



Department of Human Services

Doug Washburn
Director

Aging & Long Term Care/Senior Information & Assistance
Givens Community Center
1026 Sidney Avenue, Suite 105
614 Division Street, MS-5
Port Orchard, WA 98366
1.800.562.6418 (Sr. I&A)
Stacey Smith, Administrator
Phone: 360.337.5624

Community Development Block Grant
Norm Dicks Government Center
345 6th Street, Suite 400
Bremerton, WA 98337
Bonnie Tufts, Coordinator
Phone: 360.337.4606
Housing and Homelessness
Kirsten Jewell, Coordinator
Phone: 360.337.7286

Developmental Disabilities
614 Division Street, MS-23
Port Orchard, WA 98366
Kelly Oneal, Coordinator
Phone: 360.337.4624

Kitsap Recovery Center
1975 NE Fuson Road
Bremerton, WA 98311
Bergen Starke, Clinical Manager
Phone: 360.337.4625

Mental Health
614 Division Street, MS-23
Port Orchard, WA 98366
Anders Edgerton, Administrator
Phone: 360.337.4886

Mental Health/Chemical Dependency/Therapeutic Court
614 Division Street, MS-23
Port Orchard, WA 98366
Gay Neal, Coordinator
Phone: 360.337.4827

Substance Abuse Prevention/Treatment and Youth Services
614 Division Street, MS-23
Port Orchard, WA 98366
Laura Hyde, Coordinator
Phone: 360.337.4879
Deanne Montgomery, Substance Abuse Prevention Coalition Coordinator
Phone: 360.337.4878

Veterans Assistance
1300 Sylvan Way
Bremerton, WA 98310
Vacant, Coordinator
Phone: 360.337.4811

Workforce Development
1300 Sylvan Way
Bremerton, WA 98311
Bob Potter, Director, OWDA
Phone: 360.337.4873

March 23, 2015

Kristin Jewell, Coordinator
Housing and Homelessness
Norm Dicks Government Center
345 6th Street, Suite 400
Bremerton, WA 98337

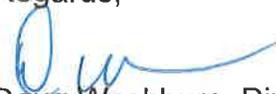
RE: KC-057-15 Interlocal Agreement Between Kitsap County and the City of Bainbridge Island, City of Bremerton, and City of Poulsbo Concerning Allocation of SHB 2060 Surcharge Funds to Very Low-Income Housing Projects in Kitsap County and its Incorporated Cities

Dear Kristin:

Enclosed is the fully executed Interlocal Agreement that was executed by the Kitsap County Board of Commissioners on February 23, 2015.

Thank you, for the work you do coordinating the SHB 2060 Surcharge Program.

Regards,


Doug Washburn, Director
Kitsap County Human Services

DW:dm

Enclosure

cc: City of Bainbridge Island
 City of Bremerton
 City of Port Orchard
 City of Poulsbo



Interlocal Agreement Between Kitsap County and the City of Bainbridge Island, City of Bremerton, City of Port Orchard and City of Poulsbo Concerning Allocation of SHB 2060 Surcharge Funds to Very Low-Income Housing Projects in Kitsap County and its Incorporated Cities

This Agreement, made pursuant to Chapter 39.34 RCW, is between KITSAP COUNTY (hereinafter, the County), a political subdivision of the State of Washington, and the CITY OF BAINBRIDGE ISLAND, the CITY OF BREMERTON, the CITY OF PORT ORCHARD, and the CITY OF POULSBO, (hereinafter, the Cities), municipal corporations of the State of Washington.

WHEREAS, in 2002, the State enacted an Act relating to funding the operation and maintenance of low-income housing projects through SHB 2060, 2002 Washington Laws Ch. 294;

WHEREAS, pursuant to SHB 2060, RCW 36.22.178, revenue generated through a surcharge on recording documents (*hereafter* "SHB 2060 surcharge funds") may be used by the County and its Cities and Towns for housing projects that are affordable to very low-income persons;

WHEREAS, under the Act, the portion of the surcharge retained by a county shall be allocated to very low-income housing projects or units within such housing projects in the county and the cities within the county according to an Interlocal Agreement;

