

Regional Housing Council

Agenda: Wednesday January 25th, 2023 (4:00 p.m. – 6:00 p.m.) (via Zoom)

Carolyn Cox: Chair, Carolina Mejia: Vice-Chair

#	TIME	AGENDA ITEM	LEAD	ACTION
1	4:00 – 4:05	Welcome and Introductions <ul style="list-style-type: none">• Check-in• Review Agenda/Meeting Purpose	Carolyn	
2	4:05 – 4:07	Approval of January 11 th minutes	Carolyn	Action
3	4:07-4:15	Public Comment	Carolyn	
4	4:15-4:20	Vote for Chair/Vice Chair	Carolyn	Action
5	4:20 – 4:50	Southport Financial Project Proposal	Darian,	Discussion
6	4:50 – 5:10	Funding Priorities/RFP – Approve/finalize priorities, set-asides, funding amounts, scoring criteria	Tom & Keylee	Discussion and Action
7	5:10 – 5:25	RHC ILA	Tom	Discussion
8	5:25 – 5:35	RHC Advisory Boards	Keylee & Darian	Information and Discussion
9	5:35-5:40	PIT	Keylee	Information
10	5:40-5:45	ROW Update	Keylee	Information
11	5:45 – 6:00	Good of the Order	Carolyn	Information
12	6:00	Upcoming Meetings <ul style="list-style-type: none">• Next RHC Meeting Wednesday February 15th, 2023, 4pm Location: Zoom meeting		

REGIONAL HOUSING COUNCIL

Wednesday January 11th, 2022 Meeting Minutes

ATTENDEES:

Lacey: Carolyn Cox, Rick Walk, Andy Ryder, Ryan Andrews, Kelly Adams

Tumwater: Joan Cathey, Brad Medrud

Olympia: Dani Madrone, Clark Gilman, Rich Hoy, Darian Lightfoot,

Thurston County: Carolina Mejia, Ramiro Chavez, Tom Webster, Keylee Marineau, Elisa Sparkman

Meeting began at 4:00 pm.

Agenda Item 1: Agenda approved, motion and second

Agenda Item 2: Minutes from December 14th meeting, motion and second, approved.

Agenda Item 3: Southport – Lansdale Pointe Apartment Project Proposal

Beau Baker, the Development Manager from Southport Financial Services, gave a presentation to the group for their proposed Lansdale Pointe project. They are planning to make available 162 units for households at or below 60% AMI. The site would feature 3-story apartments, a community center, business center with free wi-fi, a playground, and a sports court. The available units would be a mix of two, three, and four bedrooms and these units would account for roughly 6.2% of an estimated market need for rent-burdened families. Affordability requirements are preserved for 40 years even if the property is sold or transferred.

Southport will be utilizing the 4% Low Income Housing Tax Credits to help fund the development of this property. However, this requires that 5% of the development cost be funded by a local, public, entity. The estimated total development cost will be around \$53 million. This means roughly \$2.35 million will need to be funded, or loaned, by a local city, county, or combination.

Southport's application to the state is due March 29th, so prior to submission they would need a letter of commitment from whichever funding entity is supporting the project.

Tom asked Beau when they expect to have occupancy available. Beau stated the first building would be ready in June 2024 with total property completion around June 2025. Carolyn asked if the entire \$2.53 million would need to be available to them by December 2023. Beau stated no, but it does need to be committed and made fully available by time of completion, roughly June 2025.

Darian noted that the City of Olympia is prepared to put forth half, or \$1.3 million, in a committed loan for this project. Carolina asked if the RHC could loan the other half. Beau said yes, but there are additional requirements if the funding comes in the form of a loan.

1. It needs to come at a below market interest rate

2. Minimum 20-year term

3. It needs to be deferrable

Andy and Ramiro expressed concern that this project is being brought to the RHC outside of the established RFP process. When asked if having to wait for the RFP in May/June would impact Southport's plans, Beau stated they would have to wait to apply until 2024. Carolyn proposed that a decision on this be delayed until the January 25th meeting. Southport will return at this meeting with specific requirements for loaning these funds.

Agenda Item 4: Funding Priorities

Tom and Keylee plan to have the RHC vote to approve funding recommendations at the January 25th meeting. Keylee shared with the group that the Homeless Housing Hub's (HHH) number one priority was to maintain programs already operating within the Homeless Crisis Response System. This includes shelters, transitional housing, Coordinated Entry, rapid rehousing, diversion activities, cold and hazardous weather shelters, and Housing and Essential Needs programs. These all utilize 2163, CHG, HEN and 1277 funds. Their second priority is to incentivize providers to add line-items in their budgets to ensure support of ongoing Diversity, Equity, and Inclusion efforts. Their third priority was to have the RFP itself prioritize activities and programs that encourage system-wide collaboration.

Tom shared updated funding information for the upcoming February RFP. They are as follows:

Affordable Housing:

Federal HOME funds are expected to remain steady at about \$750,000. However, local 2060 funds are expected to be around \$250,000 which is about half of the 2022 awards. This brings the total to roughly \$1,000,000 for Affordable Housing projects that are currently in the pipeline.

