

COVID RECOVERY PROGRAM – CITY OF YAKIMA
Pursuant to 2 CFR 200.332(a)(1) Federal Award Identification

(i) Agency Name (must match the name associated with its unique entity identifier)		(ii) Unique Entity Identifier (i.e., DUNS) 36-4659738	City of Yakima Number for This Agreement 12239P
(iii) Federal Award Identification Number (FAIN) CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS, CFDA 21.027	(iv) Federal Award Date	(v) Federal Period of Performance Start and End Date March 3, 2021 – December 31, 2026	(vi) Federal Budget Period Start and End Date
(vii) Amount of Federal Funds Obligated to the agency by this action: \$667,000	(viii) Total Amount of Federal Funds Obligated to the agency \$667,000.	(ix) Total Amount of the Federal Award Committed to the agency \$667,000.	
(x) Federal Award Project Description: CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS– CITY OF YAKIMA			
(xi) Federal Awarding Agency : DEPARTMENT OF THE TREASURY	Pass-Through Entity: CITY OF YAKIMA	Awarding Official Name and Contact Information: Jennifer Ferrer-Santa Ines Director of Finance & Budget Jennifer.ferrer@yakimawa.gov	
(xii) Assistance Listing CFDA Number and Name (the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement) 21.027 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS			(xiii) Identification of Whether the Award is R&D No.
(xiv) Indirect Cost Rate for the Federal Award N/A	Award Payment Method (lump sum payment or reimbursement) REIMBURSEMENT		Is the Agency a Subrecipient for the Purposes of This Agreement? *** YES

***The term “Contractor” shall refer to a contractor or subrecipient, as determined in the City’s sole discretion and referenced in the FAIN table cover page.

PASS-THRU ENTITY NAME	CITY OF YAKIMA	RECIPIENT	ROD'S HOUSE
Name:	Jennifer Ferrer-Santa Ines	Name:	Brian Ahern
Title:	Director of Finance & Budget	Title:	Acting Executive Director
Signature:		Signature:	
Date:		Date:	

If you require accommodation to access this form, alternate formats are available upon request

AGREEMENT

Contractor ROD'S HOUSE
Project Title CBD CENTRAL BUSINESS DISTRICT HOUSING DEVELOPMENT PROJECT
Contract Amount \$ SIX HUNDRED SIXTY- SEVEN THOUSAND AND 0/100 DOLLARS
(\$667,000)
Contract Period From: April 4, 2023 To July 31, 2024
DUNS No. (if applicable) 36-4659738 SAM No. (if applicable) RQWBJL5VBBU9

THIS AGREEMENT No. 12239P ("Contract") is entered into by the CITY OF YAKIMA (the "City"), and ROD'S HOUSE (the "Contractor") whose address is 204 S Naches Ave., Yakima, WA 98901.

FUNDING SOURCES	FUNDING LEVELS	EFFECTIVE DATES
Coronavirus State and Local Fiscal Recovery Funds(SLFRF)	See Contract Amount above	See Contract Period above

WHEREAS, the City has been advised that the foregoing are the current funding sources, funding levels and effective dates, and

WHEREAS, the City desires to have certain services performed by the Contractor as described in this Contract, specifically the construction of transitional housing for young adults experiencing homelessness by the Contractor, as more specifically outlined in the scope of work,

NOW THEREFORE, in consideration of payments, covenants, and agreements hereinafter mentioned, to be made and performed by the parties hereto, the parties mutually agree as follows:

1. Contractor understands and agrees that funds provided under this Contract may come from a federal source and agrees to comply with any and all additional applicable terms. In general, federal-specific terms are in italics.

- A. **Contractor Capacity.** *Contractor agrees and confirms that it has the institutional, managerial and financial capacity to ensure proper planning, management and completion of the CBD Central Business District (CBD) Housing Development Project proposed in the Scope of Work.*
- B. **Technical Assistance.** *If, at any time, Contractor believes its capacity is compromised or Contractor otherwise needs any sort of assistance, it SHALL immediately notify the City. The City will make best efforts to provide timely technical assistance to the Contractor to bring the Contract into compliance.*
- C. **Compliance with Act.** *Contractor understands and agrees that funds provided under this Contract may only be used in compliance with section 603(c) of the Social Security Act (the Act), as added by section 9901 of the American Rescue Plan Act, the U.S. Department of Treasury's ("Treasury's") regulations implementing that section, and guidance issued by Treasury regarding the foregoing.*

D. Definitions.

Words and terms shall be given their ordinary and usual meanings. Where used in the Contract documents, the following words and terms shall have the meanings indicated. The meanings shall be applicable to the singular, plural, masculine, feminine and neuter of the words and terms.

ACCEPTANCE OR ACCEPTED -	A written determination by the City that the Contractor has completed the Work in accordance with the Contract.
CONTRACT AMENDMENT -	A written change to the Contract modifying, deleting or adding to the terms and conditions or Scope of Work, signed by both parties, with or without notice to the sureties.
CONTRACTOR -	The individual, association, partnership, firm, company, corporation, or combination thereof, including joint ventures, contracting with the City for the performance of Work under the Contract.
CONTRACT SPECIALIST -	Yakima City Employee who interfaces with team members, business owners, contractors, project staff and others to assist in the administration of the City's contracts.
DAY -	Calendar day.
YMC -	The Yakima Municipal Code.
MEASURABLE AMOUNT OF WORK -	A definitive allocation of an employee's time that can be attributed to Work performed under this Contract, but that is not less than a total of one hour in any one-week period.
PERSON -	Includes individuals, associations, firms, companies, corporations, partnerships, or combination thereof, including joint ventures.
PROJECT MANAGER -	The individual designated by the City to manage the project on a daily basis and who may represent the City for Contract administration. The Project Manager may also be the Contract Specialist.
RCW -	The Revised Code of Washington.
SCOPE OF WORK (SOW) -	An exhibit to the Contract consisting of a written description of the Work to be performed.
SUBCONTRACTOR -	The individual, association, partnership, firm, company, corporation, or combination thereof, including joint ventures, entering into an agreement with the Contractor to perform any portion of the Work covered by this Contract.
SUBRECIPIENT -	An entity that uses the awarded funds to carry out a program for a public purpose specified in the authorizing statute or ordinance, as opposed to providing goods or services for the benefit of the City.
WORK -	Everything to be provided and done for the fulfillment of the Contract and shall include services, goods and supplies specified

	under this Contract, including Contract Amendments.
ADMINISTRATOR -	The Finance Director.
Small Contractor or Supplier or “(SCS)” -	A business and the person or persons who own and control it that are in a financial condition which puts the business at a substantial disadvantage in attempting to compete for public contracts. The relevant financial condition for eligibility under the Contracting Opportunities Program is based on a dollar ceiling for standard business classifications that is set at fifty percent (50%) of the Federal Small Business Administration (SBA) small business size standards using the North American Industrial Classification System (NAICS), and an Owners' personal net worth less than \$1,320,000 dollars.

2. **Contract Services and Requirements, and Incorporated Exhibits.**

The Contractor shall provide services and meet the requirements included in this Contract and in the following attached exhibits, each of which is incorporated herein by this reference as if fully set forth herein:

EXHIBIT NAME	NUMBER/LETTER
Scope of Work	A
Price Attachment	B
Contractor's Proposal	C
Civil Rights Certification	D
Lobbying Certification	E
Cost Certification	F
Written Justification for Use of ARPA Funds	G
Recipient Agreement: US Treasury and City of Yakima	H
RFP Specifications	I

- A. **Scope of Eligible Expenditures.** *Funds shall only be used to reimburse eligible expenditures as described in Exhibit A. No funds may be used to pay or reimburse expenditures reimbursed under any other federal or state program, or from any other third-party source.*
- B. **Contractor Responsibilities.** *The funds provided under the Contract may come from a federal source. Contractor agrees to administer the Contract consistent with the terms and conditions of this Contract, in accordance with section 603(c) of the Act, the Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing, as well as any other applicable federal laws and regulations. As part of the invoicing process, the Contractor shall provide the City with a "Cost Certification" that funding of this Contract was used for eligible expenditures. Contractor shall also provide the City with a "Civil Rights Certification" prior to payment for work authorized by this Contract.*

C. **Reporting.** Contractor shall provide the City with the following reports **in a timely manner:**

i. ***Monthly / Quarterly Expenditure Report by the 10th of month following expenditure to facilitate required quarterly City reporting.***

ii. ***Payment Request Report***

iii. ***Closeout Report***

3. **Contract Term.**

A. This Contract shall begin on April 4, 2023, and shall terminate on July 31, 2024, unless extended or terminated earlier, pursuant to the terms and conditions of the Contract. All funds must be expended during the term of the contract.

B. This Contract may be extended through December 31, 2026 in one year increments upon agreement of the parties. The City may withhold agreement to extend the Contract for any reason or no reason at all. No change in terms and conditions will be permitted during these extensions unless specifically agreed to in writing.

4. **Compensation and Method of Payment.**

A. **Compensation:**

The City shall compensate the Contractor via reimbursement for satisfactory completion of the services and requirements as specified in this Contract and its attached exhibit(s).

B. **Invoicing:**

The Contractor shall submit invoices for reimbursement and all accompanying reports as specified in the attached exhibit(s), including its final invoice and all outstanding reports. The City shall endeavor to make payment not more than 30 days after a complete and accurate invoice is received.

C. **Final Invoice:**

The Contractor shall submit its final invoice for reimbursement and all outstanding reports as specified in this contract and its attached exhibit(s). If the Contractor's final invoice and reports are not submitted as required, the City will be relieved of all liability for payment to the Contractor of the amounts set forth in the final invoice or any later invoice.

D. **Reimbursement for Travel:**

The Contractor will not be reimbursed for travel unless otherwise specified within an Exhibit.

5. **Internal Control and Accounting System.**

The Contractor shall establish and maintain a system of accounting and internal controls that complies with the generally accepted accounting principles issued by the Financial Accounting Standards Board (FASB), the Governmental Accounting Standards Board (GASB), or both as is applicable to the Contractor's form of doing business.

6. Debarment and Suspension Certification.

If this Contract is a covered transaction for purposes of federally funded grant requirements, the Contractor is required to verify that none of the Contractor, its principals, as defined at 49 CFR 29.995, or affiliates, as defined at 49 CFR 29.905, are excluded or disqualified as defined at 49 CFR 29.940 and 29.945. The Contractor is required to comply with 49 CFR 29, Subpart C and must include the requirement to comply with 49 CFR 29, Subpart C in any lower tier covered transaction it enters into. Debarment status may be verified at <https://www.sam.gov> By signing and submitting this Contract, the Contractor certifies as follows:

The certification in this clause is a material representation of fact relied upon by the City of Yakima. If it is later determined that the Contractor knowingly rendered an erroneous certification, in addition to remedies available to the City of Yakima, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The Contractor agrees to comply with the requirements of 49 CFR 29, Subpart C while performing this Contract and further agrees to include a provision requiring such compliance in its lower tier covered transactions.

7. Maintenance of Records.

A. Accounts and Records:

- i. Contractor shall maintain ALL (100%) records and financial documents sufficient to evidence compliance with section 603(c) of the Act, Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing. These records shall be maintained for a period of six (6) years after the last date that all funds have been expended or returned to the City, whichever is later, to ensure proper accounting for all funds and compliance with the Contract.
- ii. The Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, shall have the right of access to records (electronic and otherwise) of Contractor in order to conduct audits or other investigations.
- iii. The Contractor shall maintain for a period of six years after termination of this Contract accounts and records, including personnel, property, financial, and programmatic records and other such records the City may deem necessary to ensure proper accounting and compliance with this Contract.

B. Nondiscrimination and Equal Employment Records:

In accordance with the nondiscrimination and equal employment opportunity requirements set forth in Section 24, Nondiscrimination and Payment of a Living Wage below, the Contractor shall maintain the following for a period of six years after termination of this Contract:

- i. Records of employment, employment advertisements, application forms, and other data, records and information related to employment, applications for employment or the administration or delivery of services or any other benefits under this Contract; and
- ii. Records, including written quotes, bids, estimates or proposals, submitted to the

Contractor by all entities seeking to participate in this Contract, and any other information necessary to document the actual use of and payments to subcontractors and suppliers in this Contract, including employment records.

The City may visit the site of the work and the Contractor's office to review these records. The Contractor shall provide all help requested by the City during such visits and make the foregoing records available to the City for inspection and copying. At all reasonable times, the Contractor shall provide to the City, the state, and/or federal agencies or officials access to its facilities—including those of any subcontractor assigned any portion of this Contract in order to monitor and evaluate the services provided under this Contract. The City will give reasonable advance notice to the Contractor in the case of audits to be conducted by the City. The Contractor shall comply with all record keeping requirements of any applicable federal rules, regulations or statutes included or referenced in the contract documents. If different from the Contractor's address listed above, the Contractor shall inform the City in writing of the location of its books, records, documents, and other evidence for which review is sought, and shall notify the City in writing of any changes in location within 14 days of any such relocation.

8. Evaluations and Inspections.

A. Subject to Inspection, Review, or Audit:

The records and documents with respect to all matters covered by this Contract shall be subject at all time to inspection, review, or audit by the City and/or federal/state officials authorized by law during the performance of this Contract and for six years after termination hereof, unless a longer retention period is required by law.

B. Medical Records:

If applicable, medical records shall be maintained and preserved by the Contractor in accordance with state and federal medical records statutes, including but not limited to RCW [70.41.190](#), [70.02.160](#), and standard medical records practice. The Contractor shall also be responsible for the maintenance and disposal of such medical records.

C. Contract Monitoring

The Contractor and the City shall engage in monitoring visits to assess the Contractor's compliance with contract requirements, quality, and practices. The City will execute monitoring visits in accordance with the applicable frequency, as prescribed by the controlling Exhibit under this Contract. The Contractor shall cooperate with the City and its agents to assess the Contractor's performance under this Contract. At the request of the City, the Contractor shall implement a plan to remedy any items of noncompliance identified during the monitoring process.

The results and records of these processes shall be maintained and disclosed in accordance with [RCW Chapter 42.56](#).

D. Performance, Measurement and Evaluation

The Contractor shall submit performance metrics and program data as set forth in Exhibits to this Contract. The Contractor shall participate in evaluation activities as required by the City and shall make available all information required by any such

- performance measurement and evaluation processes.
- E. Unauthorized Disclosure:

The Contractor agrees that all information, records, and data collected in connection with this Contract shall be protected from unauthorized disclosure in accordance with applicable state and federal law.

9. Compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

The Contractor shall not use protected health information created or shared under this Contract in any manner that would constitute a violation of HIPAA and any regulations enacted pursuant to its provisions. Contractor shall read and maintain compliance with all HIPAA requirements at the U.S. Office of Civil Rights website: <https://www.hhs.gov/hipaa/index.html>

10. Financial Report Submission.

The Contractor is required to submit a financial reporting package as described in A through C below. All required documentation must be submitted by email to jennifer.ferrer@yakimawa.gov by the stated due date.

