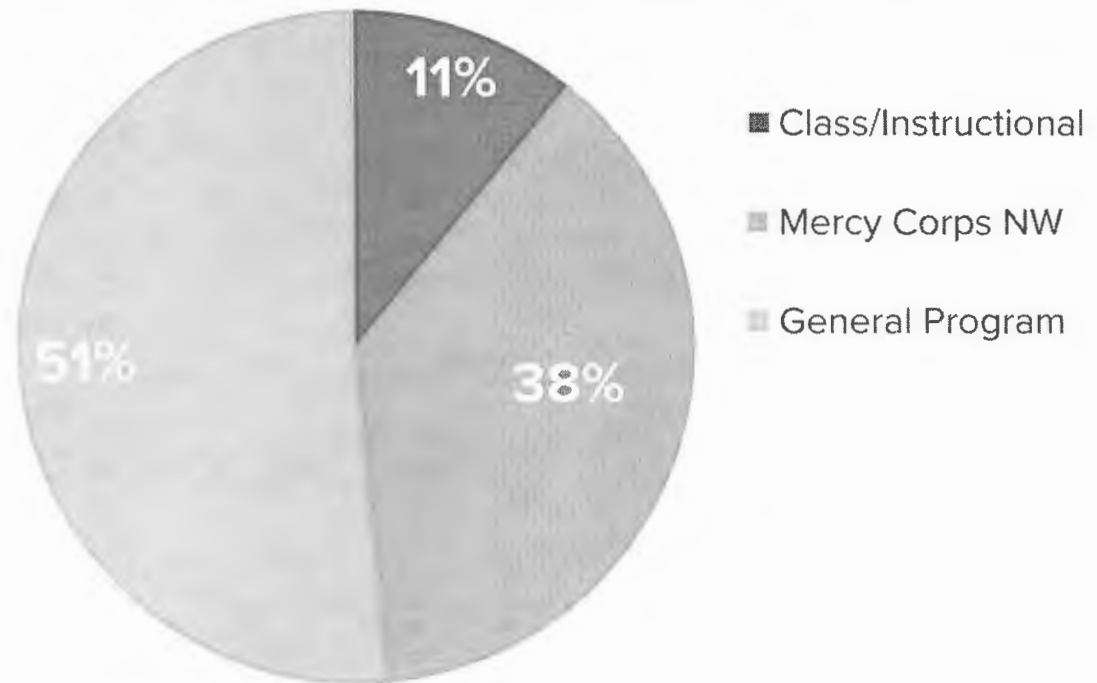
Books & Mtls.	\$640	5.7%
Instructors	\$3,813	33.9%
Miscellaneous	\$6,800	60.4%
Sub-Total	\$11,253	100%

Mercy Corp NW:

Program Oversight	\$17,360	44.3%
Accounting	\$3,880	9.9%
Indirect Costs	\$17,950	45.8%
Sub-Total	\$39,190	100%

General Program Expense:

Daycare	\$1,300	2.5%
Breakfasts (6)	\$3,649	6.8%
Classroom rental	\$552	1%
IDA Grants	\$48,000	89.7%
Sub-Total	\$53,501	100%





COHORT BUSINESS FOCUS

Oscar Lopez Hernandez
Alma Miranda
La Shell Stanberry

Laura Segovia
M. Beatriz Mercado
Maria & Alejandro Garcia

Maria Ramirez-Campos
Mariela Gomez Serrato
Maxton Reinland

Nidia Coria
Noemí G. Reed
Veronica Alvarado

El Conquistador
Alma's Creative House
Shell's Got to Have it!

Juan Segovia Plumbing
Un Dulce Antojo
7IMPACT Salon

Casa Hogar
Cara a Cara
Muni Kids

Nidia's 4Life
NG Quality Space
Dani's Cleaner

Farm fresh eggs and poultry.

Professional skin care in the comfort of your own home.

When you're looking for unique accessories then

Shell's got to Have it!

Quality Plumbing Services at competitive prices.

Desserts and personalized jello molds to satisfy your sweet tooth.

Highlighting natural beauty with quality services in a relaxing,
comfortable and private environment.

Cover your home in style!

Your face's best kept beauty secret!

Muni Kids is a lifestyle clothing brand inspired by

Municipal Golf Culture.

Books, gifts, accessories, and more!

Architect services: Let me help you build your dream!

House cleaning with organic and natural products.