Homeless Services:

The Consolidated Homeless Grant (CHG) is expected to be roughly \$800,000. Housing and Essential Needs (HEN) will remain steady at \$3,800,000. 2163 document recording fees for local Homeless Services is expected to be roughly half of the 2022 award at \$1,500,000. The local Home Fund can be utilized to help fill gaps at roughly \$1,350,000. Finally, the state document recording fees, 1277 funds, are expected to be roughly \$4,000,000. This brings the Homeless Services funding to roughly \$11,450,000. However, it was announced by the state that they did experience a decline in document recording fees at the state level and they have not currently found a solution to fill that gap. Therefore, it's possible the \$800,000 of CHG and \$4,000,000 of 1277 funds will be lower than these projected amounts.

Human Services Fund:

HSF, or local sales tax dollars, are expected to remain similar to 2022 funding at roughly \$300,000.

In the past there have been set asides from the 2163 funds. For the upcoming RFPs these set-aside recommendations will include \$250,000 for Coordinated Entry, \$200,000 for homeless prevention, \$250,000 for cold and hazardous weather shelters, \$25,000 for the yearly point-in-time (PIT) count, \$200,000 for emergency funds, \$50,000 for the lived experience steering committee, up to \$25,000 for Advisory Board stipends, and up to \$60,000 for DEI training for agencies.

Tom emphasized these numbers are currently just estimates but by the time the RFP is issued they will have updated numbers. Tom also shared the scoring criteria for how the Tech Team will be scoring RFP applications. There are no changes from the process last year.

Agenda Item 5: RHC Advisory Boards

Applications for the advisory boards went live on January 3rd. So far there are 9 applications for the Homeless Services Advisory Board and 7 for the Affordable Housing Advisory Board. The scoring criteria for these applications has been finalized. For individuals recommended to move forward in the application process, there will be interviews February 8th and 9th. This will require the February 8th RHC meeting to be rescheduled to February 15th.

Agenda Item 6: RHC ILA Amendment

Tom shared additional changes to the ILA amendment from the last meeting. This included language allowing the lead agency to transfer funds to a partner jurisdiction to administer stipends. Also included was tracking for when each amendment has been approved. There was no language added around 1406 funds. The group agreed that they would like to go back to their individual councils to discuss those 1406 funds before the ILA amendment moves to the BoCC for approval. Tom requested that each jurisdiction come back with their decision on 1406 funds at the January 25th meeting and additional changes to the ILA amendment will be presented.

Agenda Item 7: Good of the Order

Meeting Adjourned: 5:24pm

Next Meeting: January 25th, 4:00 pm

Regional Housing Council
Southport Financial – Landsdale Apartment Project
RHC Technical Team Report – January 25, 2023

Action

Continue discussion on RHC's commitment of \$1.325 million funds for the Landsdale Apartments project and schedule the item for approval at the February 15, 2023 RHC meeting.

Project Overview

Southport Financial, an affordable housing developer with offices in Tacoma, is proposing to build the Landsdale Apartments project 911 Burr Rd SE, in Olympia:

Project

- 162 units of 2,3, and 4 bedroom apartments (approx. 400 residents)
- 3 story building
- Solar and EV ready
- All units will be rented to 60% AMI residents

Financing

- Total Development Cost (TDC) Estimate: \$53 million
 - 4% low income housing tax credits (42% of TDC)
 - Private debt (46%)
 - Equity (7%)
 - Public leverage (5% of TDC). Required for Low Income Housing Tax Credit (LIHTC) funding through the Washington State Housing Finance Commission: \$2.65 million
 - Olympia to contribute \$1.325 million of the required local contribution/public leverage, likely as a loan

Loan Details

- Interest Rate: 1%
- Term: 22 years (or 20 years from stabilization as we project construction to take up to 2 years)
- Amortization: Interest Only
- Payments:
 - Payments will be made annually, \$26k per year by Southport to Olympia and County (if award made as a loan)
 - Deferrable (not forgivable) subject to available cash flow and accruing.

Timeline

- LIHTC Application due date: March 29, 2023
- Project completion summer 2025

Southport Financial is asking for a RHC commitment of \$1.325 million in funds to match the City of Olympia's commitment of \$1.325 million in funds in the form of a loan from their HOME fund.

Key Questions for RHC to Address

1. *Should the RHC consider the request for funding outside of the scheduled RFP process?*

Reasons to Support

- Strong project that would create 162 units of affordable housing
- Timing of LIHTC application does not match with RHC's proposed RFP process
- Delay in providing funding puts project at risk for not moving forward

Reasons to Deny:

- Project is not considered through a competitive process established by RHC.
- Perception of unfair/inequitable process for other affordable housing developers
- May lead to more "out of cycle" requests from other affordable housing developers

Considerations to mitigate risks:

- Affordable Housing Advisory Board can establish policy for if/how to handle off-cycle requests in the future.
- Funding the project does not put at risk funding for projects identified in Pipeline and substantial funding remains

2. *If approve to support, should the funding be provided as a loan or grant?*

Consideration for grant:

- Consistent with how all RHC capital funds have been awarded.
- Does not require monitoring and financial management over the next 20+ years.