- A. If the Contractor is a Non-Federal entity as defined in 2 CFR Part 200.69, and expends \$750,000 or more in Federal awards during its fiscal year, then the Contractor shall meet the audit requirements in 2 CFR Part 200 Subpart F. Audit packages are due to the City within nine months after the close of the Contractor's fiscal year.
- B. If the Contractor is a local government in the State of Washington and is not subject to the requirements in subsection A, the Contractor shall submit audited financial statements that are in accordance with the Washington State Auditor's Office requirements. Financial statement audits are due to the City within 150 days after the close of the Contractor's fiscal year end as required by RCW 43.09.230.
- C. If the Contractor is not subject to the requirements in subsection A or B, the following apply:

Entity Type	Non-Profit		For Profit	
Gross Revenue	Gross Revenue Under <u>\$3M</u> on average in the previous three fiscal years.	Gross Revenue Over <u>\$3M</u> on average in the previous three fiscal years.	Gross Revenue Under <u>\$3M</u> on average in the previous three fiscal years.	Gross Revenue Over <u>\$3M</u> on average in the previous three fiscal years.
Required Documentation	- Form 990 within 30 days of its being filed; and - A full set of annual internal financial statements	Audited financial statements prepared by an independent Certified Public Accountant or Accounting Firm	- Income tax return; and - A full set of annual internal financial statements	Audited financial statements prepared by an independent Certified Public Accountant or Accounting Firm
Due Date	Within 30 calendar days	Within nine months following	Within 30 calendar days	Within nine months following

	from the forms being filed.	the close of the Contractor's fiscal year.	from the forms being filed.	the close of the Contractor's fiscal year.
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D. Waiver:

A Contractor that is not subject to the requirements in subsection A may, in extraordinary circumstances, request, and in the City's sole discretion be granted, a waiver of the audit requirements. Such requests are made to the City to Jennifer Ferrer Santa-Ines, jennifer.ferrer@yakimawa.gov for review. If approved by the City, the Contractor may substitute for the above requirements other forms of financial reporting or fiscal representation certified by the Contractor's Board of Directors, provided the Contractor meets the following criteria:

- i. Financial reporting and any associated management letter show no reportable conditions or internal control issues; and
- ii. There has been no turnover in key staff since the beginning of the period for which the financial reporting was completed.

11. Corrective Action.

If the City determines that the Contractor has failed to comply with any terms or conditions of this Contract, or the Contractor has failed to provide in any manner the work or services (each a "breach"), and if the City determines that the breach warrants corrective action, the following procedure will apply:

A. Written Notification:

The City will notify the Contractor in writing of the nature of the breach.

B. Contractor's Corrective Action Plan:

The Contractor shall respond with a written corrective action plan within fourteen days of its receipt of such notification unless the City, at its sole discretion, extends in writing the response time. The plan shall indicate the steps being taken to correct the specified breach and shall specify the proposed completion date for curing the breach. This date shall not be more 30 days from the date of the Contractor's response, unless the City, at its sole discretion, specifies in writing an extension to complete the corrective actions.

C. City's Determination of Corrective Action Plan Sufficiency:

The City will determine the sufficiency of the Contractor's proposed corrective action plan, then notify the Contractor in writing of that determination. The determination of sufficiency of the Contractor's corrective action plan shall be at the sole discretion of the City.

D. Termination or Suspension:

If the Contractor does not respond within the appropriate time with a corrective action plan, or the Contractor's corrective action plan is determined by the City to be insufficient, the City may terminate or suspend this Contract in whole or in part pursuant to Section 13.

E. Withholding Payment:

In addition, the City may withhold any payment to the Contractor or prohibit the Contractor from incurring additional obligations of funds until the City is satisfied that corrective action has been taken or completed.

F. Non-Waiver of Rights:

Nothing herein shall be deemed to affect or waive any rights the parties may have pursuant to Section 13, Subsections B, C, and D.

G. **Remedial Actions:** *In the event of Contractor's noncompliance with section 603(c) of the Act, Treasury's regulations implementing that section, guidance issued by Treasury regarding the foregoing, or any other applicable federal laws or regulations, Treasury may take available remedial actions as set forth in 2 C.F.R. 200.339.*

H. **Recoupment:**

- i. ***Contractor agrees that it is financially responsible for and will repay the City any and all indicated amounts following an audit exception which occurs due to Contractor's failure, for any reason, to comply with the terms of this Contract, federal, state or local law. This duty to repay the City shall not be diminished or extinguished by the termination of the Contract.***
- ii. ***In the event of a violation of section 603(c) of the Act, the funds shall be subject to recoupment by the City.***
- iii. ***Any funds paid to Contractor (1) in excess of the amount to which Contractor is authorized to retain under the terms of the Contract; (2) that are determined by the Treasury Office of Inspector General to have been misused; (3) are determined by Treasury to be subject to a repayment obligation pursuant to section 603(e) of the Act; or (4) are otherwise subject to recoupment by the City, and have not been repaid by Contractor to the City shall constitute a debt to the City.***
- iv. ***Any debts determined to be owed the City must be paid promptly by the Contractor. A debt is delinquent if it has not been paid by the date specified in the City's initial written demand for payment, unless other satisfactory arrangements have been made or if the City knowingly or improperly retains funds that are a debt. The City will take any actions available to it to collect such a debt.***
- v. ***Any violation of this contract or failure to complete the scope of work will result in the requirement of the Contractor to repay the City the funds granted herein.***

12. **Dispute Resolution.**

The parties shall use their best, good-faith efforts to cooperatively resolve disputes and problems that arise in connection with this Contract. Both parties will make a good faith effort to continue without delay to carry out their respective responsibilities under this Contract while attempting to resolve the dispute under this section.

13. **Termination.**

A. Termination for Convenience:

This Contract may be terminated by the City without cause, in whole or in part, at any time during the term specified in Section 3, Contract Term above, by providing the other party 30 calendar days advance written notice of the termination. The Contract may be suspended by the City without cause, in whole or in part, at any time during the term specified in Section 3. above, by providing the Contractor 30 calendar days advance written notice of the suspension.

B. Termination for Default:

The City may terminate or suspend this Contract, in whole or in part, upon ten days advance written notice if: (1) the Contractor breaches any duty, obligation, or service required pursuant to this Contract and either (a) the corrective action process described in Section 11 fails to cure the breach or (b) the City determines that requiring a corrective action plan is impractical or that the duties, obligations, or services required herein become impossible, illegal, or not feasible. If the Contract is terminated by the City pursuant to this Subsection 13.B., the Contractor shall be liable for damages, including any additional costs of procuring similar services from another source.

If the termination results from acts or omissions of the Contractor, including but not limited to misappropriation, nonperformance of required services, or fiscal mismanagement, the Contractor shall return to the City immediately any funds, misappropriated or unexpended, that have been paid to the Contractor by the City.

C. Termination for Non-Appropriation:

If expected or actual funding is withdrawn, reduced, or limited in any way prior to the termination date set forth above in Section 3, the City may, upon ten days advance written notice to the Contractor, terminate or suspend this Contract in whole or in part.

If the Contract is terminated or suspended as provided in this Section: (1) the City will be liable only for payment in accordance with the terms of this Contract for services rendered prior to the effective date of termination or suspension; and (2) the Contractor shall be released from any obligation to provide such further services pursuant to the Contract as are affected by the termination or suspension.

Funding or obligation under this Contract beyond the current appropriation year is conditional upon appropriation by the City Council and/or other identified funding source(s) of sufficient funds to support the activities described in the Contract. If such appropriation is not approved, this Contract will terminate at the close of the current appropriation year. The current funding sources associated with this Contract are specified on page one.

If the Contract is suspended as provided in this Section, the City may provide written authorization to resume activities.

D. Non-Waiver of Rights:

Nothing herein shall limit, waive, or extinguish any right or remedy provided by this Contract or by law or equity that either party may have if any of the obligations, terms, and conditions set forth in this Contract are breached by the other party.

14. Hold Harmless and Indemnification.

A. Duties as Independent Contractor:

In providing services under this Contract, the Contractor is an independent contractor, and neither it nor its officers, agents, or employees are employees of the City for any purpose. The Contractor shall be responsible for all federal and/or state tax, industrial insurance, and Social Security liability that may result from the performance of and compensation for these services and shall make no claim of career service or civil service rights which may accrue to a County employee under state or local law. The parties intend that an independent contractor relationship shall be created by this Contract. The Contractor shall not make any claim of right, privilege or benefit which would accrue to an employee under chapter 41.06 RCW or Title 51 RCW.

The City assumes no responsibility for the payment of any compensation, wages, benefits, or taxes, by, or on behalf of the Contractor, its employees, and/or others by reason of this Contract.

The Contractor shall release, protect, indemnify, defend and save harmless the City, its elected and appointed officials, officers, agents, employees, representatives, insurers, attorneys, and volunteers from all liabilities, losses, damages, and expenses related to all claims, costs, and/or losses whatsoever occurring or resulting from (1) the Contractor's failure to pay any such compensation, wages, benefits, prevailing wages, or taxes, and/or (2) the supplying to the Contractor of work, services, materials, or supplies by Contractor employees or other suppliers in connection with or support of the performance of this Contract; and/or (3) all liabilities, losses, damages, and expenses related to all claims, suits, arbitration actions, investigations, and regulatory or other governmental proceedings arising from or in connection with this Contract or the acts, failures to act, errors or omissions of the Contractor, or any of Contractor's agents or subcontractors, in performance of this Contract, except for claims caused by the City's sole negligence. The City's right to indemnification includes attorney's fees and costs associated with establishing the right to indemnification hereunder in favor of the City.

If, for any reason, the Contractor's required licenses or certificates are terminated, suspended, revoked or in any manner modified from their status at the time this Contract becomes effective, the Contractor shall notify the City immediately of such condition in writing. The Contractor and Subcontractor(s) shall maintain and be liable for payment of all applicable taxes (except sales/use taxes), fees, licenses, permits and costs as may be required by applicable federal, state or local laws and regulations as may be required to provide the Work under this Contract.

B. Intellectual Property Infringement:

For purposes of this section, claims shall include, but not be limited to, assertions that use or transfer of software, book, document, report, film, tape, or sound reproduction or material of any kind, delivered hereunder, constitutes an infringement of any copyright, patent, trademark, trade name, and/or otherwise results in unfair trade practice.

The indemnification, protection, defense and save harmless obligations contained herein shall survive the expiration, abandonment or termination of this Contract.

C. Nondisclosure of Data:

Data provided by the City either before or after Contract award shall only be used for its intended purpose. Contractors and Subcontractors shall not utilize nor distribute the City

data in any form without the prior express written approval of the City.

D. Non-Disclosure Obligation:

While performing the Work under this Contract, the Contractor may encounter personal information, licensed technology, drawings, schematics, manuals, data and other materials described as “Confidential”, “Proprietary” or “Business Secret”. The Contractor shall not disclose or publish the information and material received or used in performance of this Contract. This obligation is perpetual. The Contract imposes no obligation upon the Contractor with respect to confidential information which the Contractor can establish that: a) was in the possession of, or was rightfully known by the Contractor without an obligation to maintain its confidentiality prior to receipt from the City or a third party; b) is or becomes generally known to the public without violation of this Contract; c) is obtained by the Contractor in good faith from a third party having the right to disclose it without an obligation of confidentiality; or, d) is independently developed by the Contractor without the participation of individuals who have had access to the City’s or the third party’s confidential information. If the Contractor is required by law to disclose confidential information the Contractor shall notify the City of such requirement prior to disclosure.

E. Indemnification:

To the maximum extent permitted by law, Contractor shall, at its cost and expense, protect, defend, indemnify and hold harmless the City, its elected and appointed officials, directors, officers, employees, agents, representatives, insurers, attorneys, and volunteers, from and against any and all demands, liabilities, causes of action, costs and expenses (including attorney’s fees), claims, judgments, or awards of damages, arising out of or in any way resulting from the acts or omissions of Contractor, its directors, officers, employees, or agents, relating in any way to the Contractor’s performance or nonperformance under the Contract, or the acts, failures to act, errors or omissions of the Contractor, or any of Contractor’s agents or subcontractors, in performance of this Contract, unless and except the claims are caused by the City’s sole negligence. These indemnification obligations shall survive the termination of the Contract. The Contractor agrees that its obligations under this paragraph extend to any demands, liabilities, causes of action, or claims brought by, or on behalf of, any of its employees or agents. For this purpose, the Contractor, by mutual negotiation, hereby waives, as respects the City only, any immunity that would otherwise be available against such claims under any industrial insurance act, including [Title 51 RCW](#), other Worker’s Compensation act, disability benefit act, or other employee benefit act of any jurisdiction which would otherwise be applicable in the case of such claim. In addition, the Contractor shall protect and assume the defense of the City and its officers, agents and employees in all legal or claim proceedings arising out of, in connection with, or incidental to its indemnity obligation; and shall pay all defense expenses, including reasonable attorney’s fees, expert fees and costs incurred by the City on account of such litigation or claims. If the City incurs any judgment, award, and/or cost arising therefrom including reasonable attorney’s fees to enforce the provisions of this article, all such fees, expenses, and costs shall be recoverable from the Contractor. The City’s right to indemnification includes attorney’s fees and costs associated with establishing the right to indemnification hereunder in favor of the City.

F. Return of Unused Funds: If Contractor has any unspent funds on hand as of the earlier of December July 31, 2024 (or December 31, 2026 if the Contract term is any agreed upon extension to this Contract fully extended), or the termination of this Contract under

Section 13, Contractor shall return all unspent funds to the City within ten (10) calendar days.

15. False Statements.

Contractor understands that making false statements or claims in connection with this Contract may be a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal or county awards or contracts, and/or any other remedy available by law.

16. Publications.

Any publications produced with funds from this Contract must display the following language: "This project is supported, in whole or in part, by federal award number CFDA 21.027 Coronavirus State and Local Fiscal Recovery Funds awarded to the City of Yakima, Washington by the U.S. Department of the Treasury."

17. Disclaimer by the City and United States.

- A. *The United States has expressly disclaimed any and all responsibility or liability to the City or third persons for the actions of the City or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this award or any other losses resulting in any way from the performance of the award of Federal funds to the City under section 603(c) of the Act, or any contract or subcontract under such award.***
- B. *The City expressly disclaims any and all responsibility or liability to the Contractor or third persons for the actions of the Contractor or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this Contract or any other losses resulting in any way from the performance of the Contract, or any subcontract thereto.***
- C. *This Contract does not in any way establish an agency relationship between or among the United States, the City, and/or Contractor.***

18. Protection for Whistleblowers.

- A. *In accordance with 41 U.S.C. § 4712, Contractor may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.***
- B. *The list of persons and entities referenced in the paragraph above includes the following:***
 - i. A member of Congress or a representative of a committee of Congress;***
 - ii. An Inspector General;***
 - iii. The Government Accountability Office;***

- iv. A Treasury employee responsible for contract or grant oversight or management;*
- v. An authorized official of the Department of Justice or other law enforcement agency;*
- vi. A court or grand jury; or*
- vii. A management official or other employee of Contractor, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct.*

C. Contractor shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.

19. Increasing Seat Belt Use in the United States.

Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Contractor is encouraged to adopt and enforce on-the-job seat belt policies and programs for its their employees when operating company-owned, rented or personally owned vehicles.

20. Reducing Text Messaging While Driving.

Pursuant to Executive Order 13513, 74 FR 51225 (October 6, 2009), Contractor is encouraged to adopt and enforce policies that ban text messaging while driving, and to establish workplace safety policies to decrease accidents caused by distracted drivers.

21. Insurance Requirements.

Upon execution of this Contract, the Contractor, at its own cost, shall have procured and will maintain for the duration of this Contract, insurance as specified in the Minimum Scope and Limits of Insurance. The County City reserves the right to require complete, certified copies of all required insurance policies at any time.

Each insurance policy shall be written on an "occurrence" form; except that professional liability, errors and omissions, will be acceptable on a "claims made" form.

If coverage is approved and purchased on a "claims made" basis, the Contractor warrants continuation of coverage, either through policy renewals or the purchase of an extended discovery period, if such extended coverage is available, for not less than three years from the date of completion of the Work which is the subject of this Contract.

By requiring such minimum insurance coverage, the County City shall not be deemed or construed to have assessed the risks that may be applicable to the Contractor under this Contract. The Contractor shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage.

Nothing contained within these insurance requirements shall be deemed to limit the scope, application and/or limits of the coverage afforded, which coverage will apply to each insured to the full extent provided by the terms and conditions of the policy(s). Nothing contained within this provision shall affect and/or alter the application of any other provision contained within this Contract.

