

**INTERLOCAL AGREEMENT  
BETWEEN  
THE CITY OF OLYMPIA AND THURSTON COUNTY  
FOR  
FUNDING OF QUINCE STREET TINY HOME VILLAGE OPERATIONS**

**THIS INTERLOCAL AGREEMENT** ("Agreement") is between the City of Olympia, a municipality organized under the laws of the State of Washington ("OLYMPIA"), and Thurston County, a Washington municipal corporation, ("COUNTY"), jointly referred to herein as "the Parties," or singularly as a "Party."

**RECITALS**

**WHEREAS**, RCW 39.34.010 permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and

**WHEREAS**, pursuant to RCW 39.34.080, each party is authorized to contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform; provided, that such contract shall be authorized by the governing body of each party to the contract and shall set forth its purposes, powers, rights, objectives and responsibilities of the contracting parties; and

**WHEREAS**, unsheltered and unmanaged homelessness constitutes a public health emergency that requires OLYMPIA and the COUNTY to coordinate their resources and actions to work together to abate detrimental effects that threaten public health and safety; and

**WHEREAS**, neither OLYMPIA nor the COUNTY have sufficient resources to address the ongoing impacts or needs of unsheltered homelessness without mutual cooperation; and

**WHEREAS**, on March 2, 2022, OLYMPIA and the COUNTY entered into an Interlocal Agreement for sharing costs of acquisition, planning, development and operations of property located at Franz Anderson Road, with the intent of addressing vehicle camping that was occurring along Ensign Road; and

**WHEREAS**, on or about July 1, 2023, OLYMPIA received a grant from the Washington State Department of Commerce to develop the Franz Anderson Road property for emergency housing for persons living along the State's right-of-way in Thurston County under the Governor's Right of Way Initiative; and

**WHEREAS**, OLYMPIA created and implemented a tiny house village on city-owned property located on Quince Steet known as Quince Street Village as temporary housing for persons residing in vehicles along Ensign Road and to relocate individuals living at OLYMPIA's downtown mitigation site; and

**WHEREAS**, Quince Street Village is a regional asset for those experiencing homelessness in Thurston County that accepts residents through the Coordinated Entry system that is used to prioritize persons experiencing homelessness throughout all of Thurston County; and

**WHEREAS**, costs of operating Quince Street Village are roughly \$1.4 million annually; and

**WHEREAS**, on December 19, 2022, OLYMPIA and the COUNTY entered into an Interlocal Agreement to combine the OLYMPIA and COUNTY Home fund resources, which was a primary revenue source for funding the operations of Quince Street Village that is no longer fully available to OLYMPIA; and

**WHEREAS**, OLYMPIA working with the Regional Housing Council has developed a plan for sustaining funding for Quince Street Village for two to three years through a combination of regional funding, funding from the Right-of-Way Initiative, funding from Thurston County under this Agreement, and funding from OLYMPIA; and

**WHEREAS**, in March 2021, the American Rescue Plan Act of 2021 (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to provide State, local, and Tribal Governments with the resources needed to respond to the pandemic and its economic effects; and

**WHEREAS**, local governments may transfer SLFRF funds to each other provided the entity receiving the funds agrees to certain conditions applicable to a subrecipient; and

**WHEREAS**, COUNTY identified \$600,000 of SLFRF funding to support operations at Quince Street Village;

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, OLYMPIA and the COUNTY agree as follows:

**1. Purpose/Objective**

The purpose of this Agreement is for COUNTY to provide \$600,000 of SLFRF funding to OLYMPIA to support the operations of Quince Street Village for one year to provide temporary housing and shelter to persons experiencing homelessness in Thurston County.

**2. Scope of Agreement/Work**

The responsibilities of OLYMPIA and the COUNTY are as follows:

A. OLYMPIA will contract for the operations of Quince Street Village and oversee the work of the selected provider. Quince Street Village will operate as a low-barrier, non-congregate shelter that utilizes Coordinated Entry as its primary method of resident placement and selection. Placements under procedures established through the Right-of-Way Initiative may be used for beds funded by this Initiative.