Consideration for loan:

- Consistent with how Olympia intends to provide funds
- Funds are returned to the region for reinvestment in other projects over time
- Annual payment of approximately \$26,000 (\$13,000 to Olympia and \$13,000 to County) is a modest amount to add to annual funding awards

3. *If approve to support, what funding would be used and how would it impact future funding?*

Funding options:

- Local Home Fund. Recommended as the preferred option.
- 1406. Would require vote by each City Council (unless RHC ILA is amended to eliminate this requirement)

Impact on Funding:

- No impact on February RFP with \$1 million in capital funding. This funding is used to fund projects identified in Capital Pipeline
- No impact to 1406 or HOME ARP funds
- Project \$4 million in local Home Funds (County and Olympia combined)
 - If \$1.325 million is allocated to Landsdale Apartments, \$2,675,000 would remain available for May/June RFP.

4. Does the RHC want to set a policy for how to handle ‘off-cycle’ requests?

- If yes, should the Affordable Housing Advisory Board set-aside a reserve fund and establish criteria and a process for off-cycle requests?
 - i. The Technical Team would work with the Advisory Boards to establish a process for off-cycle requests, including a process for accessing homeless services emergency funds so there is a transparent process that is known by affordable housing developers and service providers. This process will identify how proposals are evaluated and establish criteria for when proposals will be considered.
- If no, are there any circumstances in which RHC would consider an off-cycle request?

Technical Team Discussion

The Technical Team recognizes the immediate need and limited opportunities for permanent affordable housing projects in the County to help move people out of homelessness. The Technical Team agrees the Landsdale Project appears to be a strong project that would benefit our community and recommend that the project be discussed at the RHC January 25, 2023 meeting and scheduled for a decision at the RHC February 15, 2023 meeting. The Technical Team supports a recommendation that the RHC support the project at this time with regional Home funds.

Estimated Affordable Housing and Homeless Services Revenues for February 2023 RFP

Revenue Source	Purpose/Use of Funds	2022 Awards	2023 RFP – Estimated Amount Available	Notes
Affordable Housing				
HOME	Federal – affordable housing (pipeline)	\$750,000	\$750,000	Not expecting major change in federal budget allocation
2060	Local – affordable housing (pipeline)	\$450,000	\$250,000	Experiencing a steep reduction in document recording fees
Sub-total		\$1,200,000	\$1,000,000	
Homeless Services				
CHG	State – Homeless services	\$1,087,000	\$600,000	Reduced from baseline of \$800k based on reduced doc recording fees
HEN	State – Housing and Essential Needs	\$3,787,390	\$3,800,000	Anticipate a proposal in Leg to increase funding
2163	Local – Homeless services	\$2,840,000	\$1,500,000	Experiencing a steep reduction in document recording fees
Home Fund	Local Sales Tax	\$0	\$1,350,000	Proposed 30% of County Home Fund to be used for services. (Based on \$4.5 million projected collection)
1277	State Doc recording fee	\$1,584,399 – Hotel/RRH \$2,350,000 - EPRA	\$3,000,000	Reduced from baseline of \$800k based on reduced doc recording fees
Sub-Total		\$11,648,789	\$,10,250,000	
Basic Needs				
HSF	Local Sales Tax	\$291,041	\$320,000	Expecting a modest increase in funding availability from last year
Sub-Total			\$320,000	
Total		\$13,139,830	\$10,570,000	

2163 Set Asides for 2023 - Proposed

	2023 Proposal	Length of Award	Notes
Coordinated Entry	\$250,000	2 years	\$100,000 additional funding from HEN was provided in 2022. \$250,000 was the original set aside.
Housing Basic Needs	\$200,000	2 years	
Cold and Hazardous Weather	\$250,000	1 year	Don't expect a single adult cold weather shelter provider to apply in 2023
Point in Time Count	\$25,000	1 year	
Emergency Funds	\$200,000	1 year	
Lived Experience Steering Committee stipends and support	\$50,000	2 years	Cost of stipend and for agency to manage
Advisory Board stipends	Up to \$25,000	2 years	To be paid from Olympia Home Fund Revenue. Reduce transfer of Home Fund to County by up to \$25k to cover stipends for Advisory Board members.
DEI Training for Agencies	Up to \$60,000	2 years	Allocate \$5,000 per agency for up to 12 agencies to fund DEI-related activities.
Totals	\$1,060,000		

Thurston County's 2023 Regional Housing Council (RHC) Consolidated RFP Scoring Criteria - DRAFT

Criteria #		Housing/ Homeless Services	Capital
	Section 1: Review Team Criteria. Review team members will score applications based on the following criteria. Applicant score is based on the average reviewer score.		
1	Importance to the Community. Direct impact on addressing RFP priorities. For HSF, this is basic needs priorities. For Housing/ Homeless Services, this is connection to the RFP priority.	25	25
1.a	LESC Applications ONLY - Importance to the Community. Direct impact on addressing RFP priorities through clear demonstration of supporting the work of the Lived Experience Steering Committee. Applicant demonstrates clear understanding of the impact of the LESC and can provide staff members that directly reflect the identities represented in the LESC. Applicant has experience centering people with lived experience of homelessness, has peer advocates on staff, and proven record of addressing racial disparities within their organization.	25	
2	Project Design. Clearly defined scope, goals and outcomes/performance measures	15	15
3	Cost Effectiveness. The total project cost is appropriate for the expected impact.	15	15
4	Partnerships and Collaborations. Project formally collaborates with partner organizations to maximize impacts.	10	10
5	Supports Vulnerable and Historically Disadvantaged Populations. Project is accessible to persons with disabilities. Agency is actively engaging in processes aimed to reduce racial disparity in services, and staff. Agencies are providing training to ensure culturally competent services are provided to vulnerable and historically disadvantaged populations.	20	20
6	Financial Capacity. Organization has the financial capacity and processes in place to successfully manage reimbursement-based grants.	5	5
7	Responsive Application. All relevant questions answered and information is responsive to the questions asked.	5	5
8	Staff Capacity. Evidence of qualified staff and capacity to manage project		10
9	Timeliness. Ready to begin project on time and reasonable expectation to complete project on time.		10
	Section 2. Administrative Score. The following criteria are impartial/objective criteria, scored by Thurston County staff. These scores are added to the average reviewer score.		
10	Project Is Low-Barrier/Housing First. <ul style="list-style-type: none"> Not low barrier/housing first – 0 points Low barrier/housing first or NA – 5 points	5	
11	Existing Service. <ul style="list-style-type: none"> Program operational on or before February 28, 2022 – 5 points Program started operations on or after March 1, 2022 – 0 points	5	
12	Past Compliance. <ul style="list-style-type: none"> No audit or program monitoring finding (no program monitoring conducted - ok) – 5 points Audit finding, no audit conducted or program monitoring finding – 0 points	5	5
	Total Maximum Score (Total of average reviewer score plus administrative score)	110	120