A. Commercial Liability Insurance

Before this Contract is fully executed by the parties, Contractor shall provide the City with a certificate of insurance as proof of commercial liability insurance with a minimum liability limit of Two Million Dollars (\$2,000,000.00) per occurrence, combined single limit bodily injury and property damage, and Two Million Dollars (\$2,000,000.00) general aggregate. If Contractor carries higher coverage limits, such limits shall be shown on the Certificate of Insurance and Endorsements and the City, its elected and appointed officials, employees, agents, attorneys and volunteers shall be named as additional insureds for such higher limits. The certificate shall clearly state who the provider is, the coverage amount, the policy number, and when the policy and provisions provided are in effect. Said policy shall be in effect for the duration of the Contract. The policy shall name the City of Yakima, its elected and appointed officials, employees, agents, attorneys and volunteers as additional insureds, and shall contain a clause that the insurer will not cancel or change the insurance without first giving the City prior written notice. The insurance shall be with an insurance company or companies rated A-VII or higher in Best's Guide and admitted to the State of Washington. The requirements contained herein, as well as the City of Yakima's review or acceptance of insurance maintained by Contractor is not intended to and shall not in any manner limit or qualify the liabilities or obligations assumed by Contractor under this Contract.

B. Automobile Liability Insurance

Before this Contract is fully executed by the parties, Contractor shall provide the City with a certificate of insurance as proof of automobile liability insurance with a minimum liability limit of Two Million Dollars (\$2,000,000.00) per occurrence. If Contractor carries higher coverage limits, such limits shall be shown on the Certificate of Insurance and Endorsements and the City, its elected and appointed officials, employees, agents, attorneys and volunteers shall be named as additional insureds for such higher limits. The certificate shall clearly state who the provider is, the coverage amount, the policy number, and when the policy and provisions provided are in effect. Said policy shall be in effect for the duration of this Contract. The policy shall name the City of Yakima, its elected and appointed officials, employees, agents, attorneys, representatives, and volunteers as additional insureds, and shall contain a clause that the insurer will not cancel or change the insurance without first giving the City prior written notice. The insurance shall be with an insurance company or companies rated A-VII or higher in Best's Guide and admitted in the State of Washington. The requirements contained herein, as well as City of Yakima's review or acceptance of insurance maintained by Contractor is not intended to and shall not in any manner limit or qualify the liabilities or obligations assumed by Contractor under this Contract. The business auto liability shall include Hired and Non-Owned coverage if necessary.

C. Employer's Liability (Stop Gap)

Contractor and all subcontractor(s) shall at all times comply with all applicable workers' compensation, occupational disease, and occupational health and safety laws, statutes, and regulations to the full extent applicable, and shall maintain Employer's Liability Insurance with a limit of no less than \$1,000,000.00. The City shall not be held responsible

in any way for claims filed by Contractor or its employees for services performed under the terms of this Contract including claims resulting from negligent acts of all subcontractors. Contractor is responsible to ensure subcontractors have insurance as needed. Failure of subcontractors to comply with insurance requirements does not limit Contractor's liability or responsibility.

D. Professional Service

Contractor shall provide evidence of Professional Liability Insurance covering professional errors and omissions. Such policy must provide the following minimum limits: \$2,000,000.00 per claim. If insurance is on a claims made form, its retroactive date, and that of all subsequent renewals, shall be no later than the effective date of this Contract.

E. Subcontractors

The Contractor shall include all Subcontractors as insureds under its policies or shall furnish separate certificates of insurance and policy endorsements for each Subcontractor. Insurance coverages provided by Subcontractors as evidence of compliance with the insurance requirements of this Contract not provided by the Contractor, shall be subject to all of the requirements stated herein.

F. Work Site Safety

The Contractor shall have the "right to control" and bear the sole responsibility for the job site conditions, and job site safety. The Contractor shall comply with all applicable federal, state and local safety regulations governing the job site, employees and Subcontractors. The Contractor shall be responsible for the Subcontractor's compliance with these provisions.

22. Assignment.

Contractor shall not assign any interest, obligation or benefit under or in this Contract or transfer any interest in the same, whether by assignment or novation, without prior written consent of the City. If assignment is approved, this Contract shall be binding upon and inure to the benefit of the successors of the assigning party upon the written agreement by assignee to assume and be responsible for the obligations and liabilities of the Contract, known and unknown, and applicable law.

If at any time during the Contract term the Contractor experiences a change in its name or federal tax status either through acquisition, novation, assignment, re-organization or some other change that affects its Taxpayer Identification Number (TIN) or Tax Reporting Name, it shall notify the City of Yakima immediately upon the information becoming publicly available. This notification shall be sent by the Contractor to the current Contract Specialist via email along with:

- A. Any official announcements from the firm's representative(s) regarding the changes;
- B. A new City of Yakima W-9; and
- C. A current statement, listing of unfilled orders and electronic versions of all outstanding invoices and credit memos at the time of the change shall be provided to the Contract Specialist as soon as possible.

Any delay on the part of the Contractor to provide these items to the Contract Specialist may result in the delay of payment and orders. The City may create a new contract number to replace the existing one. All future orders and Contract Amendments will reference the new contract number.

23. Subcontracting.

A. Written Consent of the City:

The Contractor shall not subcontract any portion of this Contract or transfer or assign any claim arising pursuant to this Contract without the prior written consent of the City. The City's consent must be sought in writing by the Contractor not less than 15 days prior to the date of any proposed subcontract.

The rejection or approval by the City of any subcontractor or the termination of a subcontractor will not relieve Contractor of any of its responsibilities under the Contract, nor be the basis for additional charges to the City.

In no event will the existence of the subcontract operate to release or reduce the liability of Contractor to the City for any breach in the performance of Contractor's duties.

The City has no contractual obligations to any subcontractor or vendor under contract to the Contractor. Contractor is fully responsible for all contractual obligations, financial or otherwise, to its subcontractors.

B. "Subcontract" Defined:

"Subcontract" shall mean any agreement between the Contractor and a subcontractor or between subcontractors that is based on this Contract, provided that the term "subcontract" does not include the purchase of (1) support services not related to the subject matter of this Contract, or (2) supplies.

C. Required Clauses for Subcontracts:

The Contractor shall include Sections:

Section #	Description
1	Contractor capacity, technical assistance, compliance with Act and Definitions section
5	Internal Control and Accounting System
7	Maintenance of Records
8	Evaluations and Inspections
11	Financial Report Submission
14	Hold Harmless and Indemnification
15	False Statements
16	Publications
17	Disclaimer by the City and United States
18	Protection of Whistleblowers
19	Increasing Seat Belt Use in the United States
20	Reducing Text Messaging While Driving
21	Insurance Requirements
23	Subcontracting

24	Nondiscrimination
25	Conflict of Interest
34	Services Provided in Accordance with Law and Rule and Regulation
35	Applicable Law
40	Payment Procedures: Prompt Payment for Subcontractors
46	Background Checks
47	Subaward Language

in every subcontract or purchase agreement for services that relate to the subject matter of this Contract.

D. Required Language for Subcontracts:

The Contractor shall include the following language verbatim in every subcontract for services which relate to the subject matter of this Contract:

“Subcontractor shall protect, defend, indemnify, and hold harmless the City of Yakima, its elected and appointed officials, officers, employees, agents, representatives, insurers, attorneys, and volunteers, from any and all costs, claims, judgments, and/or awards of damages arising out of, or in any way resulting from any act or omissions of subcontractor, its officers, employees, and/or agents in connection with or in support of this Contract. Subcontractor expressly agrees and understands that the City of Yakima is a third-party beneficiary to its Contract with Contractor and shall have the right to bring an action against subcontractor to enforce the provisions of this paragraph.”

24. Nondiscrimination.

A. The Contractor shall comply with all applicable federal, state and local laws regarding discrimination, including those set forth in this Section.

B. Nondiscrimination:

During performance of the Contract, the Contractor shall not discriminate against any employee or applicant for employment because of the employee's or applicant's sex, race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification. The Contractor will make equal employment opportunity efforts to ensure that applicants and employees are treated equitably, without regard to their sex, race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age.

C. Equal Employment Opportunity Efforts:

The Contractor will undertake, and require all Subcontractors to undertake equal employment opportunity efforts to ensure that applicants and employees are treated, without regard to their sex, race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age. Equal employment opportunity efforts shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeships. The Contractor agrees to post, and to require Subcontractors

to post in conspicuous places available to employees and applicants for employment notices setting forth this nondiscrimination clause.

D. Nondiscrimination in Subcontracting Practices:

During the term of this Contract, the Contractor shall not create barriers to open and fair opportunities to participate in City contracts or to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction and services. In considering offers from and doing business with subcontractors and suppliers, the Contractor shall not discriminate against any person because of their sex, race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification.

E. Sanctions for Violations:

Any violation of the mandatory requirements of the provisions of this Section shall be a material breach of Contract, for which the Contractor may be subject to damages, withholding payment and any other sanctions provided for by Contract and by applicable law.

25. Conflict of Interest.

Contractor understands and agrees it must maintain a conflict of interest policy consistent with 2 C.F.R. § 200.318(c) and that such conflict of interest policy is applicable to each activity funded under this award. Contractor and subrecipients must disclose in writing any potential conflict of interest affecting the awarded funds in accordance with 2 C.F.R. § 200.112.

26. Equipment Purchase, Maintenance, and Ownership.

A. Equipment Maintenance:

The Contractor agrees that when Contract funds are used to pay for all or part of the purchase costs of any equipment that costs \$5,000 or more per item, and the purchase of such equipment is identified in an exhibit to this Contract, such equipment is, upon the purchase or receipt, the property of the City and/or federal/state government. The Contractor shall be responsible for all proper care and maintenance of the equipment, including securing and insuring such equipment.

B. Equipment Ownership:

The Contractor shall ensure that all such equipment is returned to the City or federal/state government upon termination of this Contract unless otherwise agreed upon by the parties.

27. Proprietary Rights.

A. Ownership Rights of Materials Resulting from Contract:

Except as indicated below or as described in an Exhibit, the parties to this Contract hereby agree that if any patentable or copyrightable material or article should result from

the work described herein, all rights accruing from such material or article shall be the sole property of the City. To the extent that any rights in such materials vest initially with the Contractor by operation of law or for any other reason, the Contractor hereby perpetually and irrevocably assigns, transfers and quitclaims such rights to the City. The City agrees to and does hereby grant to the Contractor a perpetual, irrevocable, nonexclusive, and royalty-free license to use and create derivative works, according to law, any material or article and use any method that may be developed as part of the work under this Contract.

B. Ownership Rights of Previously Existing Materials:

The Contractor shall retain all ownership rights in any pre-existing patentable or copyrightable materials or articles that are delivered under this Contract, but do not originate from the work described herein. The Contractor agrees to and does hereby grant to the City a perpetual, irrevocable, nonexclusive, and royalty-free license to use and create derivative works, according to law, any pre-existing material or article and use any method that may be delivered as part of the work under this Contract.

C. Continued Ownership Rights:

The Contractor shall sign all documents and perform other acts as the City deems necessary to secure, maintain, renew, or restore the rights granted to the City as set forth in this section.

28. Political Activity Prohibited.

None of the funds, materials, property, or services provided directly or indirectly under this Contract shall be used for any partisan political activity or to further the election or defeat of any candidate for public office.

29. Future Support.

The City makes no commitment to support contracted services and assumes no obligation for future support of the contracted activity or activities that will be undertaken by Contractor at the domestic violence shelter, except as expressly set forth in this Contract.

30. Entire Contract.

The parties agree that this Contract is the complete expression of the described subject matter, and any oral or written representations or understandings not incorporated herein are excluded. Both parties recognize that time is of the essence in the performance of this Contract.

31. Contract Amendments.

Either party may request changes to this Contract. Proposed changes that are mutually agreed upon shall be incorporated only by written amendments to this Contract.

32. Notices.

Whenever this Contract provides for notice by one party to another, such notice shall be in writing and directed to each party's contact representative indicated within the contract exhibits. Any time within which a party must take some action shall be computed from the date that any associated required notice is received by that party.

Unless otherwise specified in the Contract, all notices or documentation required or provided pursuant to this Contract shall be in writing and shall be deemed duly given when received at the addresses first set forth below via certified or registered first class mail, return receipt requested, personal delivery or electronic mail. However, if any of the following occur: "notice to cure" a default, Contractor communication in connection with an alleged default, or notice of termination, such notice or communication shall only be delivered personally, or by certified or registered first class mail, return receipt requested.

CITY OF YAKIMA	CONTRACTOR
Robert Harrison City Manager 129 North 2 nd Street Yakima, WA 98901 bob.harrison@yakimawa.gov	Brian Ahern Rod's House 204 S Naches Ave Yakima, WA 98901
Copy to: Cally Price 129 North 2 nd Street Yakima, WA 98901 Cally.price@yakimawa.gov	

33. Services Provided in Accordance with Law and Rule and Regulation.

The Contractor and any subcontractor agree to abide by the laws of the state of Washington, rules and regulations promulgated thereunder, and regulations of the state and federal governments, as applicable, which control disposition of funds granted under this Contract, all of which are incorporated herein by reference.

If there is an irreconcilable conflict between any of the language contained in any exhibit or attachment to this Contract, the language in the Contract shall control over the language contained in the exhibit or the attachment, unless the exhibit provision expressly indicates that it controls over inconsistent contract language. If there is conflict among requirements set forth in exhibits, language contained in the lower numbered exhibit shall control unless the higher numbered exhibit provision expressly indicates that it controls over inconsistent lower numbered exhibit language.

34. Applicable Law.

- A. This Contract shall be construed and interpreted in accordance with the laws of the State of Washington. The venue for any action hereunder shall be in the Superior Court for Yakima County, Washington.
- B. ***Contractor agrees to comply with the requirements of section 603 of the Act, the Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing. Contractor also agrees to comply with all other applicable federal laws, regulations, and executive orders, and Contractor shall provide for such compliance by other parties in any agreements it enters into with other parties relating to this Contract.***
- C. ***Federal regulations applicable to this award include, without limitation, the***

following:

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, including the following:

- i. Subpart A, Acronyms and Definitions;*
- ii. Subpart B, General Provisions;*
- iii. Subpart C, Pre-Federal Award Requirements and Contents of Federal Awards;*
- iv. Subpart D, Post-Federal Award Requirements;*
- v. Subpart E, Cost Principles; and*
- vi. Subpart F, Audit Requirements.*

Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.

Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.

OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.

Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.

Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.

New Restrictions on Lobbying, 31 C.F.R. Part 21.

Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.

Generally applicable federal environmental laws and regulations.

D. Statutes and regulations prohibiting discrimination applicable to this award include, without limitation, the following:

- i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's Implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance;*
- ii. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;*
- iii. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity*

receiving federal financial assistance;

iv. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and

v. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto;

vi. Hatch Act. Contractor agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limits certain political activities of federal employees, as well as certain other employees who work in connection with federally funded programs.