B. OLYMPIA shall perform the following:

- Develop and implement a funding strategy to obtain operational funding for Quince Street Village through June 2025 or until plans to develop permanent housing on the property are realized.
  - Approve funding draws submitted by the operator for the Project;
  - Prioritize SLFRF funds to be drawn prior to other funds to ensure compliance with the associated expenditure deadline, as communicated in the Interim Rule or as amended;
  - Monitor the Project to ensure the Project is in compliance with SLFRF and other requirements;
- C. COUNTY shall facilitate the transfer of funds intended for the operations of the Project to OLYMPIA, on a reimbursement basis.
- D. COUNTY will contribute \$600,000 toward the operations of Quince Street Village from January 1, 2024, through December 31, 2024.
- E. COUNTY and OLYMPIA will support funding requests through the Regional Housing Council for up to one-third of the operating costs of Quince Street Village beginning in 2025.
- F. The Parties agree the future long-term purpose of the Property is for a permanent supportive low-income housing facility or an affordable housing development.
- G. Each Party to this Agreement is responsible for paying the full cost of its respective staff members to support this project.
- H. OLYMPIA, as a recipient of SLFRF funds from the COUNTY, agrees to comply with the conditions, that are attached and incorporated herein by reference as Exhibit "A." The Final Rule, Treasury FAQs, and other Treasury guidance related to the award of funds herein is hereby incorporated by reference into this Agreement.
- I. Each Party shall also support the other with technical assistance and support for grant funding through state and federal sources.

### **3. Method of Payment**

- A. OLYMPIA will invoice COUNTY monthly for the costs associated with operation of the Quince Street Village as may be agreed to by the Parties.
- B. Upon completion of the work set forth in the invoice, payment will be made by COUNTY to OLYMPIA within thirty (30) days of receipt of an invoice from OLYMPIA

### **4. Indemnification & Insurance**

- A. The COUNTY agrees to defend, indemnify and hold OLYMPIA, its officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits including reasonable attorney fees, arising out of or in connection with the

COUNTY's performance of the Agreement, except to the extent such injuries and damages are caused by the negligence of OLYMPIA.

- B. OLYMPIA agrees to defend, indemnify and hold the COUNTY, its officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits including reasonable attorney fees, arising out of or in connection with OLYMPIA's performance of this Agreement, except to the extent such injuries and damages are caused by the negligence of the COUNTY.
- C. Further, each Party shall maintain a policy or policies of insurance (or a self-insurance program), sufficient in coverage and amount to pay any judgments or related expenses from or in conjunction with any such claims.

**5. Duration of Agreement**

This Agreement shall be effective until December 31, 2024, or in the manner described under the termination section of this Agreement.

**6. Termination of Agreement**

This Agreement may be terminated upon ninety (90) days' written notice to the other Party using the method of notice provided for in this Agreement in Section 11 below.

**7. Entire Agreement**

This Agreement sets forth all terms and conditions agreed upon by OLYMPIA and the COUNTY, and supersedes any and all prior agreements, oral or otherwise, with respect to the subject matter addressed herein.

**8. Counterparts**

This Agreement may be executed in a number of identical counterparts which, taken together, constitute collectively one Agreement; but in making proof of this Agreement, it is not necessary to produce or account for more than one such counterpart. Additionally, (i) the signature pages taken from separate individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (ii) a facsimile signature or an electronically scanned signature, or an electronic or digital signature where permitted by law, shall be deemed to be an original signature for all purposes. All executed counterparts of this Agreement are originals, but all such counterparts, when taken together, constitute one and the same Agreement.

**9. Posting or Recording**

Prior to its entry into force, this Agreement shall be posted upon the websites of the Parties or other electronically retrievable public source or filed with the Thurston County Auditor's Office or as required by RCW 39.34.040.

**10. Employment Relationship**

Employees of each Party shall remain at all times under the direction and control of their original agency and the performance of work for any other agency pursuant to this Agreement shall not change that relationship for any purpose. Neither Party shall be deemed to have agreed to pay the other agency's employees any wages or benefits afforded to its own employees. Further, each Party's responsibilities to its own employees for workplace injuries shall remain unchanged by this Agreement.

**11. Notice/Contract Representative**

Any notice required under this Agreement shall be to the party at the address listed below and shall become effective three days following the date of deposit in the United States Postal Service.