Homeless Housing Hub's Funding Priorities for 2023-2025 RFP

The Homeless Housing Hub (HHH), Thurston County's local continuum of care, met on December 19, 2022 to discuss funding priorities for the upcoming RFP. The RFP will be released in February 2023 and will determine funding for essential homeless response and affordable housing programming for 2023-2025. Below are the funding priorities identified by the HHH.

1. Support programs already in operation in the Homeless Crisis Response System

- a. Shelter
- b. Coordinated Entry*
- c. Outreach
- d. Basic needs – survival supplies, etc
- e. Transitional Housing
- f. Rapid Rehousing
- g. Diversion
- h. Cold and Hazardous Weather*
- i. Housing and Essential Needs (HEN)

With one-time COVID related funding coming to an end, and forecasted document recording fee revenues, it is vital to ensure the programs already in operation in the homeless crisis response system are sustained.

2. Diversity, Equity and Inclusion/Lived Experience emphasis in applications – incentivize providers to add line-items in their budgets to ensure creation of or to support ongoing Diversity, Equity, and Inclusion efforts as well as engaging with and compensating people with lived experience for enhancing the individual agencies as well as the homeless crisis response system as a whole.
3. Bridge activities – prioritize activities and programming that encourages system-wide collaboration. While Thurston County is engaged in the Anchor Community and Built For Zero initiatives, solidifying practices that create collaborative and inclusive care coordination system-wide.

Amendment Two
INTERLOCAL AGREEMENT FOR
DISSOLVING THE HEALTH AND HUMAN SERVICES COUNCIL, THE COMMUNITY INVESTMENT
PARTNERSHIP, AND CREATING THE REGIONAL HOUSING COUNCIL

WHEREAS, This Interlocal Agreement ("Agreement") was entered into pursuant to the authority of Chapter 39.34 RCW in duplicate originals between the City of Olympia, Washington, a Washington municipal corporation; the City of Lacey, Washington, a Washington municipal corporation; the City of Tumwater, Washington, a Washington municipal corporation; the City of Yelm, Washington, a Washington municipal corporation; and Thurston County, Washington, a Washington municipal corporation; collectively referred to as "Jurisdictions" and individually as "Jurisdiction;" and

WHEREAS, Amendment One to this agreement adopted on April 30, 2021, added clarification and requirements to how the signatories of this agreement will manage and make decisions concerning RCW 82.14.540 ("SHB 1406") funds; and

WHEREAS, in the 2021 Regular Session, the Washington State Legislature approved, and the Governor signed, House Bill [1070](#) (Chapter 222, Laws of 2020), modifying allowed uses of local tax revenue for affordable housing and related services to include the acquisition and construction of affordable housing and facilities; amending RCW [82.14.530](#) and [67.28.180](#); and declaring an emergency; and

WHEREAS, the City of Olympia Council passed Ordinance No. 7127 on March 6, 2018, as authorized under RCW 82.14.530 to be used for the Olympia Home Fund to construct affordable and supportive housing and housing-related services, including mental and behavioral health-related facilities, and providing for other matters relating thereto and properly permitted by state law; and

WHEREAS, the Thurston County Board of Commissioners passed Ordinance No. 16128, on January 26, 2022, as authorized under RCW 82.14.530 to be used for the Thurston County Home Fund to construct affordable and supportive housing and housing-related services, and providing for other matters relating thereto and properly permitted by state law; and

WHEREAS, the Thurston County Board of Commissioners in Ordinance No. 16128, directed the county manager to a) develop an Interlocal Agreement with the City of Olympia outlining roles, responsibilities, administration, and other requirements related to combining the Sales and Use Tax funds For Housing and Related Services; and (b) work with participating jurisdictions to amend the Regional Housing Council Interlocal Agreement to create an administrative/executive arm to effectively guide the Regional Housing Council on the use of the Sales and Use Tax For Housing and Related Services; and

WHEREAS, the City of Olympia Council approved a Resolution of Intent on January 12, 2022, to bring their HOME fund dollars to the Regional Housing Council in coordination with the County's HOME fund to achieve a regional decision making process on these combined funds; and