WHEREAS, in 2004, the County and the Cities agreed through an inter-local agreement that the SHB 2060 surcharge funds would be distributed through a competitive grant program (*hereafter* "grant program") that would be administered and governed through the Kitsap Regional Coordinating Council (hereinafter KRCC);

WHEREAS, the grant program was implemented through the KRCC, using a set of Guiding Principles developed jointly by the County and the Cities that served as a framework for allocating the surcharge monies to the various projects;

WHEREAS, these Guiding Principles were incorporated into a Policy Plan in 2012 that was adopted and subsequently updated by the County and the Cities through participation in the KRCC;

WHEREAS, in January 2015, the KRCC voted to recommend to the Cities and County that this grant program be administered and governed by Kitsap County instead of by the KRCC;

WHEREAS, the County and the Cities desire to formalize this agreement to designate Kitsap County to carry out administration and governance of the SHB 2060 surcharge funds through this Interlocal Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions contained herein, the parties agree as follows:

SECTION 1 PURPOSE

The purpose of this Agreement is to establish the County as the administrator and governing-body for the allocation of SHB 2060 (RCW 36.22.180) surcharge funds to eligible applicants.

SECTION 2 ADMINISTRATIVE STRUCTURE

2.1 The County is governed by the Board of County Commissioners, (BoCC) consisting of elected commissioners from three voting districts. The BoCC shall set policy concerning the use and distribution of SHB 2060 funds as per the Affordable Housing Program Policy Plan previously adopted by the KRCC Board, and may amend the Policy Plan at its discretion from time to time.

2.2 The Kitsap Continuum of Care Coalition (KCoCC), which is an unincorporated association of low-income and homeless housing providers in Kitsap County, has agreed, through a separate memorandum of agreement, to act as the technical advisory body to the BoCC for this program.

2.3 The KCoCC agreed to develop and recommend to the BoCC specific annual priorities for the use of that year's SHB 2060 funds. Representatives of the Cities and the County shall have the opportunity to participate in the process to develop funding priorities.

2.4 Each year an Advisory Board(s) of citizen volunteers shall be appointed as follows: each Mayor shall appoint one citizen volunteer to each Board and each County Commissioner shall appoint one citizen volunteer to each Board. The Advisory Board(s) will review funding applications and prepare funding recommendations for the BoCC's consideration. The Advisory Board(s) will review the annual priorities developed by the KCoCC and include in its recommendations how the priorities are being addressed by the recommendations given. The recommendations may include options or a single set of recommended projects. Representatives of the Cities shall have the opportunity to attend a study session on the recommended grant awards prior to the BoCC making final awards.

2.5 The Kitsap County Human Services Department and the Kitsap County Auditor shall partner to administer awarded funds. The administrative costs are to be covered by the 5% of the surcharge allowed to be retained by the County for collecting and dispersing the document recording fees, as referenced in the Policy Plan.

2.6 The County may set aside a percentage or specific amount of funds to address emergent housing needs consistent with the purposes of Chapter 36.22 RCW, so long as it meets the requirements of RCW 36.22.178.

SECTION 3 FUND AVAILABILITY

3.1 On an annual basis, the County shall publish a Notice Of Funds Availability (NOFA). This notice will set forth the annual program priorities; amount of funds available; the duration of funds to be awarded or distributed; the deadline for submission of funding applications; and any other pertinent information related to the process.

SECTION 4 ELIGIBLE RECIPIENTS

4.1 Eligible recipients. Eligible recipients of the SHB 2060 surcharge funds shall include public housing authorities, IRS-certified non-profit agencies/providers of affordable housing, the Cities, the County, the Tribes, and for-profit developers, provided the funds are used only for projects as defined in Section 5, herein and as provided under RCW 36.22.178.

4.2 Geographic Equity. The County shall be responsible for ensuring that funds are distributed in a manner that balances existing needs throughout the County with program users' access to services. It is the overall intent of this Agreement that, over time, all areas of Kitsap County shall equitably receive appropriate levels of funding pursuant to this Interlocal Agreement consistent with countywide and local housing needs and policies.