CITY OF OLYMPIA

Attn: Darian Lightfoot, Director of Housing and Homeless Response  
City of Olympia  
PO Box 1967  
Olympia, WA 98507-1967  
[dlightfo@ci.olympia.wa.us](mailto:dlightfo@ci.olympia.wa.us)  
360.753.8033

THURSTON COUNTY

Attn: Thomas Webster  
Thurston County  
412 Lilly Road  
Olympia, WA 98506  
[Thomas.webster@co.thurston.wa.us](mailto:Thomas.webster@co.thurston.wa.us)  
360.280.6265

**12. Records**

Each party shall maintain its own public records and shall be solely responsible for responding to records requests received about the subject matter of this interlocal agreement. Any public records request addressed to the Parties as if this interlocal created a separate legal entity, shall be deemed to be a request received by each member individually. Each member shall respond separately, unless agreed to otherwise in writing and properly documented.

**13. Jurisdiction and Venue**

This Agreement shall be governed by the laws of the State of Washington as to interpretation and performance. The parties hereby agree that venue for enforcement of this Agreement shall be in the Superior Court of Washington for Thurston County.

**14. Effective Date**

This Agreement shall take effect as of the date of filing or posting as required by RCW 39.34.040 or upon the final signature date affixed hereto, whichever occurs first.

**15. Modification**

This Agreement may only be changed, amended, or modified, if in writing, and executed by each of the Parties hereto.

<b>CITY OF OLYMPIA</b>	<b>THURSTON COUNTY</b>
_____ Steven J. Burney, City Manager	_____ Robin Campbell, Interim County Manager
Date: _____	Date: _____
Approved as to form:	Approved as to form:
<b>Mark Barber</b> _____ Mark Barber, City Attorney	_____ Elizabeth Petrich, Chief Civil Deputy Prosecuting Attorney

**EXHIBIT “A”**  
**SLFRF CONDITIONS**

This agreement includes a transfer of American Recovery Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) from Thurston County to the City of Olympia. In accordance with the US Department of the Treasury Final Rule, dated January 27, 2022, the City of Olympia (OLYMPIA) is designated as a subrecipient, and payments made by Thurston County (COUNTY) will be using SLFRF funds as subawards.

**Federal Award Identification:**

American Recovery Plan Act (ARPA) Coronavirus State and Local Fiscal Relief Fund (SLFRF),  
Assistance Listing 21.027

Subrecipient: City of Olympia, Washington

Subrecipient Unique Entity Identifier: Olympia UEI # YGAHKBHB8B43

Federal Award Identification Number:

Federal Award Date: March 3, 2021

Subaward Period of Performance: December 15, 2021 - December 31, 2024

Subaward Budget Period: December 15, 2021 - December 31, 2024

Amount of SLFRF Obligated for operations of the project: \$600,000

Total SLFRF Funds Obligated to this subrecipient as of February 15, 2021: \$0

Total Federal Funds Obligated to this subrecipient as of February 15, 2022: \$0

Federal Awarding Agency: U.S. Department of Treasury

Recipient (pass-thru entity): Thurston County

Recipient Awarding Official:

Robin Campbell, Interim County Manager

360-709-3063

[campber@co.thurston.wa.us](mailto:campber@co.thurston.wa.us)

**Indirect Cost Rate:**

No indirect costs will be charged for this project.

**Subrecipient Requirements:**

The project funded under this Agreement is the operation of property to provide shelter housing to homeless individuals as described in the Interlocal Agreement. This activity is eligible under the SLFRF Final Rule “Development, repair, and operation of affordable housing and services or programs to increase long-term housing security.”

This program is intended to benefit low income households, a group US Department of the Treasury presumes as disproportionately impacted by the pandemic. In operating this site, the subrecipient must ensure users of this site meet the US Treasury definition of low income. Each calendar quarter, OLYMPIA shall provide all required information to enable COUNTY to meet reporting requirements of the SLFRF as directed by US Department of the Treasury.

OLYMPIA is a local government municipality subject to the Federal Single Audit Act and audited regularly by the Washington State Auditor's Office. COUNTY shall conduct a risk assessment of OLYMPIA and the COUNTY shall develop a Monitoring Plan based on the risk assessment determination.

By signing this agreement, OLYMPIA is confirming that they are not suspended, disbarred, or otherwise excluded from participation in federal assistance.

