

Please return to:

City of Richland  
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625 Swift Blvd. MS-07  
Richland, WA 99352

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**Interlocal Cooperative Agreement  
Tri-Cities HOME Consortium  
under the  
National Affordable Housing Act  
  
Program Years 2026, 2027 and 2028**

This Agreement is entered into between the cities of **Kennewick, Pasco, and Richland**, all Washington municipal corporations ("members"), for the purpose of continuing participation in a Consortium originally formed in 1996 under the HOME Investments Partnership (HOME) Program and restated in a 2013 replacement interlocal agreement (Contract No. 85-13) and 2020 Amended and Restated Interlocal Cooperative Agreement. This Agreement supersedes all previous HOME consortium cooperative agreements and will become effective upon adoption by the Members and final approval by the U.S. Department of Housing and Urban Development (HUD).

**WITNESSETH**

WHEREAS, the Federal Government has enacted the national Affordable Housing Act (NAHA), the primary objective of which is to increase the supply of decent affordable housing to low- and very low-income families, which created the HOME Investment Partnerships Program ("HOME Program") administered by the U.S. Department of Housing and Urban Development (HUD) through regulations at Title 24, Code of Federal Regulations, Part 92 (HOME Regulations); and

WHEREAS, said regulations allow units of general local governments to form consortia for purposes of obtaining funds under the HOME Program; and

WHEREAS, the members are geographically contiguous units of local government eligible to form a consortium under said regulations; and

WHEREAS, the Interlocal Cooperation Act, Ch. 39.34 RCW, permits local governmental units to enter into agreements to cooperate for certain beneficial purposes; and

WHEREAS, the members have determined that continuing as a consortium will increase the level of HOME Program funds potentially available for use within their combined jurisdictions and thereby increase the combined ability of the jurisdictions to assist in meeting the affordable housing needs of the population.

NOW, THEREFORE, the Members agree as follows:

## **SECTION 1: DEFINITIONS**

- a. “Consortium” means the arrangement formed by this Agreement, and “HOME Program” means all of the activities assisted with HOME funds received from HUD.
- b. “Member” means the cities of Kennewick, Pasco, and Richland as Washington municipal corporations and units of local government.
- c. “Tri-Cities HOME Consortium” means the particular Consortium operating under the HOME Program consisting of the cities of Kennewick, Pasco, and Richland.
- d. “Lead Entity” means the unit of local government designated by the Tri-Cities HOME Consortium to act in a representative capacity of all members for the purposes of this Agreement. The Lead Entity will assume overall responsibility for ensuring that the Tri-Cities HOME Consortium is administered and operates in compliance with the requirements of the HOME Program. The Lead Entity serves as the official and primary contact between HUD and the Tri-Cities HOME Consortium.
- e. “Subrecipient Administrator” refers to members other than the Lead Entity who perform some HOME administrative roles as delineated under separate, specific HOME written agreements.
- f. “Consolidated” means jointly developed with unity from a regional perspective of the members.
- g. “Program Year” means the annual fiscal year of January 1<sup>st</sup> to December 31<sup>st</sup>.
- h. “CHDO” means a Community Housing Development Organization as defined by the HOME Investment Partnership Program.

## **SECTION 2: GENERAL PROVISIONS**

- a. Members agree to cooperate to undertake housing assistance activities in compliance with the federal HOME statute and regulations as identified at Title 24 CFR Part 92. The purpose of this Agreement is to increase the combined ability of each member jurisdiction to assist in meeting the affordable housing needs of the population.
- b. Members agree to cooperate in maintaining the Tri-Cities HOME Consortium’s compliance with federal Consolidated Plan regulations at Title 24 CFR Part 91.

Each member shall also cooperate with the Lead Entity in conducting citizen participation, planning, and programming as necessary for the Lead Entity to submit to HUD the Consortium's Consolidated Plan. Each Member shall ensure that its separate processes and procedures comply with all Consolidated Plan regulations.