A WONDERFUL PLACE TO **LIVE WORK PLAY**

PHOTOS



A WONDERFUL PLACE TO **LIVE WORK PLAY**





PRESS CLIPPINGS

First Graduates Emerge from Micro-Business Program

"This is the first step towards your future where you control your own destiny," said Baker Boyer President and CEO Mark Kajita in a keynote address to the 2018 graduating class.



Laura Segovia, with Juan Segovia Plumbing, at Mercy Corps Northwest Micro-Business Assistance event

Below, Who is the MBA Program serving? Of the 16 grantees in the inaugural 2018 class.



By VICKI HILLHOUSE of the Walla Walla Union-Bulletin



2019 PROGRAM UPDATE

wallawallawa.gov

A WONDERFUL
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PLAY**



2019 APPLICANT STATISTICS

Applicants **41**

Available openings **23**

English	8	35%
Spanish	15	65%

Home Location:

City of Walla Walla	30	73%
City of College Place	7	17%
Walla Walla County	4	10%

Language:

English Speaking	16	39%
Spanish Speaking	25	61%

Gender:

Male	22	54%
Female	19	46%

Age:

18 - 29	4	10%
30 - 39	10	24%
40 - 49	14	34%
50 - 59	8	20%
60+	5	12%



2019 PROGRAM SCHEDULE

June:

- Enrollment

July/August:

- Business Foundation Education (6 weeks)
- Accounting Education

August/September:

- Understanding your Credit Seminar (1 day)

June-November:

- Savings period
- Business Plan due Nov.

December/January:

- Grant disbursement



2019 REVENUE & EXPENSES

Micro-Business Assistance Program - 2019 Budget as of 7.11.19	
DESCRIPTION	AMOUNT
Accounting/Finance/Data/Reporting	\$3,880.00
Business Foundations Class Scholarships (x23)	\$4,600.00
Classroom Rental, Child Care, Meals	\$5,800.00
Individual Development Grants (x 23)	\$92,000.00
Indirect Cost Rate (negotiated)	\$22,051.00
Instructor Fee	\$3,002.00
Instructor Training in Portland	\$1,413.00
Program Support and Oversight(EO=3%, BOS Dir=5%, Seattle Mgr=10%)	\$19,661.00
Travel expense (4 trips to Walla Walla, air, hotel, meals)	\$3,000.00
TOTAL COSTS	\$155,407.00

Micro-Business Assistance Program - 2019 Contributions as of 7.11.19	
ORGANIZATION	AMOUNT
Baker Boyer Bank	\$20,000.00
Banner Bank	\$10,000.00
City of College Place	\$7,200.00
City of Walla Walla	\$89,000.00
Community Bank	\$5,000.00
HAPO Community Credit Union	\$5,000.00
Port of Walla Walla	\$10,000.00
TOTAL CONFIRMED	\$146,200.00
PENDING	
Blue Mountain Community Foundation	\$22,400 ask
Columbia REA	\$10,000 ask
Pacific Power	\$5,000 ask
Walla Walla County	\$10,000 ask

A WONDERFUL PLACE TO **LIVE WORK PLAY**



CONTINUING EDUCATION

- **Accounting/ Bookkeeping class**
 - First class provided in Spanish at WWCC
 - Participants can earn college credit
- **Credit Awareness/Credit Building**
 - Understanding Your Credit
- **Other classes as needed or desired**
 - Computer, Taxes, Marketing/Social Media, etc.
- **Exploring possibility of housing MBA Program courses at WWCC**



MERCY CORP NW UPDATE

wallawallawa.gov

A WONDERFUL
PLACE TO

LIVE
**WORK
PLAY**



WHAT'S NEW/ON-THE-HORIZON

- **Program Manager started July 1**
- **USDA Grant**
 - Rural Business Development Grant
 - Funding amount: \$47,083
 - What for: education classes/seminars/workshops, technical assistance
- **Small Business Administration (SBA) PRIME Grant**
- **Developing micro-mentor network**
- **Commission on Hispanic Affairs & Economic Development Workshop**



QUESTIONS

wallawallawa.gov

A WONDERFUL
PLACE TO

WORK
PLAY

12:30

RECESS

1:30

COUNTY COMMISSIONERS

- a) Miscellaneous business to come
before the Board

- A D J O U R N -

Walla Walla County is ADA compliant. Please contact TTY: (800) 833-6384 or 7-1-1 or the Commissioners' Office at 509/524-2505 three (3) days in advance if you need any language, hearing, or physical accommodation.

Please note that the agenda is tentative only. The Board may add, delete, or postpone items and may take action on an item not on the agenda.