OLYMPIA shall maintain effective internal controls to provide reasonable assurance the federal award is managed in accordance with applicable rules and regulations. Federal funds shall not be used as cost sharing or to meet matching requirements of other federal awards.

OLYMPIA shall submit to the COUNTY an annual report of the status of real property acquired using federal funds under this Agreement.

OLYMPIA must make available upon request of the COUNTY or an auditor all records, personnel, and financial statements as necessary to meet monitoring requirements.

OLYMPIA shall provide COUNTY an opportunity to review all contracts and sub-awards, prior to execution, for the purpose of ensuring SLFRF compliance and alignment with overall project goals. Financial records, supporting documents and all other records relating to the Interlocal Agreement must be retained for five (5) years following the final disposition of the Franz Anderson property. No expenditures of SLFRF costs shall be incurred after December 31, 2024, unless the cost is allowable under the terms of this agreement including any amendments signed by both parties, SLFRF funding is available, the award period in the agreement is extended, and an obligation is authorized by COUNTY.

At the end of the Interlocal Agreement, all reports required for close-out of the award will be provided by OLYMPIA no later than 90 days following the end date of performance. Costs paid with federal funds must be allowable and allocable in accordance with 2 CFR 200 Subpart E.

**Cost Principles:**

All SLFRF funds pooled as part of this agreement and must comply with 2 CFR 200, in its entirety, unless specifically exempted by the U.S. Department of Treasury. This agreement is subject to termination in the event of non-compliance with the terms of this agreement. If the agreement is terminated, COUNTY will provide a written notice of the reason for the termination, the effective date of the termination and the portion to be terminated. Prior to termination, COUNTY and OLYMPIA will come to an agreement of any settlement due to OLYMPIA for services provided.

**Additional regulations that apply to this award, without limitation, include:**

- SLFRF Final Rule, 31 CFR Part 35, and SLFRF Frequently Asked Questions issued by the U.S. Department of Treasury are hereby incorporated by reference.
- Universal Identifier and System for Award Management (SAM), 2 CFR Part 25, pursuant to which the award term set forth in Appendix A to 2 CFR Part 25 is hereby incorporated by reference.
- Reporting Subaward and Executive Compensation Information, 2 CFR Part 170, pursuant to which the award term set forth in Appendix A to 2 CFR Part 170 is hereby incorporated by reference.
- OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement), 2 CFR Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 CFR. Part 180,



subpart B) that the award is subject to 2 CFR Part 180 and Treasury's implementing regulation at 31 CFR Part 19. 3 9. b. v. vi. vii, viii. ix. c. i. ii. iii. iv. v. 10. 11. 12. 13. 14. a. b. 15.

- Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 CFR Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
- Governmentwide Requirements for Drug-Free Workplace, 31 CFR Part 20.
- New Restrictions on Lobbying, 31 CFR Part 21. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 USC §§ 4601-4655) and implementing regulations.
- Hatch Act (5 USC §§ 1501 - 1508 and 7324 - 7328), which limits certain political activities of state or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.
- Protections for Whistleblowers (41 USC §§ 4712).
- The subrecipient shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 USC § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this agreement. Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 USC § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.
- Any publications produced with funds from this award must display the following language: "This project is supported, in whole or in part, by federal award under assistance listing number 21.027 awarded to Thurston County by the US Department of the Treasury."
- Clean Air Act and the Federal Water Pollution Control Act – 2 C.F.R. Part 200, Appendix II (G); 42 U.S.C. §§ 7401-7671q.; 33 U.S.C. §§ 1251-1387.
- Federal Water Pollution Control Act.
- Conflict of Interest and Code of Conduct.
- Treasury labor standards described in the Final Rule on p. 56: project labor agreements, wages at or above prevailing rate, local hire provisions, etc.
- The Final Rule, p. 56, requirements of 2 C.F.R. 200 Appendix II to capital expenditure over \$100,000 with a contract involving employment of mechanics or laborers.
- Termination for Cause and for Convenience.
- Equal employment opportunity.
- Davis-Bacon Act.
- The Final Rule, p. 56, regarding compliance with Contract Work Hours and Safety Standards Act, 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations, 29 C.F.R. Part 5.