- c. Members agree to jointly develop a combined Consolidated Planning Strategy (CPS) for submission to HUD for each of the federal fiscal years covered by this Agreement. The CPS will be comprised of a consolidated Market Analysis and Housing Needs Assessment, consolidated Five-Year Planning Strategy, and annual Plans for implementation of the strategy for the Tri-Cities HOME Consortium. The Housing Strategy will be developed to address needs over the three-city area with components identified that are unique to each member; however, each member will independently address non-housing community needs.
- d. Members agree to affirmatively further fair housing in compliance with all applicable statutes and regulations.
- e. This Agreement provides for the renewal of participation in successive three-year qualification periods in perpetuity by the date specified in HUD's consortia designation notices or listed on HOME's Consortia web page. The Lead Entity will notify each member in writing of its right to not participate for the successive three-year qualification period, with a copy of the notification forwarded to the HUD Field Office. Any member not intending to participate in the next three-year qualification period with the Consortium must submit written notification to the Lead Entity within thirty (30) days of receipt of the notice from the Lead Entity. The Lead Entity will provide copies of these communications to its HUD Field Office to provide notification of any change in consortium membership.
  - i. All Members of the Consortium are required to formally adopt by legislative action any amendments to this Agreement that incorporate future changes necessary to meet the requirements for consortia agreements in subsequent qualification periods.
  - ii. The renewal provision of this Agreement is void if the Lead Entity fails to notify a Member of its right not to participate for the next three-year qualification period, or if the Lead Entity fails to submit a copy to HUD of each amendment to the Agreement as required.

### **SECTION 3: COMPLIANCE WITH FEDERAL REGULATIONS**

All Members of the Consortium agree to comply with the applicable portions of: Title 24 CFR Part 92: HOME Investment Partnerships Program; the Housing and Community Development Act of 1974 as amended; Title 24 CFR Part 570; Title 24 CFR Part 58; Title VI of the Civil Rights Act of 1964; Title VII of the Civil Rights Act of 1968; Section 109 of the Housing and

Community Development Act of 1974; Section 3 of the Housing and Urban Development Act of 1968; Executive Orders, 11063, and 11593; the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; OMB Circular A-122 and attachments A, B, C, F, H, N and O; the Archeological and Historical Preservation Act of 1974; the Architectural Barriers Act of 1968; the Hatch Act, 5 U.S.C. Chapter 15; the Flood Disaster Protection Act of 1974; the Clean Air Act (42 U.S.C., Section 1251 *et seq.*); and the Drug-Free Workplace Act of 1988.

#### **SECTION 4: PROGRAM ADMINISTRATION**

- a. **Lead Entity.** The city of Richland is hereby designated the Lead Entity for the Tri-Cities HOME Consortium. The cities of Kennewick and Pasco are Consortium Members who act as Subrecipient Administrators.
- b. **Lead Entity Responsibilities.** The Lead Entity shall assume overall responsibility for ensuring the Consortium's HOME Program activities are carried out in compliance with HOME regulations in Title 24 CFR Part 92, including requirements concerning a Consolidated Plan in accordance with HUD Regulations in Title 24 CFR Part 91.

The Lead Entity is responsible for the following:

- i. Establishing a local HOME Investment Trust Fund Account.
- ii. Receiving, disbursing, and accounting for all HOME Program and matching funds.
- iii. Collecting and submitting to HUD all required reports and data from Members, Subrecipient Administrators, CHDOs, and developers.
- iv. Sending members a copy of correspondence from HUD within 48 hours of receipt and copying members on correspondence from the Lead Entity to HUD.
- v. Include Consortium members in all correspondences with subrecipients related to HOME, CHDO, and HOME-ARP funds. This is to include all programmatic inquiries or communications regarding the administration use, requests for additional funding by subrecipient, and/or compliance with these funding sources.
- vi. Invite all Consortium members to attend HUD and/or consultant meetings pertaining to HOME funding.
- vii. Forward all monitoring reports conducted on subrecipients regarding HOME, CHDO and HOME-ARP activities.
- viii. Provide quarterly financial reports and a mid-year review. Quarterly financial reports are to include the following: detailed line-item

breakdown of expenditures and revenue, identifying how funds are being used and to whom they are disbursed. Quarterly reports are to also include administrative costs incurred and balances. These reports shall be processed within 15 days of receiving both members quarterly billing.