WHEREAS, the City of Tenino approved an additional of one-tenth of one percent on the Sales and Use Tax per RCW 82.14.530, via a Councilmanic action under Ordinance No. 919 on January 11, 2022; and

WHEREAS, the Regional Housing Council was created in January 2021 with the primary purpose to leverage resources and partnerships through policies and projects that promote equitable access to safe and affordable housing; and

WHEREAS, the Regional Housing Council has developed a strategic framework to create an initial stock of 150-200 Permanent Supportive Housing units which requires additional funding to fully implement; and

WHEREAS, a second amendment is needed to create an administrative/executive arm to effectively guide the Regional Housing Council on its recommendations for the use of the Sales and Use tax for Housing and Related services adopted by Thurston County and the City of Olympia; and

WHEREAS, the Jurisdictions agree that it is mutually beneficial to share decision making responsibilities related to homelessness and affordable housing in Thurston County; and

WHEREAS, the Jurisdictions agree that it is mutually beneficial to collaborate to expand affordable housing options and share the planning for, identification of, and resource allocation to activities and programs intended to support individuals experiencing homelessness in Thurston County; and

WHEREAS, the Jurisdictions agree that by collaborating, these activities and programs will be delivered more efficiently and effectively and the costs and impacts of managing them will be shared equitably by the Jurisdictions.

THEREFORE, the Interlocal Agreement creating the Regional Housing Council including Amendment One is hereby amended as follows:

1. Regional Housing Council to Replace Health and Human Services Council.

The signatories of this agreement hereby agree to dissolve the Health and Human Services Council ("HHSC") and create the Regional Housing Council ("RHC"). All records related to the HHSC shall be preserved by Thurston County. Dissolving the HHSC does not change any prior commitments made by that Council. Any assets remaining with the HHSC are hereby transferred to the RHC.

2. Purpose of the RHC.

- A. The primary purpose of the RHC is to leverage resources and partnerships through policies and projects that promote equitable access to safe and affordable housing. The RHC will consider issues specifically related to funding a regional response to homelessness and affordable housing and how to better coordinate existing funding programs, which may include, RCW 36.22.179 (ESSHB 2163) and RCW 36.22.178 (SHB 2060) funds, RCW 36.22.176 (ESSHB 1277) HOME Investment Partnership Program ("HOME"), Consolidated Homeless Grant ("CHG"), Housing and Essential Needs ("HEN"), RCW 82.14.540 (SHB 1406), Community Development Block Grant ("CDBG"), Olympia Home Fund and Thurston County Home Fund, and other related funding sources to help implement the five-year Homeless Crisis Response Plan (HCRP) and increase affordable housing options.

- B. To achieve this purpose, the RHC may assist in monitoring the implementation of the County's five-year HCRP by setting priorities and making funding decisions on projects and programs that implement the HCRP. Additionally, the RHC may provide a forum for consideration of policy options related to homelessness and to encourage development of regional approaches to planning for, responding to, and funding homeless services and facilities and expanding affordable housing options.

3. Term.

The term of this Agreement shall be effective upon the approval of the last Jurisdiction's governing body, and shall be effective for five years, unless amended pursuant to Section 12 of this Agreement. Prior to commencement, this Agreement shall be filed or posted in accordance with RCW 39.34.040. This Agreement may be extended upon the mutual written approval of the Jurisdictions on an annual basis thereafter.

4. Governance.

- A. The RHC shall consist of one voting member and one alternate member from each of the Jurisdictions which comprise more than 5% of the county population.
- B. Individual Jurisdictions which comprise less than 5% of the county population may participate on the RHC in a non-voting capacity.
- C. One voting member and one alternate member shall be selected by and from the group of Jurisdictions whose population is 5% or less of the county population.
- D. Each Jurisdiction shall send a decision-making member of its staff to support and participate on the RHC in a non-voting capacity.
- E. The chairs of Advisory Boards, as established in Section 9 of this Agreement, and the program manager of the Lead Agency, as established in Section 8 of this Agreement, shall serve in an ex officio capacity and will also participate in the RHC in a non-voting capacity.
 - i. The Vice Chairs of the Advisory Boards created in Section 9.C of this Agreement shall serve as the alternate ex officio members.
 - ii. The Chair and Vice Chair of the Advisory Boards may not be staff employed by an RHC member jurisdiction.
- F. All meetings of the RHC shall be open and public as provided for in Title 42.30 RCW.
- G. A quorum, defined as a minimum of three (3) voting members, is required to hold a meeting.
- H. It is the intent of the RHC to operate based on consensus. If a consensus cannot be achieved, action by the RHC shall be by vote of those members present. A minimum of three (3) affirmative votes are required to approve an action. Absent voting members cannot delegate their voting authority; however, alternate members shall

have full voting rights when the regular member is not present. Non-voting members, decision-making staff (as specified in Paragraph D of this Section), Working Team Chairs, and ex officio members shall not have a vote; however, they are encouraged to participate in committee discussions and deliberations.

- I. If necessary, actions taken by the RHC shall be taken for final consideration and approval to the respective legislative Councils and Commissions.
- J. Officers shall be elected annually by vote of the members. The RHC shall annually elect a chair and vice-chair. Either the chair or vice-chair shall be from the Lead Agency, as described in Section 8 of this Agreement. The duties of the chairs shall be to preside over the RHC meetings and provide a direct link to the RHC with administrative staff of the Lead Agency. The vice-chair will preside over the RHC meeting if the chair is not present and will support the chair in their duties.
- K. Membership of the RHC may only be increased or changed following an affirmative vote of the members of the RHC and by amending this Agreement as provided in Section 12 below.
- L. The RHC may adopt a set of bylaws setting forth the manner in which it will perform its functions.