SECTION 5 PERMISSIBLE USES OF SHB 2060 SURCHARGE FUNDS

5.1 Permissible Uses of the SHB 2060 surcharge funds are limited to those uses set out under RCW 36.22.178 as follows:

(a) Acquisition, construction, or rehabilitation of housing projects or units within housing projects that are affordable to very low-income households with incomes at or below fifty percent (50%) of the area median income, including units for homeownership, rental units, seasonal and permanent farm worker housing units, units reserved for victims of human trafficking and their families, and single room occupancy units;

(b) Supporting building operation and maintenance costs of housing projects or units within housing projects eligible to receive housing trust funds, that are affordable to very low-income households with incomes at or below fifty percent (50%) of the area median income, and that require a supplement to rent income to cover ongoing operating expenses;

(c) Rental assistance vouchers for housing units that are affordable to very low-income households with incomes at or below fifty percent (50%) of the area median income, including rental housing vouchers for victims of human trafficking and their families, to be administered by a local public housing authority or other local organization that has an existing rental assistance voucher program, consistent with or similar to the United States Department of Housing and Urban Development's Section 8 rental assistance voucher program standards; and

(d) Operating costs for emergency shelters and licensed overnight youth shelters.

5.2 SHB 2060 funds shall not be used for construction of new housing if at any time the vacancy rate for available low-income housing within the County rises above ten percent (10%).

5.3 A priority must be given to eligible housing activities that serve extremely low-income households with incomes at or below thirty percent (30%) of the area median income.

5.4 In the event RCW 36.22.178 is amended to include additional permissible uses of the SHB 2060 surcharge funds, those permissible uses shall also be permitted under this Agreement without formal amendment to this Agreement.

5.5 In the event RCW 36.22.178 is amended to disallow any current permissible uses of the SHB 2060 surcharge funds, set forth in Section 5.1 above, those permissible uses shall no longer be permitted under this Agreement without formal amendment to this Agreement.

SECTION 6 FUND DISTRIBUTION

6.1 As a condition to receiving any SHB 2060 surcharge funds, each successful applicant shall enter into a contract with Kitsap County, relating to the applicant's use of the funds and applicable standards for the project ("the Contract").

6.2 The process for grantees receiving funds is specified in the Policy Plan.

SECTION 7 SHB 2060 PROGRAM REVIEW

At least each five years the County, with input from the cities, KCoCC, the public and other interested parties, shall review the program operation, including geographic equity, and shall implement any appropriate changes.

SECTION 8 PROJECT MONITORING

8.1 The County shall monitor all projects for compliance with the funding terms and conditions in the Contract(s).

8.2 The County shall require all funding recipients to provide quarterly program reports to the County.

SECTION 9 MISCELLANEOUS

9.1 Duration. This Agreement will have an indefinite duration unless the funding source is eliminated by the State Legislature.

9.2 Termination. Any party may terminate its participation in this Agreement upon 90 days' written notice to the other parties.

9.3 Filing. When fully executed, this Agreement shall be filed with the Kitsap County Auditor.

9.4 Notices. Any notices required by this Agreement shall be delivered, or mailed postage prepaid, and addressed to:

Kitsap County

Clerk to the Board
Office of the Kitsap County
Board of Commissioners
614 Division Street
Mailstop 4
Port Orchard, WA 98366

City of Bainbridge Island

City Clerk
City of Bainbridge Island
280 Madison Avenue N.
Bainbridge Island, WA 98110

City of Bremerton

City Clerk
City of Bremerton
345 6th Street, Suite 600
Bremerton, WA 98337

City of Port Orchard
City Clerk
City of Port Orchard
216 Prospect Street
Port Orchard, WA 98366

City of Poulsbo
Mayor
City of Poulsbo
200 NE Moe St.
P.O. Box 98
Poulsbo, WA 98370

9.5 Administration. As this Agreement contemplates no joint or cooperative undertaking, each party shall administer the Agreement as to its own responsibilities under the Agreement. The County shall oversee the revenue sharing process provided for in this Agreement.

9.6 Reporting. At the start of each calendar year, the County shall report to the Cities all awards made with SHB 2060 surcharge funds pursuant to this Agreement during the preceding calendar year.

9.7 Waiver. The failure by the County or any City to enforce any term or condition of this Agreement shall not be construed to constitute a waiver of any other term or condition, or of any subsequent breach of any provision, of this Agreement.

9.8 Entire Agreement. This Agreement includes the entire Agreement of the parties with respect to any matter addressed in this Agreement

9.9 Amendment. This Agreement may be amended only upon the written agreement of the parties made with the same formalities as those required for its original execution.