- ix. Providing written procedures for Integrated Disbursement and Information System (IDIS) reporting, including explanations of who has access to the system, how funds are sub-allocated in the system, who is required and allowed to make entries in the system, and at what times.
- x. Providing written procedures for the disbursement of funds to include:
  - how members or their sub-recipients request HOME funds from the Lead Entity;
  - processing time needed by the Lead Entity;
  - description of documentation required to accompany requests.
- xi. Providing written procedures for record-keeping, reporting and monitoring.
- xii. Describing the system and format for keeping records of program delivery, and meeting all HUD reporting requirements, including:
  - marketing activities;
  - environmental reviews;
  - application and award activities;
  - incurred obligation and contribution of required match funds;
  - federal cross-cutting activities;
  - Community Housing Development Organization (CHDO) designations; and
  - CHDO activities when applicable under Section 4.f below.
- xiii. Describing the intended system and format for monitoring projects throughout the applicable period, including:
  - listing of staff responsible for monitoring duties;
  - procedures for monitoring HOME rents, eligible residents, resale by homeowner;
  - properties, Fair Housing and Equal Opportunity, and property standards;
  - procedures for notifying HOME recipients about monitoring schedules;
  - steps and recourse that can be taken to ensure compliance by

recipients of HOME funds.

- xiv. Entering into HOME written agreements and administering and monitoring activities of sub-recipients who have contracted with a member to deliver a specific HOME program, including members acting as Subrecipient Administrators.
- xv. Preparing and submitting HOME performance reports for Consortium activities.

c. **Member Responsibilities.** Each member is responsible for the following:

- i. Providing to the Lead Entity, within 14 days after request, copies of all documents which the Lead Entity is required to submit to HUD, including, but not limited to, the member's housing CPS and Annual Action Plan.
- ii. Providing to the Lead Entity with a written description(s) of the member's HOME program(s) prior to contracting with another entity to deliver the program(s). Lead Entity retains final approval and contracting authority. Written descriptions must include:
  - copies of program description;
  - listing of responsible staff for each step in the delivery of the program;
  - methods of affirmative marketing;
  - methods of procurement;
  - steps taken and standards imposed for the application and review process leading to the award of funds;
  - utilization of Consortium-approved forms, policies, and procedures.
- iii. Affirmatively furthering fair housing in the Member's jurisdiction. Such actions may include planning, education, outreach, and enforcement activities.
- iv. Preparing and submitting quarterly and annual performance reports regarding HOME activities.
- v. Preparing and submitting quarterly billing by the 15<sup>th</sup> of April, July, and October, with the final quarter submission due by January 15<sup>th</sup>.
- vi. Preparing and submitting other documents as required by separate HOME written agreements governing the relationship between the Lead Entity and members acting as Subrecipient Administrators.

d. **Allocation of HOME Funds.** HOME funds will be allocated between the Members in the following manner:

- i. The HOME regulations under 24 CFR 92 allow for 10% of the annual HOME allocation to be used for eligible administration and planning costs. The Lead Entity is entitled to this 10% allocation.
- ii. Each member city shall utilize its program income to cover administrative costs. If a member city depletes its program income, has unmet administrative expenses, and the 10% entitlement allocation has funds remaining at year-end, the city may submit a request to the consortium to cover the shortfall.

The consortium will vote on the request, requiring a two-third (2/3) majority for approval.