E. PROHIBITION ON PROVIDING FUNDS TO THE ENEMY (2 CFR 183)

- i. The Contractor must exercise due diligence to ensure that none of the funds, including supplies and services, received under this Contract are provided directly or indirectly (including through subcontracts) to a person or entity who is actively opposing the United States or coalition forces involved in a contingency operation in which members of the Armed Forces are actively engaged in hostilities. The Contractor must terminate or void in whole or part any subcontract with a person or entity listed in the System Award Management Exclusions (SAM) as a prohibited or restricted sources pursuant to subtitle E of Title VIII of the NDAA for FY 2015, unless the Federal awarding agency provides written approval to continue the subcontract.
- ii. The Federal awarding agency has the authority to terminate or void this Contract, in whole or in part, if the Federal awarding agency becomes aware that the Contractor failed to exercise due diligence as required by paragraph A of this clause or if the Federal awarding agency becomes aware that any funds received under this Contract have been provided directly or indirectly to a person or entity who is actively opposing coalition forces involved in a contingency operation in which members of the Armed Forces are actively engaged in hostilities.
- iii. In addition to any other existing examination-of-records authority, the Federal Government is authorized to examine any records of the Contractor and its Subcontracts to the extent necessary to ensure that funds, including supplies and services, available under this Contract are not provided, directly or indirectly, to a person or entity that is actively engaged in hostilities, except for awards awarded by the Department of Defense on or before Dec 19, 2017 that will be performed in the United States Central Command (USCENTCOM) theater of operations.
- iv. The Contract must include the substance of this clause, including paragraph, in subcontracting agreements that have an estimated value over \$50,000 and will be performed outside the United States, including its outlying areas.

F. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT (CFR 200.216)

- i. Costs incurred for telecommunications and video surveillance services or equipment such as phones, internet, video surveillance, cloud servers are allowable except for the following circumstances:
- ii. Contractor and Subcontractor are prohibited from obligating or expending contract funds

to:

- a. Procure or obtain;
- b. Extend or renew a contract to procure or obtain; or
- c. Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).
 1. For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
 2. Telecommunications or video surveillance services provided by such entities or using such equipment.
 3. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

G. DOMESTIC PREFERENCES FOR PROCUREMENTS (CFR 200.322)

- i. As appropriate and to the extent consistent with law, the Contractor should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subcontracting agreements and purchase orders for work or products under this contract.
- ii. For purposes of this section:
 - a. "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting state through the application of coatings, occurred in the United States.
 - b. "Manufactured products" means items and construction material composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

35. No Third-Party Beneficiaries.

Except for the parties to whom this Contract is assigned in compliance with the terms of this Contract, there are no third party beneficiaries to this Contract, and this Contract shall not impart any rights enforceable by any person or entity that is not a party hereto.

36. Non-Waiver of Breach.

Waiver of any default shall not be deemed to be a waiver of any subsequent default. No action or failure to act by the City shall constitute a waiver of any right or duty afforded to the City under the Contract; nor shall any such action or failure to act by the City modify the terms of the Contract or constitute an approval of, or acquiescence in, any breach hereunder, except as may be specifically stated by the City in writing.

37. Emergency Response Requirements.

Within three months of the execution of this Contract, the Contractor shall prepare and make available to the City upon request, the necessary plans, procedures and protocols to:

- A. Respond to and recover from a natural disaster or major disruption to Contractor operations such as a work stoppage.
- B. Continue operations during a prolonged event such as a pandemic.

If the Contractor does not have any such plan as of the start of this Contract, the Contractor may request (i) an extension of the time needed to create a plan, and (ii) for assistance from the City in preparing such a plan.

At a minimum, any plans, procedures, or protocols described in this section must include how the Contractor plans to continue to provide the services described in or funded by this Contract.

38. Contractor Certification.

By signing this Contract, the Contractor certifies that, in addition to agreeing to the terms and conditions provided herein, it has read and understands all contracting requirements as contained in this Contract and the Exhibits and Attachments hereto.

39. Payment Procedures; Prompt Payment of Subcontractors.

For Work Accepted by the City the Contractor shall furnish invoices to the City. All invoices shall be sent to the City of Yakima, c/o the Finance Department. All invoices shall contain the following information:

- A. Invoice date
- B. Purchase order number (if provided by the City)
- C. Ship to address/location
- D. Remit address
- E. Item number(s)
- F. Description of supplies or services
- G. Quantities

- H. Unit prices
- I. Subtotal and totals amount
- J. Discount terms or amount, if applicable
- K. Applicable sales tax with correct tax rate based on destination

For each item invoiced, provide the complete description of the products, services, phases or milestones accepted, hours worked and Contract hourly rates, or authorized fees.

The City will not be bound by prices contained in an invoice that are higher than those in Exhibit B, or if not used as part of this Contract, then the current price list for this Contract approved by the City. Within thirty (30) Days after receipt of an invoice, the City shall pay the Contractor for Accepted Work, upon acceptance of payment Contractor waives any claims for the Work covered by the invoice.

If the Contractor is registered with the State of Washington it shall add all applicable State sales or use taxes to each invoice and upon receipt of the payment promptly remit appropriate amounts to the State of Washington, or the City will make payment directly to the State.

The Contractor agrees to pay each Subcontractor under this Contract for satisfactory performance of its Subcontract within ten (10) Days from the receipt of each payment the Contractor receives from the City.

40. Pricing.

Prices shall remain firm for the duration of the Contract. The Contractor may request a price change(s) in writing delivered to the City. The Contractor shall provide documentation satisfactory to the City in support of its request. The City reserves the right, in its sole discretion, to grant the request as submitted, engage the Contractor in a discussion about modifications to the request, or deny the request in its entirety. Any change in pricing granted by the City shall be affected through a Contract Amendment instituting the price adjustment and establishing an effective date.

41. Shipping Charges.

All prices shall include freight FOB to the designated delivery point. The City shall reject requests for additional compensation for freight charges.

42. Force Majeure.

The term "force majeure" shall include, without limitation by the following enumeration: acts of nature, acts of civil or military authorities, terrorism, fire, accidents, shutdowns for purpose of emergency repairs, industrial, civil or public disturbances, causing the inability to perform the requirements of this Contract; provided, however, "force majeure" shall not include the COVID-19 pandemic which is ongoing as of the date of the execution of this Contract. If any party is rendered unable, wholly or in part, by a force majeure event to perform or comply with any obligation or condition of this Contract, upon giving notice and reasonably full particulars to the

other party, such obligation or condition shall be suspended only for the time and to the extent commercially practicable to restore normal operations. In the event the Contractor ceases to be excused pursuant to this provision, then the City shall be entitled to exercise any remedies otherwise provided for in this Contract, including termination for default.

43. Severability.

Whenever possible, each provision of this Contract shall be interpreted to be effective and valid under applicable law. If any provision is found to be invalid, illegal or unenforceable, then such provision or portion thereof shall be modified to the extent necessary to render it legal, valid and enforceable and have the intent and economic effect as close as possible to the invalid, illegal and unenforceable provision.

44. Background Checks.

Contractor warrants and represents that each and every Contractor employee can meet the following requirements: (a) No convictions within the past ten (10) years for crimes involving computers, moral turpitude, including fraud, perjury, dishonesty; and (b) No adverse employment actions within the past ten (10) years regarding dishonesty or the use or misuse of computers.

Contractor employees needing access to secure areas, records, or systems may be required to complete a security/background check by the City. The City may require Contractor's employees, agents, consultants or Subcontractors to complete a brief questionnaire and complete fingerprinting as part of the investigation process. The required background check will review and evaluate driving records, criminal records, employment histories, military records, personal and employment references and related information. Contractor employees failing the background check may, at the sole discretion of the City, be restricted from working within secured areas or with City systems in any capacity. The Contractor will assign alternative staff who have passed the background check to meet the requirements of the Contract.

45. Subaward Language.

Pursuant to 2 C.R.F. Part 200.320, an agency must make a determination whether the scope of work falls under a Subrecipient or Contractor relationship. The non-Federal entity may concurrently receive Federal awards as a recipient, a subrecipient, and a contractor, depending on the substance of its agreements with Federal awarding agencies and pass-through entities. Therefore, a pass-through entity must make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor. The Federal awarding agency may supply and require recipients to comply with additional guidance to support these determinations provided such guidance does not conflict with this section.

A. Subrecipients. A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

i. Determines who is eligible to receive what Federal assistance;

ii. Has its performance measured in relation to whether objectives of a Federal program were met;

iii. Has responsibility for programmatic decision making;

iv. Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and

v. In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

B. Contractors. *A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the contractor:*

i. Provides the goods and services within normal business operations;

ii. Provides similar goods or services to many different purchasers;

iii. Normally operates in a competitive environment;

iv. Provides goods or services that are ancillary to the operation of the Federal program; and

v. Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

C. Use of Judgment in Making Determination. *In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract.*

If the agency determines that the scope of work falls under a subrecipient relationship, all of the information below must be included in any subaward agreement:

<i>(i) Subrecipient agency name (which must match the name associated with its unique entity identifier);</i>	Rod's House
<i>(ii) Subrecipient agency's unique entity identifier (i.e. DUNS);</i>	36-4659738
<i>(iii) Federal Award Identification Number (FAIN) or Federal;</i>	CFDA 21.027
<i>(iv) Federal Award Date;</i>	March 3, 2021 through December 31, 2024
<i>(v) Subrecipient agency Period of Performance Start and End Date;</i>	March 3, 2021 through December 31, 2024
<i>(vi) Amount of Federal Funds Obligated to the subrecipient agency by this action;</i>	Six Hundred Sixty Seven Thousand and 0/100 Dollars (\$667,000)
<i>(vii) Total Amount of Federal Funds Obligated</i>	Six Hundred Sixty Seven Thousand and

<i>to the subrecipient agency;</i>	<i>0/100 Dollars (\$667,000)</i>
<i>(viii) Total Amount of the Federal Award committed to the subrecipient;</i>	<i>Six Hundred Sixty Seven Thousand and 0/100 Dollars (\$667,000)</i>
<i>(ix) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA)</i>	<i>CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS – CITY OF YAKIMA</i>
<i>(x) Name of Federal awarding agency, pass-through entity, and contact information for awarding official</i>	<i>Federal Awarding Agency: DEPARTMENT OF THE TREASURY</i> <i>Pass-Through Entity:</i> <i>CITY OF YAKIMA</i> <i>Jennifer Ferrer-Santa Ines</i> <i>Finance Director</i> <i>Jennifer.ferrer@yakimawa.gov</i>
<i>(xi) CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement;</i>	<i>CFDA 21.027 Coronavirus State and Local Fiscal Recovery Funds</i>
<i>(xii) Identification of whether the award is R&D; and</i>	<i>No</i>
<i>(xiii) Indirect cost rate for the Federal Award</i>	<i>N/A</i>
<i>Is the agency a subrecipient for the purposes of this agreement?</i>	<i>Yes</i>

The subawardee must be in compliance with the below and must note the required information in their subaward agreements:

- (1) A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of this part; and***
- (2) Appropriate terms and conditions concerning closeout of the subaward.***
- (3) All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award;***
- (4) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports;***
- (5) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as:***
 - (a) The subrecipient's prior experience with the same or similar subawards;***

- (b) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F—Audit Requirements of this part, and the extent to which the same or similar subaward has been audited as a major program;*
 - (c) Whether the subrecipient has new personnel or new or substantially changed systems; and*
 - (d) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).*
- (6) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in §200.207 Specific conditions.*
- (7) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:*
 - (a) Reviewing financial and performance reports required by the pass-through entity.*
 - (b) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.*
 - (c) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by §200.521 Management decision.*
- (8) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:*
 - (a) Providing subrecipients with training and technical assistance on program-related matters; and*
 - (b) Performing on-site reviews of the subrecipient's program operations;*
 - (c) Arranging for agreed-upon-procedures engagements as described in §200.425 Audit services.*
- (9) Verify that every subrecipient is audited as required by Subpart F—Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit requirements.*

- (10) ***Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.***
- (11) ***Consider taking enforcement action against noncompliant subrecipients as described in §200.338 Remedies for noncompliance of this part and in program regulations.***

IN WITNESS WHEREOF, the parties hereby agree to the terms and conditions of this Contract:

CITY OF YAKIMA

ROD'S HOUSE

Robert Harrison, City Manager

Brian Ahern, Acting Executive Director

Date

Date

Attest:

City Clerk

Resolution: R-2023-_____
Contract 2023-_____

Scope of Work

RFP 12239P Central Business District Housing Project called for proposals from qualified firms, developers or individuals for the opportunity to enter into an American Rescue Plan Act (ARPA) funded partnership with the City of Yakima. Qualified submittals had to meet Section 2, Responding to Public Health Emergency/Negative Economic Impacts, of the Department of Treasury State and Local Fiscal Recovery Funds guidelines.

The proposal submitted from Rod's House met the eligibility requirements as outlined in section 2.14, Affordable Housing. Their proposal was in line with the final rule guidelines issued by the U.S. Department of the Treasury. This award will assist Rod's House with completing their project to provide a youth shelter for youth and young adults experiencing homelessness. As outlined in their scope of work, included in their proposal, all housing units will be reserved for extremely low-income residents below 65% of Area Median Income or below, specifically homeless youth and young adults. Rod's House has planned a 14-bedroom, 18 bed facility with rooms to accommodate ten young adults between the ages of 18-24 and eight youth between the ages of 13-17. The facility will be divided into two wings to separate the licensed underage program and the youth adult program.

Exhibit B Rod's House Capital Budget Detail**Acquisition Costs:**

Land	\$ 286,000
Closing, Title & Recording Costs	\$ 3,675
Other, Extended Title	\$ 5,000
Subtotal	\$ 294,675

Construction:

Demolition	\$ -
New Building	\$ 3,700,000
New Construction Contingency	\$ 250,292
Site Work / Infrastructure	\$ 4,000
Sales Tax	\$ 328,000
Equipment and Furnishings	\$ 53,500
Subtotal	\$ 4,335,792

Soft Costs:

Buyer's Appraisal	\$ 6,600
Architect and Engineering	\$ 293,830
Environmental Assessment	\$ 11,541
Geotechnical Study	\$ 5,013
Boundary & Topographic Survey	\$ 14,823
Developer Fee and Admin	\$ 445,490
Other Consultants	\$ 3,000
Capitol Campaign and misc. testing, past Yakima County funding	\$ 62,141
Subtotal	\$ 842,438

Pre-Development / Bridge Financing

Bridge Loan Fees	\$ 3,000
Bridge Loan Interest	\$ 15,481
Subtotal	\$ 18,481

Permanent Financing

State HTF Fees, 2% of award	\$ 86,000
Subtotal	\$ 86,000

Capitalized Reserves

Operating Reserves	\$ 500,000
Replacement Reserves	\$ -
Subtotal	\$ 500,000

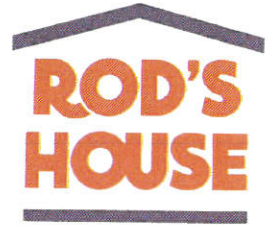
Other Development Costs

Real Estate Tax	\$ 1,000
Insurance	\$ 35,397
Permits, Fees & Hookups	\$ 61,906
Accounting/Audit	\$ 13,430
3 rd Party Certification of final development cost	\$ 6,000
Marketing/Leasing Expenses	\$ 2,000
Subtotal	\$ 119,733
Total	\$ 6,197,119

Rod's House Youth Shelter
Exhibit B, Price/Cost List

Line Item	Amount from City ARPA Contract
General Requirements	\$ 25,000.00
Exacavation	\$ 405,494.00
Site Concrete	\$ 25,034.00
Forms/Footings	\$ 65,456.00
Concrete	\$ 22,885.00
Overhead and Profit	\$ 61,100.00
Bond	\$ 6,670.00
Sales Tax	\$ 55,361.00
Total	\$ 667,000.00

December 30, 2022
City of Yakima
129 N. 2nd St
Yakima, WA 98901



Re: Central Business District Housing Development Project RFP

Proposer:

Rod's House
204 S Naches Ave
Yakima WA, 98901
Brian Ahern, Acting Executive Director
425-466-4480
brian@rodshouse.org

Rod's House is developing a youth shelter on 1011 E Chestnut Ave and are excited to partner with the City of Yakima to complete the project. The attached proposal meets all requirements set forth in the RFP.