5. Scope of Work.

- A. The responsibilities of the RHC SHALL include, but are not limited to:
 - i. Making recommendations to regional elected and appointed leaders on funding decisions related to implementing the five year HCRP and expanding shelter and affordable housing, including but not limited to ESSHB 2163, SHB 2060, ESSHB 1277 funds, HOME, CHG, HEN, SHB 1406, County Home Fund and Olympia Home Fund dollars and other funding sources as may be created or identified in the future.
 - ii. Recommending an annual RHC budget, which shall detail the authorized expenditures for the coming fiscal year, for approval by the governing body of each Jurisdiction. The fiscal year for the RHC shall be July 1 to June 30.
 - iii. Establishing an annual RHC work plan, specifying the activities planned for the coming fiscal year, to accompany the recommended annual budget.
 - iv. Submitting an annual report to the governing body of each Jurisdiction, apprising that Jurisdiction of the tasks undertaken and accomplishments of the RHC in the previous fiscal year.
- B. The responsibilities of the RHC MAY include, but are not limited to:
 - i. Monitoring the five-year HCRP and support actions necessary to implement the plan.

- ii. Identifying and supporting projects, programs, and policies that increase shelter and affordable housing throughout the region.
- iii. Identifying and supporting projects, programs, and policies that further the objectives of the HCRP and will reduce the number of unsheltered individuals living in the Jurisdictions.
- iv. Identifying and supporting the construction and operation of supportive housing options and units in the Jurisdictions.

Serving as a regional forum for development and implementation of policies, programs, and projects related to homelessness and affordable housing.

- v. Developing communication protocols to assist local elected officials and the community in understanding the extent and nature of the homeless and housing crisis in the Jurisdictions.
- vi. Considering changes to the organization structure necessary to create organizational capacity to effectively carry out these responsibilities over the long term. This may include a review of role and relationship between the RHC and the HHH, HAT, and other groups playing a role in the housing and homeless policy development and funding decisions.
- vii. Taking other appropriate and necessary action to carry out the purposes of this Agreement, provided that any commitment of resources outside the scope of the annual budget or policies not within the annual work plan shall be subject to the ultimate approval of the governing bodies.

6. Funding.

- A. Members agree to pool funding including, but not limited to, ESHB 2163, SHB 2060, ESSHB 1277, HOME, CHG, SHB 1406, Human Services Fund (HSF), County Home Fund, Olympia Home Fund, and other related funding sources as may be identified or created in the future to the extent allowed by federal and state law.
- B. The Jurisdictions comprising 5% or more of the County population shall allocate a minimum annual amount equal to not less than one half of one percent of the last full year of general sales and use taxes pursuant to RCW 82.14.030(1) as of the time the jurisdiction is adopting its budget to HSF for projects, programs, and activities providing direct support to our Jurisdictions' most vulnerable residents. For example, the 2020 funding contribution for a jurisdiction adopting its budget in the fall of 2019 would be based upon the 2018 full year of collections. In addition, any jurisdiction may choose to contribute additional funding subject to the approval of its Council and the requirements of the applicable fund source. The funds will be incorporated as part of the RHC's purview. Funds remaining at the end of the calendar year shall be available for expenditure in the following year. The Lead Agency shall earmark such funds for future expenditures, and, if necessary, budget the same in the adoptive budget for the ensuing year.

- i. The Lead Agency will utilize 10% of the annual required funding contribution by the participating Jurisdictions, pursuant to Section 6.B, above, for administrative costs, such as contract and fiscal management.
 - ii. Jurisdictions that individually comprise less than 5% of the county population shall be exempt from the HSF allocation.
- C. All funds contributed by members of the RHC and any other funds devoted to the purposes set forth in this Agreement, shall be deposited in the treasury of the Lead Agency, as described in Section 8, for the period in which the funds are to be expended.
- D. The SHB 2060 surcharge funds will be used as the twenty-five percent (25%) match requirement for HOME entitlement funds.
- E. Unspent funds may be carried over and used in subsequent years to the extent allowed by federal and state law for projects, programs, and activities consistent with this Agreement.
- F. The RHC will make funding recommendations and will serve in an advisory capacity to the BoCC, which have final approval of awards and distribution of grant funding. The BoCC shall give substantial weight and consideration to the recommendations of the RHC. With respect to the HSF and SHB 1406, the BoCC will authorize funding for these grants but will not deviate from the funding recommendations provided by the RHC.
- G. In the event the BoCC deviates from the funding recommendations provided by the RHC, the BoCC will provide revised recommendations to the RHC for consideration. After the RHC reviews the BoCC revised recommendations, the RHC will submit a final recommendation to the BoCC. The BoCC will assess the recommendations by the RHC and make a final decision.
- H. Jurisdictional allocations of the CDBG fund shall take into consideration the goals, objectives, programs, and projects developed and approved by the RHC.
- I. The Jurisdictions agree to pool SHB 1406 funds received after January 1, 2021, under the following conditions and processes:
 - i. The RHC will determine whether to bond SHB 1406 tax revenue.
 - ii. The Jurisdictions will submit SHB 1406 tax revenue on a quarterly basis to the RHC Lead Agency, which will serve as the contracting agency for pooled SHB 1406 tax revenue.
 - iii. The RHC Lead Agency will abide by SHB 1406 requirements regarding an administrative fee for managing SHB 1406 tax revenue. As of January 2021, the SHB 1406 legislation does not provide for administrative costs.
 - iv. The RHC Lead Agency will coordinate with the Jurisdictions in preparing the

required local and state reporting materials.