9.10 Review. The County and the Cities shall review this Agreement every five years; **provided**, that nothing herein shall be construed as limiting the parties' rights to amend this Agreement at any time in accordance with Section 9.9 above.

9.11 Effective Date. This Agreement shall take effect immediately upon recording a fully executed original of this Agreement in the office of the Kitsap County Auditor.

9.12 Authorization. By resolution or ordinance, the governing bodies of the County and the Cities have authorized their respective designated officials to execute this Agreement on their behalf.

9.13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

**Interlocal Agreement Between Kitsap County and the
City of Bainbridge Island, City of Bremerton, City of Port Orchard and City
of Poulsbo Concerning Allocation of SHB 2060 Surcharge Funds to Very
Low-Income Housing Projects in Kitsap County and its Incorporated Cities**

APPROVED BY THE KITSAP COUNTY BOARD OF COMMISSIONERS
this 23rd day of February, 2015



Robert Gelder, Chair



Edward E. Wolfe, Commissioner

NOT PRESENT

Charlotte Garrido, Commissioner

ATTEST:



for Dana Daniels, Clerk of the Board



**Interlocal Agreement Between Kitsap County and the
City of Bainbridge Island, City of Bremerton, City of Port Orchard and City
of Poulsbo Concerning Allocation of SHB 2060 Surcharge Funds to Very
Low-Income Housing Projects in Kitsap County and its Incorporated Cities**

PASSED BY THE CITY OF BAINBRIDGE ISLAND CITY COUNCIL
this 24th day of FEBRUARY, 2015.


Anne S. Blair, Mayor

ATTEST:


Rosalind Lassoff, City Clerk

APPROVED AS TO FORM:


Lisa Marshall, City Attorney

**Interlocal Agreement Between Kitsap County and the
City of Bainbridge Island, City of Bremerton, City of Port Orchard and City
of Poulsbo Concerning Allocation of SHB 2060 Surcharge Funds to Very
Low-Income Housing Projects in Kitsap County and its Incorporated Cities**

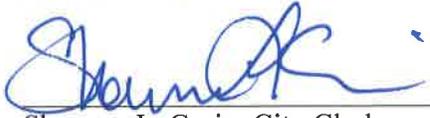
PASSED BY THE CITY OF BREMERTON CITY COUNCIL
this 4th day of March, 2015.

APPROVED BY THE CITY OF BREMERTON MAYOR
this 4th day of MARCH, 2015.



Patty Lent, Mayor

ATTEST:



Shannon L. Corin, City Clerk

APPROVED AS TO FORM:



Roger A. Lubovich, City Attorney

**Interlocal Agreement Between Kitsap County and the
City of Bainbridge Island, City of Bremerton, City of Port Orchard and City
of Poulsbo Concerning Allocation of SHB 2060 Surcharge Funds to Very
Low-Income Housing Projects in Kitsap County and its Incorporated Cities**

PASSED BY THE CITY OF PORT ORCHARD CITY COUNCIL
this 10 day of March, 2015.

APPROVED BY THE CITY OF PORT ORCHARD MAYOR
this 10 day of March, 2015.

Tim Matthes
Tim Matthes, Mayor

ATTEST:

Brandy Riearson
Brandy Riearson, City Clerk



APPROVED AS TO FORM:

[Signature]
City Attorney

**Interlocal Agreement Between Kitsap County and the
City of Bainbridge Island, City of Bremerton, City of Port Orchard and City
of Poulsbo Concerning Allocation of SHB 2060 Surcharge Funds to Very
Low-Income Housing Projects in Kitsap County and its Incorporated Cities**

PASSED BY THE CITY OF POULSBO CITY COUNCIL
this 4th day of March, 2015.

APPROVED BY THE CITY OF POULSBO MAYOR
this 4th day of March, 2015.



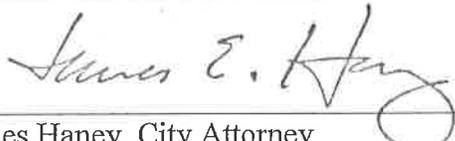
Becky Erickson, Mayor

ATTEST:



Nicole Stephens, CMC, City Clerk

APPROVED AS TO FORM:



James Haney, City Attorney