We are appreciative of the City's partnership with the parcel merge, conditional use, and facilitation of the CHIP grant with this project, and this additional funding will make starting on this long needed project in the downtown area a possibility as soon as this spring. The youth shelter project will connect homeless youth and young adults to services and provide stability to establish themselves as adults. The project will have an impact on Yakima reaching beyond the count of beds, and construction could be completed as soon as this time next year.

The project is designed, the land is approved, and the permits are ready to be picked up, the only thing delaying this project is a funding gap caused by the unprecedented inflation in construction costs over the past few years. The \$667,000 proposal will be the difference between starting the project this spring and waiting on further action from the state government.

Thank you for your consideration and support of the project to date,

Sincerely,

Brian Ahern, Acting Executive Director

3. Affordable Housing Plan

A. Overview of plan

Rod's House has planned a 14-bedroom, 18-bed facility with rooms to accommodate ten young adults between the ages of 18-24 and eight youth between the ages of 13-17. The facility will be divided into two wings to separate the licensed underage program and the young adult program. Young adults between ages 18-24 will be able to stay for a maximum of 120 days, and youth between the ages of 13-17 will have a maximum stay of 30 days. The end goal of the facility is for youth and young adults to be reunited with their family and guardian or be placed in permanent stable housing.

B. Proposed staffing overview and qualifications

The proposed development in Downtown Yakima represents an expansion of Rod's House existing emergency home staff. Staffing will include one Program Manager, two Program Coordinators, one Case Manager, one Behavioral Health Specialist, and Resident Assistants to ensure a safe and welcoming environment. Rod's House shelters are low barrier shelters and will be staffed 24/7. Qualifications for onsite staff are listed below:

Position	Qualifications
Program Manager	Masters degree in Social Services or related field; or 5 years experience in managing a similar program.
Program Coordinator (2)	Bachelor's degree or 2 years experience in managing a similar program.
Behavioral Health Specialist	Masters Degree in Psychology, Human Development, Social Work or Education.
Case Manager	Master or Bachelor degree in Social Work or closely related field.
Lead Resident Assistants	Bachelor's Degree or closely related field; High School Diploma with 1 year experience working with children or 2 years working in social services.
Resident Assistants	Bachelor's Degree or closely related field; High School Diploma with 1 year experience working with children or 2 years working in social services.

Program leadership is already in place with Acting Executive Director Brian Ahern, MSW. Brian has overseen Rod's House programs for the past four years and brings over a decade of experience working with homeless and at-risk youth in group homes and as a case manager and social worker. Brian has experience supervising the program staff and coordinates the delivery of services between partners and internal staff, and will be directly involved in hiring additional staff for the shelter. He has a Masters in Social Work from Loyola University Chicago.

Emergent Needs Program Director Asuncion Marquez currently oversees the leased emergency Young Adult group home in Sunnyside, along with the winter weather shelter, behavioral health services, and the Resource Center. He manages the program operating budgets and ensures compliance with L&I and

Department of Children, Youth, and Families (DCYF). He has been with Rod's House since 2020 and brings over a decade of experience working with youth.

C. There is no section C in RFP

D. Intended outcomes

Rod's House intends to develop a shelter for Homeless Youth and Young Adults in Yakima County in partnership with Office of Rural and Farmworker Housing (ORFH) with the goal of ending youth homelessness in Yakima County. The new construction of Rod's House Youth Shelter will provide 16 beds for homeless Youth and Young Adults in Yakima County.

Embedded within this project is the development of a youthful workforce that is work-ready and prepared for employment in a variety of settings. In the midst of working through a life skills curriculum that focuses on independent living skills, independent work skills, healthy boundaries, and budgeting, young people will be given the opportunity to give back to their community, get back into education, and sustainably join the workforce. With the goal of every young person transitioning permanently into independent living situations, work is focused on building authentic connections with young people, supporting them in feeling respected and secure in who they are, empowering them to reach their full potential, and positively connecting them to the community.

E. Project Timeline

- Feasibility Confirmed – July 2019
- State Appropriation Received – February 2020
- State Competitive Grant Committed - December 2020
- Current Site Acquired – June 2021
- Site Plan and Conditional Use Approved – January 2022
- Contracts Finalized and Groundbreaking - March 2023
- Ongoing Construction - March 2023 - January 2024
- Management Staff Hired - October 2023
- Program Staff Hired - December 2023
- Frontline Staff Hired - January 2024
- Occupancy Begins - February 2024

F. Benefits to be realized by the community from the proposed development

Rod's House envisions an end to youth homelessness in the Yakima Valley. To break the cycle of homelessness we will engage volunteers, donors, and the community to ensure young people's basic human needs are met and that they have a safe, stable home; permanent, positive connections; meaningful education and employment opportunities; behavioral and physical healthcare; and supports that reinforce their individual abilities. Completing this development in the downtown area will enable youth to access these services in their own community and have a stable place to grow into adulthood, which will have an ongoing impact on the community.

This project will also directly benefit the local economy. Construction will be managed by a local firm, Kitt Construction, who will make an effort to select WMBE and apprentice certified subcontractors to

comply with state funding. Along with the temporary construction work, once complete, the project will be staffed 24/7, which will also represent nine new permanent jobs in the downtown area. Workforce training is a significant component of onsite programs, and this project will better position at-risk youth in Yakima to find stable employment.

G. Financial Plan:

The financial gap the development is currently facing is now the only obstacle delaying construction. When the project initially applied for funding with the state and after the award in early 2021, the construction cost was estimated at \$2,600,000. In 2022 With a more detailed bid on the same overall design, estimates rose to nearly \$4,000,000. While some value engineering and budget decisions have been made, it would still require a contract of roughly \$3,700,000 to get the project built to state standards for a licensed facility.

This creates a gap of \$667,000 from current sources. Current sources and budgeted uses are outlined in the tables below:

Uses	
Land and Title	\$294,675
Construction	\$4,335,792
Soft Costs	\$843,191
Financing Costs	\$103,000
Permits and Insurance	\$120,461
Donated Operating Reserve	\$500,000
Total	\$6,196,119

Sources	
Commerce Housing Trust Fund	\$2,300,000
Direct Appropriation	\$2,000,000
Yakima County ('18,'20,'22)	\$294,767
CHIP Grant	\$185,352
Donated Operating Reserve	\$500,000
Total	\$5,530,119
Gap	\$667,000

City funding would go exclusively towards construction expenses and would be spent down early in the construction period, likely by July or August. The exact timing will depend on when a Notice to Proceed can be issued for the construction contract, however, City funding will cover the expense of several monthly pay applications for the construction contract and be expended before the end of Q3 2023. A more detailed project budget is attached.

Operating funding for both maintenance and staffing will come exclusively from grants and donations, residents in the shelter will not be expected to pay rent. Existing grants through DCYF and A Way Home Washington will support the staffing and operations of this facility, with a reserve of donated funds in place to ensure continuing operations if a grant was not renewed. An operating budget can be provided upon request.

Department of Commerce requires projects to certify costs with a 3rd party accountant, meaning all costs will be accounted for in a formal report.

Rod's House Capital Budget Detail

Acquisition Costs:

Land	\$ 286,000
Closing, Title & Recording Costs	\$ 3,675
Other, Extended Title	\$ 5,000
Subtotal	\$ 294,675

Construction:

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Sales Tax	\$ 328,000
Equipment and Furnishings	\$ 53,500
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Soft Costs:

Buyer's Appraisal	\$ 6,600
Architect and Engineering	\$ 293,830
Environmental Assessment	\$ 10,200
Geotechnical Study	\$ 5,015
Boundary & Topographic Survey	\$ 14,375
Developer Fee and Admin	\$ 445,490
Other Consultants	\$ 4,257
Capitol Campaign and misc. testing, past Yakima County funding	\$ 63,424
Subtotal	\$ 843,191

Pre-Development / Bridge Financing

Bridge Loan Fees	\$ 3,000
Bridge Loan Interest	\$ 14,000
Subtotal	\$ 17,000

Permanent Financing

State HTF Fees, 2% of award	\$ 86,000
Subtotal	\$ 86,000

Capitalized Reserves

Operating Reserves	\$ 500,000
Replacement Reserves	\$ -
Subtotal	\$ 500,000

Other Development Costs

Real Estate Tax	\$ 1,000
Insurance	\$ 35,800
Permits, Fees & Hookups	\$ 61,906
Accounting/Audit	\$ 13,755
3 rd Party Certification of final development cost	\$ 6,000
Marketing/Leasing Expenses	\$ 2,000
Subtotal	\$ 120,461
Total	\$6,197,119

4. Qualifications

A. Experience

1. Detailed description of experience constructing single family housing or duplexes elsewhere

The proposed development is not single-family housing or duplexes, and Rod's House has brought in partners experienced with multifamily housing for this development.

Over the past few years, Rod's House has directly overseen three construction projects. Although none of them were new construction of housing, this experience has been valuable in guiding the organization's growth and decision making for this project. First, the Resource Center received massive renovations that involved painting the entirety of the house interior, replacing all of the furniture, replacing the washers and dryers, replacing the flooring in the entire house, constructing a new ADA ramp in the backyard, adding a running water fountain, and repairing and painting the pergola. Additionally, an education center was built in the backyard, which was both funded and built by the Downtown Yakima Rotary Club.

Secondly, Rod's House oversaw construction of our office space, the Rod's Opportunity Center, which had previously been utilized as a bakery. Flooring was replaced, walls were patched and painted, additional outlets were installed, plumbing was repaired, doorframes were supported, and the bathroom was remodeled.

Thirdly, when Rod's House moved into the current site for our Emergency Home, it had not been in operation for over three years. The carpet was deeply cleaned, cabinets and doors were reframed, the walls were cleaned and painted, the lawn was manicured, washers and dryers were installed, and a camera security system was put into place.

All three of these projects involved staff but were largely completed by the labor of volunteers. All volunteers were supervised by staff throughout the entirety of each project. All projects are currently serving their needs. Rod's House learned quickly that relying on volunteers to manage projects had a significant impact on delaying projects, and we began involving staff members and professionals in the community to help move each project along. Although these projects were slightly delayed due to the nature of in-kind donations, deadlines will be met with professional contractors. All of these projects were completed within the proposed budget.

2. Describe your experience in completing similar projects

Rod's House contracted with ORFH due to their experience in affordable housing development, and the partnership has led to effective decision making throughout the project. ORFH has familiarity with funding sources involved in the project, report providers and contractors in the Yakima region, and the overall risks and pitfalls of development. Rod's house has also contracted with Environmental Works, an architectural firm specializing in affordable housing, bringing experience to design and construction oversight. Internally, the majority of Rod's House staff participated in a training in housing law and tenants' rights law, facilitated by Northwest Justice Project. NJP offered to continue to provide more trainings, as well as support Rod's House throughout this process.

ORFH brings significant experience to the development and familiarity with funding sources identified for the project, and have successfully worked with these grants to complete housing in the City of Yakima for organizations including Yakima Neighborhood Health Services, Yakima Housing Authority, Next Step Housing, and Catholic Charities Housing Services. Several board members have been involved with affordable housing, particularly involved in lease up and asset management, and will assist in setting up the asset management planning elements of operations. Meetings with other youth shelter providers were held during feasibility to help determine scope and operating budget.

3. Describe existing partnerships that may contribute to your success

As a development consultant, Office of Rural and Farmworker Housing has overseen the construction of thousands of units of affordable housing in Washington, and are familiar with the challenges of multifamily construction and public funding. They will work with funders including the city during construction and ensure finances are tracked and work is within funding compliance.

Environmental Works is the architect for the project and has designed and managed construction for hundreds of affordable housing projects in Washington. They are familiar with the restrictions of multifamily housing and will ensure compliance with local and state codes while helping with decision making during construction.

Kitt Construction has been selected as general contractor and will work to complete the project on time and on budget. They have been a valuable partner with Yakima Neighborhood Health Services in their development of the Rhonda Hauff center and are an experienced general contractor.

Rod's House collaborates with a full network of partner organizations in their mission of ending youth homelessness:

Yakima Neighborhood Health Services: YNHS and Rod's House were the largest entry points for Youth and Young Adults in the Coordinated Entry system. Effective collaboration, along with affiliated service providers in the community in serving this population has been highlighted by A Way Home Washington and the Office of Homeless Youth by recognizing Rod's House as one of four Anchor Communities to end youth homelessness. Teams between the organizations collaborate in street outreach to ensure 100% of the county is covered; then provide case management support to those that we enroll and vice versa. Rod's House refers young people to YNHS housing programs, medical care dental care, and behavioral health care, and emergency medical recuperative respite shelter. This is done by providing contact information, helping them call, or physically going with them when needed. We also participate with YNHS in the case conferencing and policy teams for Coordinated Entry.

Catholic Charities Housing Services : Since some of Catholic Charities' housing services do not go through Coordinated Entry, Rod's House explains the CC housing support model to qualified youth, and if they are interested, help young people complete applications directly. If and when they are accepted, Rod's House helps them transition to working with a new case manager, share their goals and what they have been working on, and work with CC to delineate who will be helping with what moving forward. Case managers from both organizations have long collaborated to serve the needs of mutual clients and

our teams meet at least monthly to staff cases together to provide wraparound case management services.

Entrust Community Services: Nearly 20% of the young people accessing Rod's House services have a disability. Rod's House refers them for housing search and support and enhanced employment services. Entrust staff also visit Rod's House. Both organization's staffs work closely to ensure completion of interviews and screenings at Rod's House so that young people with disabilities secure all possible resources.

Juvenile Rehabilitation: Rod's House collaborates to ensure that youth and young adults exiting Juvenile Rehabilitation's care do not become homeless. Our respective staff members have collaborated on the individual needs of young people leaving their care. Conversations of how to work more closely including the need for additional community capacity for life skills training and shelter or supportive housing are being explored.

The Homeless Network of Yakima County: The Network is the data lead for the Anchor Community Initiative. We have helped the Network with HMIS, reporting and developing the BNL. The Network is helping us improve data quality. Rod's House also has a Memorandum of Understanding to a shared office space at the OIC foodbank on Hathaway in Yakima to store winter shelter supplies and overflow supplies. The Network also keeps supplies for those newly housed; we show clients what is available, help them submit requests, and then pickup/deliver the items to their new homes.

A Way Home Washington: AWHWA is leading the Anchor Community Initiative and providing technical assistance in achieving an end to youth and young adult homelessness by reaching "functional zero." They are providing Technical Assistance to Rod's House and are assisting in making system-wide improvements. They also support the engagement of youth participation through the provision of paid stipends for system-level work.

Camp Hope: When young adult shelter is not available, Rod's House refers young adults for emergency shelter by providing contact information, helping them call, or physically going with them when needed; alternately, Camp Hope has also picked up young people from our facility. We collaborate to serve mutual clients, but, each organization is responsible for its data. We have also shared supplies for children that are staying at their shelter when we have extra.

TeamChild: Refer and connect youth and young adults for legal services for issues like school suspensions or expulsions, school not working for them, trouble with getting health care or counseling, or landing a job or housing because of a juvenile record, and court fines or fees. Rod's House does this by providing contact information, helping them call, or physically going with them when needed.

WorkSource Yakima and OIC of Washington: Rod's House refers youth and youth adults seeking employment and actively refer to the YouthBuild program by providing contact information, helping them call, or physically going with them when needed.

Comprehensive Healthcare: Rod's House provides referrals for youth who need counseling and to ASPEN for youth who have been crime victims by providing contact information, helping them call, or physically going with them when needed.

Yakima Valley Farm Workers Clinic, Triumph Treatment Services, Merit Resource Services: Rod's House refers youth who are ready for substance addiction treatment by providing contact information, helping them call, or physically going with them when needed. Each organization is responsible for its own data.

4. Provide a copy of any relevant certifications and/or licenses

Rod's House has worked with Environmental Works to ensure the development is consistent with Department of Children, Youth, and Families Group Home licensing, however, the license will not be provided until the building is constructed.