- If the request is approved, the remaining 10% allocation will be used to cover the city's administrative expenses.
  - If the request is denied, the member city is responsible for covering its own administrative costs.
- iii. Fifteen percent (15%) of the overall allocation will remain with the Lead Entity to be utilized for CHDO Set-Aside activities. CHDO projects will be identified by Members on a rotating basis, as described in Section 4.f. below.
  - iv. A minimum of \$30,000 of the yearly allocation shall be awarded for homebuyer assistance. The remaining allocation shall be for Tenant-Based Rental Assistance (TBRA), creation of affordable housing, and/or rehabilitation. These funds shall be divided equally among members. Each member is entitled to plan for the expenditures of funds in an amount equal to their share of the HOME grant award, as is determined during each fiscal year of this agreement and identified in the Annual Action Plan. If desired and applicable, the cities of Kennewick and Pasco may serve as Subrecipient Administrators to the Lead Entity to oversee investment of their respective portion of HOME funds.
  - v. When one or more Members has \$100,000 or more in unspent uncommitted homebuyer assistance funds and/or returned program income, said funds may be used for affordable housing, including direct rental assistance through Tenant-Based Rental Assistance (TBRA) or HOME rehabilitation. Members will work together to identify potential rental development projects to be undertaken by a qualified housing organization, including but not limited to a Public Housing Authority (PHA), who shall serve as either sponsor, owner or developer. Projects will be reviewed and selected based on developer financial capacity, experience, project feasibility, readiness to proceed, and community impact. Members will aim to rotate the city location of projects when possible, and/or INFILL Homebuyer development with member majority rules for the project location. After members identify affordable housing

project(s), Lead Entity will act as project manager, and shall perform required administrative duties to assess, approve, and fund projects.

- e. **Funding Timelines.** Any HOME funds set aside for a member and not committed to a project within 18 months or expended within 24 months of the award of HOME funds to the Tri-Cities HOME Consortium, will be made available to other projects across the Consortium. Reallocation will be executed by the Lead Entity with written notification of affected member(s). Members are aware that if funds are not committed and expended according to effective HUD deadlines, that HUD will recapture the funds. Such a recapture will reduce the availability of funds for that individual member by the amount determined by HUD to be in non-compliance.
- f. **CHDO Set Aside.** Fifteen percent (15%) or more of the overall allocation will remain with Lead Entity to be utilized for CHDO Set-Aside activities. Members will work together to identify CHDO projects, and funding will be based primarily on community impact, developer capacity, project feasibility, and readiness to proceed. Members will aim to rotate the location of CHDO projects when possible. After members identify CHDO project(s), the Lead Entity will perform required administrative duties to assess, approve, and fund projects.
- g. **Program Income.** Program income must be remitted to the Lead Entity within thirty (30) days of receipt. HOME Program Income, as defined in federal regulations, that is generated by a member shall be added to the amount of HOME funds constituting the member's share as defined in Section 4.d.iii herein and the approved Annual Action Plan. At the Member's option, the allowable percentage of program income may be used by the individual member to be applied towards eligible and allowable administrative costs incurred by the member. Each member acting as a Subrecipient Administrator will be responsible for providing Lead Entity with a recap of expenditures, and other documentation as may be requested by Lead Entity, within thirty (30) days and will submit to the Lead Entity any interest earned on the retained HOME dollars.
- h. **Administrative Costs.** Each Member will be independently responsible for any administrative costs each incurs associated with 1) development and implementation of the CPS; 2) the annual re-examination of needs prior to setting each year's Action Plan; and 3) the awarding of HOME Program funds to sub-recipients, CHDOs, and/or other developers.
- i. **HOME Match.** Each member is responsible for tracking and reporting HOME Match for the projects they fund, implement, and/or oversee. Should the Consortium's accrued match balance fall below one full year's match obligation, each member shall be responsible for generating the required match based on its share of HOME funds. If the match cannot be supplied by the member responsible, then HOME funds and associated match obligation may be transferred to another member by the Lead Entity. If a member fails to supply



sufficient match, its share of HOME funding may be reduced commensurate with the match deficiency, as delineated in any related Subrecipient Agreements.