- v. The Jurisdictions may not utilize its own SHB 1406 tax revenue prior to adding the funds to the pooled account.
 - vi. SHB 1406 tax revenue and HSF funds collected by the RHC may be returned to local jurisdictions with the approval of the RHC for eligible projects consistent with adopted funding priorities through an annual application process.
- J. With respect to the County Home Fund and Olympia Home Fund revenue, the Interlocal Agreement (ILA) between Thurston County and City of Olympia executed on December 19, 2022, shall be incorporated by reference into this Agreement.

7. Contribution.

- A. Each Jurisdiction that is a member under Section 4.A of this Agreement, shall strive to make an in-kind contribution of up to 0.25 FTE staff to support the work of the RHC. Staff support may include, but is not limited to, participation on Working Teams as defined under Section 9 of this Agreement, tasks identified in the annual work plan required under Section 5.A.c, or tasks to support the operation of the RHC. As needed, Jurisdictions shall discuss dedicating additional staff resources beyond a 0.25 FTE to achieve the annual work plan or to implement special projects.
- B. Costs associated with the operations of the RHC, in excess of the revenues available from program funded administrative allocations, shall be distributed among the Jurisdictions on a pro rata basis using the most recent population figures provided by the State of Washington.
- C. These operational costs may include but are not limited to: staff, office space, furnishing, equipment and supplies, and administrative overhead necessary for the Lead Agency to support the RHC. Where administrative dollars are provided for in the funding source, these funds shall be used to offset operational costs of the RHC to the extent allowed by the funding source. These administrative costs shall be allocated to the Fiscal Agent of the RHC, as described in Section 8 of this Agreement.

8. Lead Agency.

- ~~A.~~ .Thurston County will act as the Fiscal Agent and Lead Agency on behalf of the Jurisdictions in administering all contracts and processing all invoices and receipts. Thurston County shall name a program manager who shall be responsible for the operations of the RHC. The task of the program manager will include, but are not limited to: meeting coordination and agenda preparation in consultation with the chair and vice-chair, preparation of meeting minutes, support to develop and implement the annual work plan, and coordination of the annual request for proposal and award process. The Lead Agency will submit invoices to each Jurisdiction for their share of the costs as identified in Section 6.B.a. The Jurisdiction will remit payment to the

Lead Agency no later than 30 days from the date of the invoice.

- ~~B.~~ The Lead Agency may transfer program or administrative funds to a partner jurisdiction to implement specific RHC-approved tasks or programs on an as-needed basis.
- ~~C.~~ The Lead Agency and Fiscal Agent roles shall be revisited every five (5) years throughout the duration of this Agreement.

9. Working Teams and Advisory Boards.

- A. The RHC may use the following staff Working Teams to inform and support the RHC:
 - i. Technical Working Team to provide objective technical feedback regarding project and policy proposals.
 - ii. Communications Working Team to develop clear and coordinated communications around project and policy proposals and funding recommendations.
- B. Each voting member Jurisdiction that is a member under Section 4.A of this Agreement will assign at least one staff member to participate on each Working Team. The RHC may create additional Working Teams or dissolve Working Teams in accordance with Section 4.I of this Agreement.
- C. The RHC shall establish two Advisory Boards comprised of subject matter experts to make recommendations to the RHC on funding priorities, funding awards, and policies for RHC consideration, as appropriate. The RHC shall approve a Charter that guides the membership, operation, and responsibilities of the Boards.
 - i. Affordable Housing Advisory Board. This Board shall have responsibility for federal HOME Investment Partnership, SHB 2060, SHB 1406, County Home Fund, and Olympia Home Fund and other related capital funding sources as may be identified or created in the future. The RHC shall ensure that this Advisory Board is composed of community members, including private sector stakeholders representing all areas of Thurston County and that at least one-third (1/3) of members of this Advisory Board are comprised of residents of Olympia, or represent organizations based or located in Olympia.
 - ii. Homeless Services Advisory Board. This Board shall have responsibility for ESHB 2163, ESSHB 1277, CHG, HEN, and HSF and other related services funding sources as may be identified or created in the future. The Homeless Services Advisory Board will make recommendations on any funding designated for homeless services by the RHC from the Thurston County Home Fund. The RHC recognizes the role of the Homeless Housing Hub (“HHH”) as the local Continuum of Care.

10. Relationship of the Jurisdictions.

This Agreement is for the benefit of the Jurisdictions. No separate legal entity is created by this Agreement. No administrator or joint board is created by this Agreement, although a Fiscal Agent and Lead Agency are established by Section 8 herein. No personal or real property is to be jointly acquired or held. Each Jurisdiction is responsible for directing the work of its staff. RHC members may not direct or supervise the work of staff from another Jurisdiction. An RHC chair or vice-chair may coordinate and work with staff from another Jurisdiction to fulfill the responsibilities of the RHC.