5. Describe your experience working with federal funding

As development consultant, Office of Rural and Farmworker Housing has experience with federal funding from a range of sources including USDA Rural Development, HUD HOME funds and direct lending, and direct appropriations. Federal funding has been a part of over a dozen Office of Rural and Farmworker Housing projects in the past five years and they are familiar with the common requirements of contractor debarment certification and Davis-Bacon wages. Federal funding is already a part of the CHIP grant the City of Yakima has awarded the project and we do not anticipate federal funding adding complexity to the project.

B. Cultural Competency

Rod's House strives to house all youth and young adults between the ages of 13-24 experiencing homelessness in Yakima County. Rod's House serves youth and young adults no matter their race, sexual orientation, socio economic background, immigration status and religious beliefs. In order to receive housing, Rod's House does not require any identifying information or proof of homelessness to empower young people to freely ask for their needs to be met due to many people experiencing difficulties obtaining and keeping documents while surviving on the streets. Young people will be able to express dietary needs and make influential decisions on the food that is served. This includes staff participating in culturally significant holiday celebrations for the young people at the sites through cooking and other cultural traditions. Young people will have access to a Bilingual Case Manager to acquire Life Skills where young people are able to learn about topics such as filling out housing applications, job applications, resume building, personal hygiene and safety, credit and financial education, and building healthy habits in order for them to live independently successfully.

The intake process for the site will be on a first-come first-serve basis. The application will be available in both English and Spanish to ensure young people feel comfortable filling out the application. If the applicant has a different primary language, we will accommodate interpreter services in the language of their choice. All site rules, intakes, signage, manuals and communication will be bilingual in English and Spanish in order for young people to feel comfortable in their primary language and improve

transparency. The site will be staffed with bilingual staff in both English and Spanish because those are the primary languages spoken in the community. Other language requests will be accommodated on a case by case scenario based on the need of the applicant through interpretation services.

5. Rod's House Applicant References

Rhonda Hauff
CEO, Yakima Neighborhood Health Services
509-574-5552
rhonda.hauff@ynhs.org

Anthony Peterson
CEO, OIC of Washington
509-895-9687
a.p@yvoic.org

Section 7.1. Project Description:

- A. Square Footage and Number of Dwelling Units:** Rod's House Mixed Use shelter will be a single story, 7,115 building with a total of 18 beds in 14 bedrooms between the youth and young adult sides of the shelter.
- B. Description of Project:** The building will be new construction, with a slab on grade foundation, with a gabled roof. It will include residential areas for both populations with staff and service offices in between. While it is a block away from the downtown core, the site is on a residential street and does not drastically differ from the surrounding neighborhood. There will be no commercial element to the project, all space other than living areas will be dedicated to administration and space for services.
- C. Percentage of Affordable Units:** All housing units will be reserved for extremely low-income residents at 30% of Area Median Income or below, specifically homeless youth and young adults. Due to the licensing of housing for minors, the young adult side will feature a separate bathroom and common area. Residents will be offered their own bedroom with two double rooms available for siblings or couples on each side of the facility. The eight youth beds for minors will all be contracted through the HOPE bed program through Department of Commerce. The ten young adult beds will be transitional housing of up to 120 days.
- D. Description of Management Programs:** The project will be staffed 24/7 with services integrated into resident management, the roles and responsibilities of management and resident staff vary by position:

Resident Assistants work closely with the Rod's House service team to provide a safe, welcoming environment, maintain safety and cleanliness of the space for residents, support and engage volunteers and record, track, and report key daily, weekly, and monthly data.

Case Managers work directly with clients, attend case conferencing meetings, and collaborate with other service providers to maximize referral resources to assist youth in achieving their goals and moving forward. They support a wide-spectrum of needs for youth experiencing homelessness. Our Case Managers are passionate about working with young people, model positive behavior each day, are flexible in an often rapidly changing environment and client focused in all interactions with youth.

Rod's House Case Managers are team players but also leaders. They effectively establish positive relationships with and provide trauma informed care for homeless youth. Their duties include but are not limited to conducting intake interview for youth new to Rod's House and on-going assessments of client self-sufficiency; fostering relationships with social service agencies; maintaining accurate and up to date client documentation to HMIS and case management systems; developing individual case plans

incorporating client and case manager responsibilities and actions; and collaborating with staff to provide client-centered skills building and supportive services to youth.

The **Operations Manager** will oversee day to day operations of the program regarding housing/shelter sites or motel rooms. In this role they will support adequate 24-hour staffing as required to ensure smooth operations at sites owned or operated by Rod's House. The Operations Manager will support collaboration, communication, and teamwork between operations and service staff, be prepared to deescalate crisis situations, provide oversight of emergency housing/shelter operations, hire, train, and supervise site support staff and recruit, train, and supervise volunteers, establish recordkeeping, track donations, and track adherence and goals.

Behavioral health services will be provided by **Behavioral Health Specialists**, as well as Behavioral Health Interns. These services are funded through Victims of Crime Act, as well as the Greater Columbia Accountable Community of Health.

- E. **Parking Adjustments:** Parking adjustments will not be needed, the site plan has already been approved for development by the City of Yakima and the frontage exception was approved. Additionally, Yakima Housing Authority has authorized the use of their facilities lot for overflow parking when necessary. Please see approved site plan attached on the following page.
- F. **Site Plan:** Final approved site plan is attached on the following page, which covers all requested details.
- G. **Anticipated Timeline:** The project is ready to start construction other than the funding gap. All land use and permitting is complete, the only thing delaying the start of construction is the gap in funding, once resolved, we would be able to finalize the contracts for the state grants and general contractor. If awarded, we would be able to close on the remaining financing and start construction as soon as the end of March, with construction approaching receiving Certificates of Occupancy by the end of 2023 and occupancy in early 2024.

Rod's House has a dedicated outreach team which will have residents identified and ready to move in once construction is complete, frontline service staff is hired, and the rooms are furnished and ready for occupancy in February 2024.

7.2. Site Overview

The proposed site on 1011 E Chestnut is a great location for the proposed development due to its proximity to downtown services, easy access to transportation, combined with the residential setting of the side street. The attached map and site plan show the site size and topography, zoning, parking, lot coverage, setbacks with a now approved exemption, and utilities.

The other requested details about the site are provided below:

-Ownership: The site is currently owned by Rod's House. ORFH has provided interim financing and Department of Commerce has committed permanent financing.

-Assessor #: 19131911512, 1011 E Chestnut Ave, attached site plan drawings were finalized prior to the parcel merge.

-Transit Access: The site is located around the corner from the Gateway stops on the #6 line along Fair Avenue. It is also a 12-minute walk away from the Yakima Transit Hub further up Chestnut Avenue.



Project Name: ROD'S HOUSE

LOT INFORMATION

PARCEL #:
191319-11051
191319-11052
191319-11054
191319-11050
191319-11053
191319-11041
191319-11040

SITE ADDRESS:
1013, 1011, 1015, 1017, 1019
E CHESTNUT AVE

ZONING:

LOT COVERAGE:

7115 SQFT

12840 SQFT

LOI SIZE: 23,000 SDF1

(80% ALLOWED)

PARKING CALCULATION

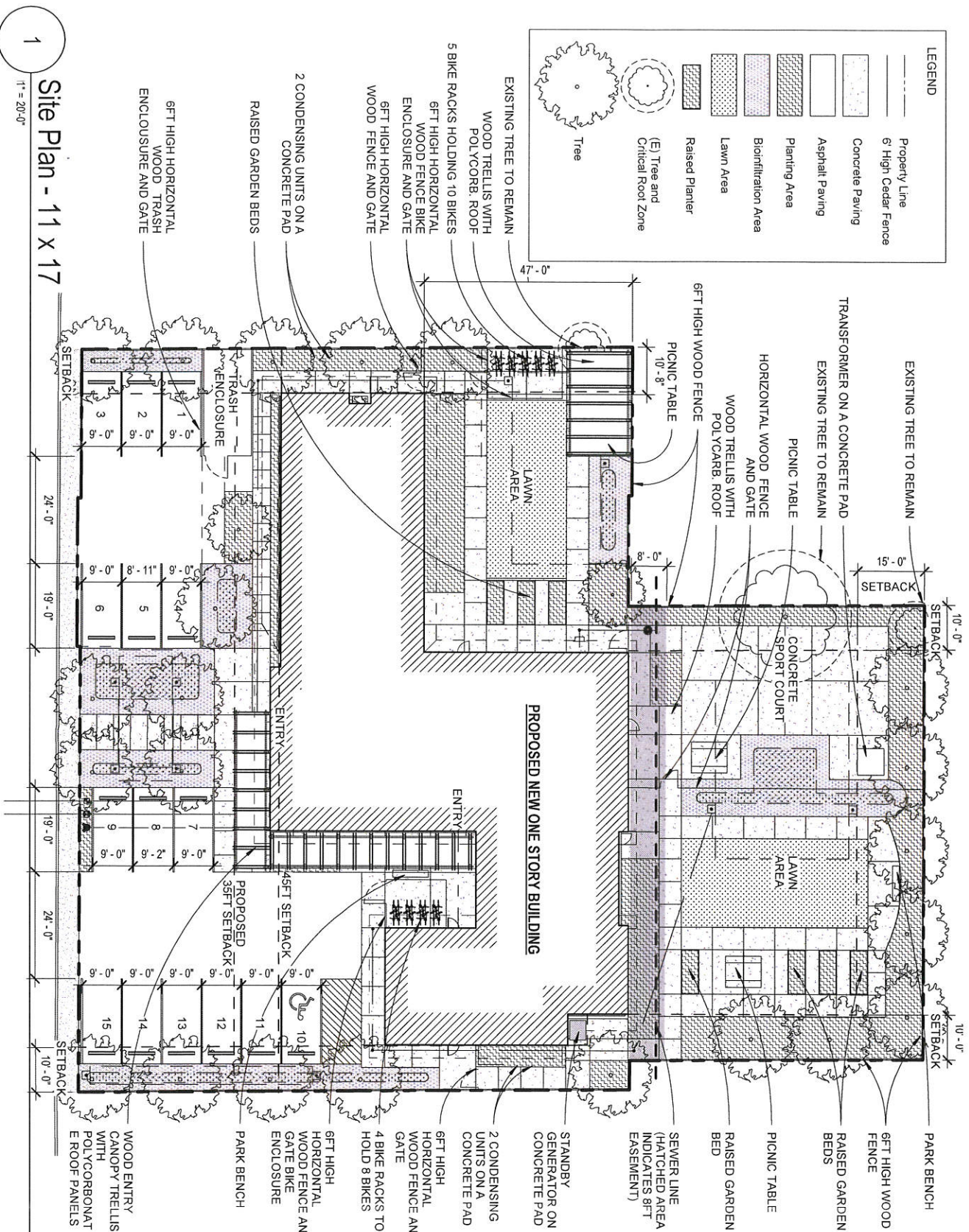
CONGREGATE LIVING/
GROUP HOME=
1 SPACE FOR EVERY 2 BEDS

18 BEDS/2 = 9 SPACES
15 SPACES PROVIDED

Sketch #: 1

Site Plan

10/4/2021 1:49:18 PM



Site Plan - 11 x 17

$$\Gamma'' = 20'-0''$$



BENCHMARK NOTE

COFFMAN
ENGINEERS

10 N. Pearl St.
Spartanburg, SC 29201
ph 803.228.7564
www.coffman.com



Seattle, Washington 98112
phone: 206.328.8300
fax: 206.328.5404

**NOT FOR
CONSTRUCTION**

_____	Issued
_____	Schematic Design
_____	Date
_____	10/01/21
_____	Review
#	Date
	Description

Chemical
D.S.
Order by P.M.
P.M.
Order by G.C.
G.H.
Project No.
18612

FOR SQUARE ONLY

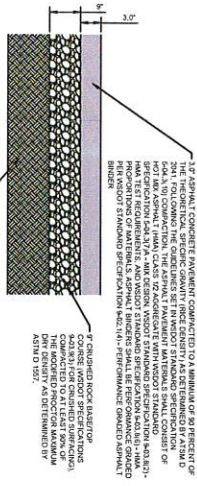
C402



COIN	CONNECT
DW	DOMESTIC WATER
FDC	FIELD DEPARTMENT CONNECTION
FSW	FIRE SERVICE WATER
FT	FOOT / FEET
GB	GAS BREAK
HQE	HIGH DENSITY POLYETHYLENE
PNV	POST INDICATOR VALVE
SD	STORM DRAIN
SOAD	STORM DRAIN AREA DRAIN
SS	STORM DRAIN CLEANOUT
SISO	SANITARY SEWER
SSSH	SANITARY SEWER CLEANOUT
	SANITARY SEWER MANHOLE

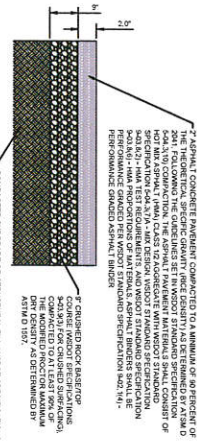
1. NO EXISTING SIGNS ALONG CHESTNUT AVENUE FRONTAGE.
2. EXISTING POWER POLE TO BE RELOCATED.
3. EXISTING MAIL BOXES HAVE BEEN DEMOLISHED.
4. EXISTING RESIDENTIAL DRIVE/TURN CURB CUTS TO BE REMOVED
5. NEW 24 FOOT WIDE RESIDENTIAL DRIVEWAYS WITH 10' SIDE CUTS.
6. GRADIENTS/PAVE APPROXIMATELY 5% STEEP BEHIND DRIVE.
7. HEAVY DUTY PAVEMENT PER DETAIL 1 ON SHEET C001.
8. PARSONS AREA PAVEMENT PER DETAIL 2 ON SHEET C001.
9. BENCH/PAVEMENT SLOPE 1% PER DETAIL 3 ON SHEET C001.
10. FIVE DEPARTMENT CONNECTION AND POST INDICATOR VALVE PER DETAIL 4 ON SHEET C001.

UTILITY STATEMENT
LOCATION OF EXISTING UNDERGROUND UTILITIES HAVE BEEN TAKEN FROM DRAWINGS AND FIELD LOCATES SUPPLIED BY THE APPROPRIATE UTILITY COMPANIES. UTILITY LOCATIONS SHOWN ON THIS DRAWING ARE APPROXIMATE ONLY, PRIOR TO BEGINNING ANY CONSTRUCTION, THE CONTRACTOR SHALL VERIFY THE EXACT LOCATION OF EACH UTILITY.



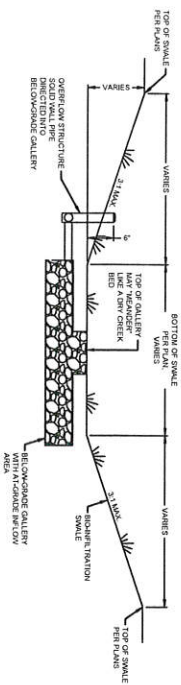
- NOTE:**
1. PLACE ACCEPTABLE SOIL MATERIAL IN LAYERS TO REQUIRED SUBGRADE ELEVATION.
 2. MATERIAL AND COMPACTION REQUIREMENTS SHALL COMPLY WITH THE RECOMMENDATIONS OF THE PROJECT GEOTECHNICAL ENGINEERING REPORT.
 3. IF EXISTING SUBGRADE SOIL CONDITIONS REQUIRE PROPER COMPACTION OVER EXCAVATE A MINIMUM 12" DEPTH WITH APPROVED ORIENT MATERIAL OR IMPORTED MATERIAL, COMPACT WITH THE GEOTECHNICAL ENGINEER.
 4. COMPACTION EFFORTS AND WAGS SHOULD BE REPORTED AND TESTED BY AN EXPERIENCED SOILS TECHNICIAN UNDER THE SUPERVISION OF A LICENSED GEOTECHNICAL ENGINEER REPRESENTING THE OWNER.