- j. **Repayment of HOME Funds.** Lead Entity has the responsibility to repay any HOME funds to the HOME Investment Trust Account that HUD determines were not used in accordance with the HOME regulations. To the extent a member acting as Subrecipient Administrator was the entity that did not use the funds in compliance with regulations, then upon the repayment of funds by the Lead Entity, the member responsible for the non-compliance will immediately reimburse the Lead Entity. To the extent that a sub-recipient or CHDO with the entity did not use the funds in compliance with regulations, then the sub-recipient will be responsible for reimbursing the Lead Entity.

Should any member fail to meet any of the obligations or exceed any of the limitations described herein or as provided in written agreements, and should such failure jeopardize compliance of the Consortium as a whole, the Lead Entity has final control over re-distribution of funds among members in order to ensure that all grant requirements are met.

- k. **Reporting and Records.** Each member agrees to immediately make available to the Lead Entity upon request all records and access concerning the activities carried out under this Agreement for inspection by the Lead Entity, State, or Federal Officials.
- l. **Expiration.** Upon termination of this Agreement as provided in Section 6.a., the balance of funds which have not been committed will be returned to HUD for reallocation. Committed but incomplete projects and activities will be completed by the respective member who, acting as a Subrecipient Administrator, initiated such project or activity.
- m. **Long-Term HOME Requirements.** Members acknowledge they each may have obligations to abide by HOME requirements throughout a project's long-term period of affordability that may extend beyond the termination of this Interlocal Agreement. The Lead Entity is responsible for long-term requirements per HOME regulations, and Subrecipient Administrators will be responsible as delineated in their individual HOME written agreements with the Lead Entity.

## SECTION 5: DISTRIBUTION OF FUNDS

The Lead Entity shall issue a Notification of Fund Availability (NOFA) indicating the amount of funds available to each Member no later than thirty (30) calendar days from notification by HUD that HOME funds have been awarded to the Consortium. An activity shall be considered eligible if it conforms to the requirements of Title 24 CFR Part 92.

## SECTION 6: TERM OF THE COOPERATIVE AGREEMENT

- a. The members agree that the term of this Interlocal Agreement is the length of time necessary to carry out all activities that will be funded from funds awarded for blocks of three (3) federal fiscal years. The program year start date for the Consortium is January 1.
- b. All members will remain members of the Tri-Cities HOME Consortium for the entire period of any term of this Agreement.
- c. This Agreement shall automatically renew for participation in successive three-year qualification periods/terms per Section 2.e herein unless terminated by written agreement of all members.

## **SECTION 7: ADMINISTRATIVE FEES**

The HOME Consortium will retain ten (10) percent of the grant, or the maximum allowed by the program regulations for administration and management of the HOME program. The Lead Entity will oversee an annual process to budget administrative fees. Only costs associated with the management and administration of the HOME program may be charged against HOME administrative allocations. Program income generated by other member programs will not be included in the 10% calculation unless agreed upon by the respective member(s).

- a. **Administrative Shortfalls.** Administrative shortfalls by the Lead Entity shall be addressed annually. Member cities shall agree to split such shortfalls equally. Members may agree to utilize the 10% administrative funds generated by their program income to use toward administrative shortfalls experienced by the Lead Entity.
- b. **Negative Interest.** In the event that negative interest occurs as a result of the action(s) of a particular member, then that member is fully responsible for reimbursing the Lead Entity; PROVIDED, however, that if negative interest occurs that is not directly related to a single member's actions, then each member shall equally share in the cost of the negative interest. Note that negative interest earnings cannot be claimed as an administrative cost and must be reimbursed from non-federal funds.