11. Indemnification and Hold Harmless.

- A. To the extent permitted by law, each Jurisdiction agrees to indemnify, defend, and hold harmless the other Jurisdiction, their officers, officials, employees, agents, and volunteers from and against any and all claims, demands, damages, losses, actions, liabilities, expenses, and judgments of any nature whatsoever, including without limitation, court and appeal costs and attorneys' fees, to or by any and all persons or entities, including without limitation, their respective agents, licensees, or representatives, caused by or arising out of any negligent act, errors, or omissions, of that Jurisdiction, its employees, agents, or volunteers or arising out of, in connection with, or incident to that Jurisdiction's performance or failure to perform any aspect of this Agreement.
- B. The Jurisdictions waive their immunity under the Washington State Industrial Insurance Act, Title 51 RCW, to the extent required by this indemnification and hold harmless provision. Provided, however, the foregoing waiver shall not in any way preclude a Jurisdiction from raising such immunity as a defense against any claim brought against a Jurisdiction by any of the Jurisdiction's respective employees. This waiver has been mutually negotiated by the Jurisdictions.
- C. The provisions of this section shall survive the completion or expiration of this Agreement or termination whether termination is by all Jurisdictions, or by one or more Jurisdictions.
- D. The Jurisdictions agree to support each other in pursuing these purposes and responsibilities and operate in good faith and partnership in carrying them out. Risk and accountability shall be shared to the extent possible by the Jurisdictions.

12. Amendments.

This Agreement may be amended as needed by mutual written agreement of all Jurisdictions as executed by each Jurisdiction's authorized governing authority as provided in Chapter 39.34 RCW.

13. Termination.

This Agreement may be terminated as to any single Jurisdiction when the terminating Jurisdiction provides written notice to all other Jurisdictions, as set out in Section 14, at least 60 days prior to its intended withdrawal from this Agreement. The withdrawing Jurisdiction agrees to be responsible for its share of any costs incurred or encumbered pursuant to this Agreement through the remainder of the year of such withdrawal.

14. Jurisdiction Representative.

The following are designated as representatives of the respective Jurisdictions. Notice provided for in this Agreement shall be sent to the designated representatives by certified mail to the addresses set forth below. Notice will be deemed received three business days following posting by the U.S. Postmaster.

City of Lacey, c/o City Manager, 420 College Street SE, Lacey, WA 98503

City of Olympia, c/o City Manager, P.O. Box 1967, Olympia, WA 98507

City of Tumwater, c/o City Administrator, 555 Israel Road SW, Tumwater, WA 98501

City of Yelm, c/o Mayor, 106 Second St. SE Yelm, WA 98597

Thurston County, c/o County Manager, 2000 Lakeridge Drive SW, Olympia, WA 98502

15. Governing Law and Venue.

This Agreement has been and shall be construed as having been made and delivered within the State of Washington, and it is agreed by each Jurisdiction hereto that this Agreement shall be governed by the laws of the State of Washington both as to its interpretation and performance. Any action of lawsuit in equity, or judicial proceeding arising out of this Agreement shall be instituted and maintained only in a court of competent jurisdiction in Thurston County, Washington.

16. Severability.

If a court of competent jurisdiction holds any part, term, or provision of this Agreement to be illegal, or invalid in whole or in part, the validity of the remaining provisions shall not be affected, and the Jurisdictions' rights and obligations shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid. If any provision of this Agreement is in direct conflict with any statutory provision of the state of Washington, that provision which may conflict shall be deemed inoperative and null and void insofar as it may conflict and shall be deemed modified to conform to such statutory provision.

17. Entire Agreement.

The Jurisdictions agree that this Agreement, is the complete expression of its terms and conditions. Any oral or written representations or understandings not incorporated in this Agreement are specifically excluded.

18. Non-Waiver of Rights.

The Jurisdictions agree that the forgiveness of the nonperformance of any provision of this Agreement does not constitute a waiver of the provisions of this Agreement.

19. Equal Opportunity to Draft.

The Jurisdictions have participated and had an equal opportunity to participate in the drafting of this Agreement. No ambiguity shall be construed against any Jurisdiction upon a claim that that Jurisdiction drafted the ambiguous language.

IN WITNESS WHEREOF, the Parties hereto have caused this Interlocal Agreement to be executed by the dates and signature herein under affixed. The persons signing this Interlocal Agreement on behalf of the Parties represent that each has authority to execute this Interlocal Agreement on behalf of the Party entering into this Interlocal Agreement.

Thurston County

City of Lacey

Carolina Mejia, Chair of the Board of County
Commissioners

Rick Walk, Acting City Manager

Date

Date

Approved as to form:
JON TUNHEIM
PROSECUTING ATTORNEY

Approved as to form:

By:_____
Deputy Prosecuting Attorney

By:_____
City Attorney

City of Olympia

City of Tumwater

Steven J. Burney, City Manager

Debbie Sullivan, Mayor

Date

Date

Approved as to form:

Approved as to form:

By:_____
City Attorney

By:_____
City Attorney

City of Yelm

Joe DePinto, Mayor

Date

Approved as to form:

By: _____
City Attorney

RHC Interlocal Agreement Version Tracking:

- Original ILA: Executed January 28, 2021
- Amendment #1: Executed April 30, 2021