1 HEAVY DUTY ASPHALT PAVEMENT SECTION
 CS97 SCALE: 1/8" = 1'-0"



- NOTE:**
1. PLACE ACCEPTABLE SOIL MATERIAL IN LAYERS TO REQUIRED SUBGRADE ELEVATION.
 2. MATERIAL AND COMPACTION REQUIREMENTS SHALL COMPLY WITH THE RECOMMENDATIONS OF THE PROJECT GEOTECHNICAL ENGINEERING REPORT.
 3. IF EXISTING SUBGRADE SOIL CONDITIONS REQUIRE PROPER COMPACTION OVER EXCAVATE A MINIMUM 12" DEPTH WITH APPROVED ORIENT MATERIAL OR IMPORTED MATERIAL, COMPACT WITH THE GEOTECHNICAL ENGINEER.
 4. COMPACTION EFFORTS AND WAGS SHOULD BE REPORTED AND TESTED BY AN EXPERIENCED SOILS TECHNICIAN UNDER THE SUPERVISION OF A LICENSED GEOTECHNICAL ENGINEER REPRESENTING THE OWNER.

2 PARKING ASPHALT SECTION
 CS97 SCALE: 1/8" = 1'-0"



- DESIGN DETAIL SWALE NOTES:**
1. SOILS IN THE SWALE AREA SHALL COMPLY WITH THE PERMEATION RATE CRITERIA INDICATED IN THE PROJECT SPECIFICATIONS.
 2. TREATMENT ZONE PERMEATION RATE (VEGETATED COVER AND TREATMENT LAYER) OF BETWEEN 0.25 AND 0.50 INCHES/HOUR.
 3. PERMEATION RATE OF AT LEAST 0.18 INCHES/HOUR.
 4. PERMEATION RATE OF AT LEAST 0.18 INCHES/HOUR.
 5. PERMEATION RATE OF AT LEAST 0.18 INCHES/HOUR.
 6. PERMEATION RATE OF AT LEAST 0.18 INCHES/HOUR.
 7. PERMEATION RATE OF AT LEAST 0.18 INCHES/HOUR.
 8. PERMEATION RATE OF AT LEAST 0.18 INCHES/HOUR.
 9. PERMEATION RATE OF AT LEAST 0.18 INCHES/HOUR.
 10. PERMEATION RATE OF AT LEAST 0.18 INCHES/HOUR.

3 BIO-INFILTRATION SWALE
 CS97 SCALE: 1/8" = 1'-0"



Environmental Works
 COMMUNITY DESIGN CENTER
 401 10th Street SW
 Suite 200, Washington, DC 20004
 Tel: 202-339-9444
 Fax: 202-339-9444

NOT FOR CONSTRUCTION

CIVIL DETAILS

DESIGNED BY	DATE
CHECKED BY	DATE
APPROVED BY	DATE
DATE	DATE

DESIGNED BY	DATE
CHECKED BY	DATE
APPROVED BY	DATE
DATE	DATE

- | LEGEND | |
|-----------------------------|---|
| HA | MOSE RIB |
| FC | SEMI-ACCESSIBLE FIRE EXTINGUISHER CABINET |
| FA | FLOOR DRAIN |
| CG | CORNER GUARD |
| DSO | DOWNSPOUT |
| WALL ASSEMBLY | |
| 1-HOUR RATED FIRE PARTITION | |
| SOFFITED CEILING | |



Section 2. Financial Capability

Draft 2021 Audit Statements are attached. Due to the limit in submission length, only the statements themselves are included, notes can be provided upon request and audit final versions will be shared once available.

Rod's House
Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets:		
Cash	\$ 600,449	\$ 452,130
Certificate of deposit	104,666	-
Grant and contract receivables	340,149	216,192
Prepaid expense	21,447	17,522
Total current assets	1,066,711	685,844
Property and Equipment:		
Building and leasehold improvements	226,830	212,589
Furniture and equipment	34,528	29,126
Vehicles	17,896	17,896
Total	279,254	259,611
Less: accumulated depreciation	56,588	40,704
Total	222,666	218,907
Land	290,352	15,700
Construction in process	126,989	99,491
Total property and equipment	640,007	334,098
Other Assets:		
Certificate of deposit	-	102,568
Donated items for sale	2,625	-
Total other assets	2,625	102,568
Total Assets	\$ 1,709,343	\$ 1,122,510
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 40,144	\$ 18,418
Credit card liabilities	2,746	3,099
Accrued liabilities	55,322	38,036
Accrued interest payable	660	-
Deferred revenue - Paycheck Protection Program loan	-	90,430
Total current liabilities	98,872	149,983
Long-term Liabilities		
Long-term liability	262,700	15,000
Total long-term liabilities	262,700	15,000
Net Assets:		
Net assets without donor restrictions	1,310,970	869,497
Net assets with donor restrictions	36,801	88,030
Total net assets	1,347,771	957,527
Total Liabilities and Net Assets	\$ 1,709,343	\$ 1,122,510

See accompanying notes to financial statements.

Rod's House
Statement of Activities and Changes in Net Assets
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Grants and contracts	\$ 1,041,102	\$ -	\$ 1,041,102
Contributions	725,821	19,467	745,288
Donated materials and services	116,241	-	116,241
Special event, less direct benefit of \$1,894	96,800	-	96,800
Interest and dividend income	3,551	-	3,551
Paycheck Protection Program loan forgiveness	90,433	-	90,433
Net assets released from restrictions	70,696	(70,696)	-
Total revenue and support	2,144,644	(51,229)	2,093,415
Expenses:			
Program services	1,301,258	-	1,301,258
Management and general	290,574	-	290,574
Fundraising	111,339	-	111,339
Total expense	1,703,171	-	1,703,171
Changes in Net Assets	441,473	(51,229)	390,244
Net Assets, Beginning of Year	869,497	88,030	957,527
Net Assets, End of Year	<u>\$ 1,310,970</u>	<u>\$ 36,801</u>	<u>\$ 1,347,771</u>

See accompanying notes to financial statements.

Rod's House
Statement of Activities and Changes in Net Assets
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Grants and contracts	\$ 887,666	\$ -	\$ 887,666
Contributions	492,252	101,339	593,591
Donated materials and services	211,937	-	211,937
Special event, less direct benefit of \$-0-	51,855	-	51,855
Interest and dividend income	2,633	-	2,633
Other income	2,201	-	2,201
Loss on disposal of property and equipment	(2,133)	-	(2,133)
Net assets released from restrictions	90,951	(90,951)	-
Total revenue and support	1,737,362	10,388	1,747,750
Expenses:			
Program services	1,248,068	-	1,248,068
Management and general	39,040	-	39,040
Fundraising	78,632	-	78,632
Total expense	1,365,740	-	1,365,740
Changes in Net Assets	371,622	10,388	382,010
Net Assets, Beginning of Year	497,875	77,642	575,517
Net Assets, End of Year	<u>\$ 869,497</u>	<u>\$ 88,030</u>	<u>\$ 957,527</u>

See accompanying notes to financial statements.

Rod's House
Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services	Management and General	Fundraising	Total
Employee wages and benefits	\$ 729,709	\$ 173,934	\$ 56,041	\$ 959,684
Payroll taxes	58,583	9,773	3,822	72,178
Food and supplies (in-kind)	100,871	-	-	100,871
Assistance to individuals	96,185	-	120	96,305
Contract services	176,579	35,113	16,650	228,342
Supplies and postage	35,587	8,270	11,114	54,971
Other expenses	11,878	15,880	4,593	32,351
Utilities	27,839	3,080	192	31,111
Rent	12,783	10,000	-	22,783
Depreciation expense	-	15,884	-	15,884
Insurance	7,042	11,745	224	19,011
Advertising	4,978	601	14,537	20,116
Automobile expense	13,033	1,419	-	14,452
Equipment rental and maintenance	13,609	658	-	14,267
Travel and conference	4,217	1,799	1,238	7,254
Bank fees and charges	21	84	2,798	2,903
Tax and license	2,873	2,334	10	5,217
Interest expense	5,471	-	-	5,471
Total expenses	<u>\$ 1,301,258</u>	<u>\$ 290,574</u>	<u>\$ 111,339</u>	<u>\$ 1,703,171</u>

See accompanying notes to financial statements.

Rod's House
Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services	Management and General	Fundraising	Total
Employee wages and benefits	\$ 735,006	\$ -	\$ 56,057	\$ 791,063
Payroll taxes	54,050	5,182	4,110	63,342
Food and supplies (in-kind)	112,866	-	-	112,866
Assistance to individuals	108,249	297	-	108,546
Contract services	94,909	5,840	3,842	104,591
Supplies and postage	40,596	3,198	1,258	45,052
Other expenses	24,257	1,601	-	25,858
Utilities	18,918	1,611	1,025	21,554
Rent	17,185	912	237	18,334
Depreciation expense	-	14,089	-	14,089
Insurance	11,541	-	446	11,987
Advertising	7,995	2,641	888	11,524
Event expense	2,000	-	8,792	10,792
Automobile expense	9,117	272	-	9,389
Equipment rental and maintenance	6,554	594	-	7,148
Travel and conference	3,830	100	-	3,930
Bank fees and charges	414	45	1,977	2,436
Tax and license	383	1,579	-	1,962
Interest expense	198	1,079	-	1,277
Total expenses	<u>\$ 1,248,068</u>	<u>\$ 39,040</u>	<u>\$ 78,632</u>	<u>\$ 1,365,740</u>

See accompanying notes to financial statements.

Rod's House
Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
<i>Increase (Decrease) in Cash:</i>		
<i>Cash Flow from Operating Activities:</i>		
Cash received from contributions, grants, and services	\$ 1,872,852	\$ 1,530,486
Interest received	3,551	2,633
Cash paid to suppliers and employees	(1,647,082)	(1,346,474)
Interest paid	(4,811)	(1,277)
Net cash provided by operating activities	<u>224,510</u>	<u>185,368</u>
<i>Cash Flows From Investing Activities:</i>		
Purchase of property and equipment	(321,793)	(93,549)
Change in certificate of deposit	(2,098)	(2,062)
Net cash used by investing activities	<u>(323,891)</u>	<u>(95,611)</u>
<i>Cash Flows From Financing Activities:</i>		
Cash received from long-term borrowings	247,700	15,000
Cash received from Paycheck Protection Program loan	-	90,430
Net cash provided by financing activities	<u>247,700</u>	<u>105,430</u>
<i>Net Increase in Cash</i>	148,319	195,187
<i>Cash, Beginning of the Year</i>	452,130	256,943
<i>Cash, End of the Year</i>	<u>\$ 600,449</u>	<u>\$ 452,130</u>

Non-Cash Investing Activities:

The Organization received donated property and equipment of \$-0- and \$92,513 during the years ended December 31, 2021 and 2020, respectively.

The Organization had donated items available for sale of \$2,625 as of December 31, 2021.

Non-Cash Financing Activities:

The Organization received full loan forgiveness of the Paycheck Protection Program loan of \$90,430 as of December 31, 2021.

CIVIL RIGHTS CERTIFICATION FORM

The funds provided to the grantee named below (hereinafter referred to as the "Grantee") are available under section 603 of the Social Security Act, as added by section 9901 of the American Rescue Plan Act.

Grantee understands and acknowledges that:

As a condition of receipt of federal financial assistance from the Department of the Treasury, with monies distributed through the City of Yakima, Grantee provides the assurances stated herein. The federal financial assistance may include federal grants, loans and contracts to provide assistance to Grantee, the use or rent of Federal land or property at below market value, Federal training, a loan of Federal personnel, subsidies, and other arrangements with the intention of providing assistance. Federal financial assistance does not encompass contracts of guarantee or insurance, regulated programs, licenses, procurement contracts by the Federal government at market value, or programs that provide direct benefits.

The Civil Rights Restoration Act of 1987 provides that the provisions of the assurances apply to all of the operations of Grantee's program(s) and activity(ies), so long as any portion of Grantee's program(s) or activity(ies) is federally assisted in the manner prescribed above

Grantee certifies the following:

1. Grantee ensures its current and future compliance with Title VI of the Civil Rights Act of 1964, as amended, which prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal financial assistance, of any person in the United States on the ground of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury Title VI regulations at 31 CFR Part 22 and other pertinent executive orders such as Executive Order 13166, directives, circulars, policies, memoranda, and/or guidance documents.
2. Grantee acknowledges that Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency," seeks to improve access to federally assisted programs and activities for individuals who, because of national origin, have Limited English proficiency (LEP). Grantee understands that denying a person access to its programs, services, and activities because of LEP is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964 and the Department of the Treasury's implementing regulations. Accordingly, Grantee shall initiate reasonable steps, or comply with the Department of the Treasury's directives, to ensure that LEP persons have meaningful access to its programs, services, and activities. Grantee understands and agrees that meaningful access may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication in Grantee's programs, services, and activities.
3. Grantee agrees to consider the need for language services for LEP persons when Grantee develops applicable budgets and conducts programs, services, and activities. As a resource, the Department of the Treasury has published its LEP guidance at 70 FR 6067. For more information on taking reasonable steps to provide meaningful access for LEP persons, please visit <http://www.lep.gov>.
4. Grantee acknowledges and agrees that compliance with the assurances constitutes a condition of continued receipt of federal financial assistance and is binding upon Grantee and its successors, transferees, and assignees for the period in which such assistance is provided.
5. Grantee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits Grantees 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 U.S.C. § 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 contract (or agreement). Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 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.

6. Grantee understands and agrees that if any real property or structure is provided or improved with the aid of federal financial assistance by the Department of the Treasury, this assurance obligates Grantee, or in the case of a subsequent transfer, the transferee, for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is provided, this assurance obligates the Contractor for the period during which it retains ownership or possession of the property.
7. Grantee shall cooperate in any enforcement or compliance review activities by the Department of the Treasury of the aforementioned obligations. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring of any settlement agreements that may result from these actions. Grantee shall comply with information requests, on-site compliance reviews and reporting requirements.
8. Grantee shall maintain a complaint log and inform the Department of the Treasury of any complaints of discrimination on the grounds of race, color, or national origin, and limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, pending or completed, including outcome. Grantee also must inform the Department of the Treasury if Contractor has received no complaints under Title VI.
9. Grantee must provide documentation of an administrative agency's or court's findings of non-compliance of Title VI and efforts to address the non-compliance, including any voluntary compliance or other agreements between the Contractor and the administrative agency that made the finding. If Grantee settles a case or matter alleging such discrimination, Grantee must provide documentation of the settlement. If Grantee has not been the subject of any court or administrative agency finding of discrimination, please so state.
10. The United States of America has the right to seek judicial enforcement of the terms of this assurances document and nothing in this document alters or limits the federal enforcement measures that the United States may take in order to address violations of this document or applicable federal law.

I hereby certify that I have read and understood the obligations described above, that Grantee is in compliance with the above-described nondiscrimination requirements, and by my signature on this document, acknowledge my understanding that any intentional or negligent misrepresentation or falsification of any information submitted in conjunction with this document could subject me to punishment under federal, civil liability and/or in criminal penalties, including but not limited to fine or imprisonment or both under Title 18, United States Code, Sec. 1001, et seq. and punishment under federal law.

Brian Ahern
Printed Name
Acting Executive
Title
Director


Signature
02/09/2023
Date

LOBBYING CERTIFICATION FORM

The undersigned certifies, to the best of the undersigned's knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions, as attached.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that I have read the above certification, and that the information and my statements provided herein by me are true and correct to the best of my knowledge, and by my signature on this document, acknowledge my understanding that any intentional or negligent misrepresentation or falsification of any of the information in this document could subject me to punishment under federal and/or civil liability and/or in criminal penalties, including but not limited to fine or imprisonment or both under Title 18, United States Code, Sec. 1001, et seq. and punishment under federal law.