## **SECTION 8: AMENDMENTS**

Amendment to this Interlocal Agreement for the Tri-City HOME Consortium shall be in writing and by unanimous agreement of the members. This includes an amendment to add new Consortium members. Members agree to jointly develop amendment language for approval by the legislative authority of each member.

## **SECTION 9: POSTING OF DOCUMENT**

Upon full execution of this Agreement and approval by HUD, this Agreement shall be posted on the Lead Entity's website for purposes of meeting the recording requirements of Ch. 39.34

RCW, the Interlocal Cooperation Act. Although a Member may choose to record this Agreement, recording with the Benton County Auditor's Office or Franklin County Auditor's Office is not required and in no way affects the validity of this Agreement or any amendments thereto.

#### **SECTION 10: NO SEPARATE LEGAL ENTITY**

No separate legal entity is created by the execution of this Interlocal Agreement. Title to real property, if applicable, will be held in the name of the respective member jurisdiction or the name of the Lead Entity.

*[Signature Page to Follow]*

**THE TRI-CITIES HOME CONSORTIUM**

Erin Erdman

Erin Erdman  
City Manager, Kennewick

August 29, 2025

Date

Harold L Stewart II

Harold L. Stewart II  
City Manager, Pasco

September 4, 2025

Date

Jon Amundson

Jon Amundson, ICMA-CM  
City Manager, Richland

September 4, 2025

Date

Approved as to form:

Heather Kintzley

Heather Kintzley, City Attorney  
City of Richland

Laurencio Sanguino

Laurencio Sanguino, City Attorney  
City of Kennewick

Eric Ferguson

Eric Ferguson, City Attorney  
City of Pasco

**RESOLUTION NO. 2025-113**

**A RESOLUTION OF THE CITY OF RICHLAND, WASHINGTON,  
RATIFYING THE INTERLOCAL COOPERATIVE AGREEMENT  
FOR THE TRI-CITIES HOME CONSORTIUM FOR PROGRAM  
YEARS 2026, 2027 AND 2028 UNDER THE NATIONAL AFFORDABLE  
HOUSING ACT.**

**WHEREAS**, the Tri-Cities HOME Consortium was originally formed in 1996 under the HOME Investments Partnership (HOME) Program to increase the level of HOME Program funds potentially available for use within the combined jurisdictions of Kennewick, Pasco and Richland, thereby increasing the combined ability of the three cities to assist in meeting the affordable housing needs of the regional population; and

**WHEREAS**, in 2021, Richland, Kennewick and Pasco (the “Members”) entered into an Amended and Restated Interlocal Cooperative Agreement for the purpose of incorporating changes previously agreed upon and to include Tenant-Based Rental Assistance (TBRA) (*see* Richland Contract No. 85-13); and

**WHEREAS**, the Members of the Tri-Cities HOME Consortium desire to execute a new Interlocal Cooperative Agreement for Program Years 2026, 2027 and 2028 that includes additional reporting and notice obligations for the Consortium’s Lead Entity; and

**WHEREAS**, all previously executed Interlocal Cooperative Agreements for the Tri-Cities HOME Consortium shall be superseded upon full execution of the Interlocal Cooperative Agreement for the Tri-Cities HOME Consortium for Program Years 2026, 2027 and 2028.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Richland that Richland City Manager Jon Amundson’s September 4, 2025 execution of the Tri-Cities HOME Consortium Interlocal Cooperative Agreement for Program Years 2026, 2027 and 2028 on behalf of the City of Richland as Lead Entity is hereby ratified.

**BE IT FURTHER RESOLVED** that this Resolution shall take effect immediately.

**ADOPTED** by the City Council of the City of Richland, Washington, at a regular meeting on the 16<sup>th</sup> day of September, 2025.



Theresa Richardson, Mayor

Attest:

  
Jennifer Rogers, City Clerk

Approved as to Form:

  
Heather Kintzley, City Attorney