Brian Ahern
Printed Name

Acting Executive
Title
Director


Signature

02/09/2023
Date

COST CERTIFICATION

I certify that:

1. I have authority and approval from the governing body on behalf of Rod's House ("Grantee") to accept proceeds from the City of Yakima (the "City") per the Agreement by and between the City and Grantee from the City's allocation of the Coronavirus Local Fiscal Recovery Fund ("CLFR") as created by the American Rescue Plan Act of 2021, Section 9901 ("ARPA") for eligible expenditures included on the corresponding invoice voucher for report period March 3, 2021 through December 31, 2024.
2. I understand that as additional federal guidance becomes available, an amendment to the Contract between the City and Grantee may become necessary and agree to execute necessary amendments.
3. I understand the City will rely on this certification as a material representation in processing reimbursements or payment requests.
4. I understand the Grantee receiving funds pursuant to this certification shall retain documentation of all uses of the funds, including but not limited to invoices and/or sales receipts in a manner consistent with §200.333 Retention requirements for records of 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Such documentation shall be produced to the City upon request and may be subject to audit by the State Auditor.
5. I understand any funds provided pursuant to this certification cannot be used for expenditures for which Grantee has received any other funding whether state, federal or private in nature, for that same expense.

I hereby certify that I have read the above certification, and that the information and my statements provided herein by me are true and correct to the best of my knowledge, and by my signature on this document, acknowledge my understanding that any intentional or negligent misrepresentation or falsification of any of the information in this document could subject me to punishment under federal and/or civil liability and/or in criminal penalties, including but not limited to fine or imprisonment or both under Title 18, United States Code, Sec. 1001, et seq. and punishment under federal law.

Brian Ahern
Printed Name
Acting Executive
Title
Director

BA
Signature
02/09/2023
Date

Description of the harm or need to be addressed. Recipients should provide a description of the specific harm or need to be addressed and why the harm was exacerbated or caused by the public health emergency. Recipients may provide quantitative information on the extent and the type of harm, such as the number of individuals or entities affected.

The pandemic has presented significant barriers to young people experiencing homelessness in Yakima and continues to prevent young people from exiting out of their circumstances into long-term, secure, and permanent housing.

COVID-19 hit Rod's House at a time when we were seeing extraordinary high numbers of young people accessing services. Staff were utilizing the authentic relationships they had built to further the development of young people who were unaccompanied (over 70% across all programs). When COVID-19 struck, we had to put a total standstill on the momentum that had been gaining. We went from encountering 35-40 young people a day to 10-15 young people within a week's time. We combined both operations for the Extreme Winter Weather Shelter and Resource Center, which drove away many young people who needed case management or support services, but did not want to go to a different location to do so. We had to change locations for our 24-7 operations twice, which continued to disrupt progress.

The Outreach Team had a difficult time accessing school-attending youth because of Covid-19. The team relies on the local school districts to refer young people in need of services and with many schools closing and reopening in a limited capacity, Outreach saw a significant decrease in the number of school-aged youth. E.g. the Yakima transit bus station was regularly a hot-spot for students between 3:00-4:00p and with schools adapting attendance days and hours due to COVID-19 restrictions, this resulted in a decrease in the amount of students the Outreach Team engaged with at that location. With the subsequent closures of middle schools, high schools, and colleges, as well as with other youth-based organizations, the Outreach Team lost communication with many of their contacts in the community and thus their ability to meet with young people that could utilize Rod's House services. When they were able to connect with young people, another challenge the Outreach Team experienced was difficulty referring young people to other service providers due to their offices being closed or at limited capacity. They spent time researching other agencies and service providers to be able to provide accurate referral and contact information to young people in need.

Although, at the Resource Center, we consistently served up basic necessities and supplied case management and behavioral health services, we were limited in that approach, and as an agency, decided that it was still necessary to limit young people's full access to the space. This created a major issue for not allowing for a safe place for young people to be during the day, even though we had most services up and running. At an average of 10 young people a day, Rod's House was tasked with sustaining the relationships built when intentional one-on-one support services are severely limited. With behavioral health, case management, and support services, the difficulty lies in maintaining the momentum of services started, while countering constant interruptions on a daily, weekly, and monthly basis. Additionally, we continued to see a

decrease in our volunteerism, due to volunteers not feeling safe with COVID-19, as well as our ability to adequately host that many people indoors while allowing for social distancing.

Identifying available rental opportunities has been extraordinarily difficult during the public health emergency. When available this process has taken much longer in general. Typically reliable landlords have been less willing to work with Rod's House, which makes a small rental market even less accessible. Young people, let alone with Rod's House financial support, have not been able to meet the high asking prices of landlords, which included multiple months of rent upfront on top of the security deposit. Young people who are able to enter into lease agreements were placed in areas that were unsafe, unsanitary, and not conducive to sustainably living independently. Rapid rehousing programs, such as Catholic Charities, maintained higher than average waiting lists that were difficult to keep up with for young people without a consistent place to call home.

The supply of housing and shelter for youth experiencing homelessness is insufficient. When young people could not find housing, or a housing program, they had to rely on the general adult population emergency shelters in Yakima. Although a necessary part of the homeless response system, these spaces have oftentimes countered the growth young people have shown in their goals to exit homelessness. Services at these emergency shelters are geared towards adults and families. Specifically, youth-focused behavioral health resources are not adequately integrated into homeless services.

When young people could find housing, the public health emergency made it extremely difficult for young adults to keep their housing because they couldn't find reliable jobs. Many companies were slow to increase their staff capacity. Companies would post jobs, then retract them days later. When jobs were open, young people were competing for roles against a more robust and diverse workforce which included people with more relevant employment experiences. Additionally, acquiring identifying documents to even apply for jobs (e.g. driver license, state ID, birth certificate, social security card) was incredibly difficult as many of the departments to get these documents were closed for periods of time or open in a limited capacity, resulting in appointments that would sometimes be multiple months out from the scheduling date. Many of the young people who access Rod's House for the first time have no forms of ID, and this process can take months to get to even a place where you can begin applying for jobs. All of these obstacles are shown in the 33% decrease in annual employment rates when comparing pre-public health emergency (2019) to this past year (2022).

In 2018, Rod's House supported 380 young people throughout Yakima County. In 2022, Rod's House supported over 600. That is nearly a 60% increase in the number of young people experiencing homelessness in Yakima County in just 4.5 years. In that time, Rod's House has taken on full operations of the Young Adult Extreme Winter Weather Shelter, which was once a collaboration with the Homeless Network of Yakima County. Rod's House has also expanded into the South Valley with another emergency shelter. These two shelters have filled a tremendous need for young people, but they are severely limited. The emergency shelter in Sunnyside has an 8-bed capacity. The young people on the waiting list, are forced to be in the position as young

people waiting for spots in housing programs to open. The extreme winter weather shelter in Yakima has a capacity of 15, but it only runs from November - March, and relies on hotels to provide the shelter's host location every season.

This means that in Yakima there is NO youth-specific, year round, shelter option. Youth exiting another state system, such as residential treatment facilities, child welfare, juvenile rehabilitation, are forced into couchsurfing or general adult population emergency shelters and even unsheltered or uninhabitable situations. It is unrealistic to believe that young people exiting these systems can immediately transition into independent living or even reconciliation with family. Through wraparound services like education and employment-focused case management and behavioral health services, young people staying at this shelter will gain the necessary skills, confidence, and mindset to move into and maintain long-term and secure housing.

Rod's House has the opportunity to be responsive to young people's needs, no matter their circumstance, by providing them 24-7 emergency shelter in Yakima. Most importantly, building a permanent shelter for youth gives Rod's House the opportunity to provide overnight shelter for unaccompanied minors (ages 13-17), a service which currently does not exist in Yakima County. The Office of Homeless Youth tracks measures surrounding social connections young people have and what we've learned is that giving young people the opportunity to connect with peers with similar experiences allows them to build lasting connections that reduces recidivism back into homelessness. In particular, opening an emergency shelter for minors opens the door for family reunification efforts with trusted Rod's House staff.

OMB Approved No. 1505-0271
Expiration Date: 11/30/2021

U.S. DEPARTMENT OF THE TREASURY
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

Recipient name and address: City of Yakima 129 N 2nd St Yakima, Washington 98901	DUNS Number: 078212651 Taxpayer Identification Number: 916001293 Assistance Listing Number and Title: 21.027
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Sections 602(b) and 603(b) of the Social Security Act (the Act) as added by section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2 (March 11, 2021) authorizes the Department of the Treasury (Treasury) to make payments to certain recipients from the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund.

Recipients hereby agrees, as a condition to receiving such payment from Treasury, agrees to the terms attached hereto.

Recipient:

Authorized Representative Signature (above)

Authorized Representative Name: Robert Harrison

Authorized Representative Title: City Manager

Date Signed: _____

U.S. Department of the Treasury:



Authorized Representative Signature (above)

Authorized Representative Name: Jacob Leibenluft

Authorized Representative Title: Chief Recovery Officer, Office of Recovery Programs

Date Signed: May 17, 2021

PAPERWORK REDUCTION ACT NOTICE

The information collected will be used for the U.S. Government to process requests for support. The estimated burden associated with this collection of information is 15 minutes per response. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Privacy, Transparency and Records, Department of the Treasury, 1500 Pennsylvania Ave., N.W., Washington, D.C. 20220. DO NOT send the form to this address. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

U.S. DEPARTMENT OF THE TREASURY
CORONAVIRUS STATE FISCAL RECOVERY FUND
AWARD TERMS AND CONDITIONS

1. Use of Funds.

- a. Recipient understands and agrees that the funds disbursed under this award may only be used in compliance with sections 602(c) and 603(c) of the Social Security Act (the Act) and Treasury's regulations implementing that section and guidance.
- b. Recipient will determine prior to engaging in any project using this assistance that it has the institutional, managerial, and financial capability to ensure proper planning, management, and completion of such project.

2. Period of Performance. The period of performance for this award begins on the date hereof and ends on December 31, 2026. As set forth in Treasury's implementing regulations, Recipient may use award funds to cover eligible costs incurred during the period that begins on March 3, 2021 and ends on December 31, 2024.

3. Reporting. Recipient agrees to comply with any reporting obligations established by Treasury, as it relates to this award.

4. Maintenance of and Access to Records

- a. Recipient shall maintain records and financial documents sufficient to evidence compliance with sections 602(c) and 603(c), Treasury's regulations implementing those sections, and guidance regarding the eligible uses of funds.
- b. The Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, shall have the right of access to records (electronic and otherwise) of Recipient in order to conduct audits or other investigations.
- c. Records shall be maintained by Recipient for a period of five (5) years after all funds have been expended or returned to Treasury, whichever is later.

5. Pre-award Costs. Pre-award costs, as defined in 2 C.F.R. § 200.458, may not be paid with funding from this award.

6. Administrative Costs. Recipient may use funds provided under this award to cover both direct and indirect costs.

7. Cost Sharing. Cost sharing or matching funds are not required to be provided by Recipient.

8. Conflicts of Interest. Recipient understands and agrees it must maintain a conflict of interest policy consistent with 2 C.F.R. § 200.318(c) and that such conflict of interest policy is applicable to each activity funded under this award. Recipient and subrecipients must disclose in writing to Treasury or the pass-through entity, as appropriate, any potential conflict of interest affecting the awarded funds in accordance with 2 C.F.R. § 200.112.

9. Compliance with Applicable Law and Regulations.

- a. Recipient agrees to comply with the requirements of sections 602 and 603 of the Act, regulations adopted by Treasury pursuant to sections 602(f) and 603(f) of the Act, and guidance issued by Treasury regarding the foregoing. Recipient also agrees to comply with all other applicable federal statutes, regulations, and executive orders, and Recipient shall provide for such compliance by other parties in any agreements it enters into with other parties relating to this award.
- b. Federal regulations applicable to this award include, without limitation, the following:
 - i. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, other than such provisions as Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award.
 - ii. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.
 - iii. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.
 - iv. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.

- v. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
 - vi. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.
 - vii. New Restrictions on Lobbying, 31 C.F.R. Part 21.
 - viii. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.
 - ix. Generally applicable federal environmental laws and regulations.
- c. Statutes and regulations prohibiting discrimination applicable to this award, include, without limitation, the following:
- i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance;
 - ii. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;
 - iii. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance;
 - iv. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and
 - v. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

10. Remedial Actions. In the event of Recipient's noncompliance with sections 602 and 603 of the Act, other applicable laws, Treasury's implementing regulations, guidance, or any reporting or other program requirements, Treasury may impose additional conditions on the receipt of a subsequent tranche of future award funds, if any, or take other available remedies as set forth in 2 C.F.R. § 200.339. In the case of a violation of sections 602(c) or 603(c) of the Act regarding the use of funds, previous payments shall be subject to recoupment as provided in sections 602(e) and 603(e) of the Act.

11. Hatch Act. Recipient agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limit 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.

12. False Statements. Recipient understands that making false statements or claims in connection with this award is a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or contracts, and/or any other remedy available by law.

13. Publications. Any publications produced with funds from this award must display the following language: "This project [is being] [was] supported, in whole or in part, by federal award number [enter project FAIN] awarded to City of Yakima by the U.S. Department of the Treasury."

14. Debts Owed the Federal Government.

- a. Any funds paid to Recipient (1) in excess of the amount to which Recipient is finally determined to be authorized to retain under the terms of this award; (2) that are determined by the Treasury Office of Inspector General to have been misused; or (3) that are determined by Treasury to be subject to a repayment obligation pursuant to sections 602(e) and 603(e) of the Act and have not been repaid by Recipient shall constitute a debt to the federal government.
- b. Any debts determined to be owed the federal government must be paid promptly by Recipient. A debt is delinquent if it has not been paid by the date specified in Treasury's initial written demand for payment, unless other satisfactory arrangements have been made or if the Recipient knowingly or improperly retains funds that are a debt as defined in paragraph 14(a). Treasury will take any actions available to it to collect such a debt.

15. Disclaimer.

- a. The United States expressly disclaims any and all responsibility or liability to Recipient or third persons for the actions of Recipient or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this award or any other losses resulting in any way from the performance of this award or any contract, or subcontract under this award.
- b. The acceptance of this award by Recipient does not in any way establish an agency relationship between the United States and Recipient.

16. Protections for Whistleblowers.

- a. In accordance with 41 U.S.C. § 4712, Recipient may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.
- b. The list of persons and entities referenced in the paragraph above includes the following:
 - i. A member of Congress or a representative of a committee of Congress;
 - ii. An Inspector General;
 - iii. The Government Accountability Office;
 - iv. A Treasury employee responsible for contract or grant oversight or management;
 - v. An authorized official of the Department of Justice or other law enforcement agency;
 - vi. A court or grand jury; or
 - vii. A management official or other employee of Recipient, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct.
- c. Recipient shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.

17. Increasing Seat Belt Use in the United States. Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Recipient should encourage its contractors to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented or personally owned vehicles.

18. Reducing Text Messaging While Driving. Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), Recipient should encourage its employees, subrecipients, and contractors to adopt and enforce policies that ban text messaging while driving, and Recipient should establish workplace safety policies to decrease accidents caused by distracted drivers.

ASSURANCE OF COMPLIANCE WITH CIVIL RIGHTS REQUIREMENTS

ASSURANCE OF COMPLIANCE WITH TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

As a condition of receipt of federal financial assistance from the Department of the Treasury, the City of Yakima (hereinafter referred to as “the Recipient”) provides the assurances stated herein. The federal financial assistance may include federal grants, loans and contracts to provide assistance to the recipient’s beneficiaries, the use or rent of Federal land or property at below market value, Federal training, a loan of Federal personnel, subsidies, and other arrangements with the intention of providing assistance. Federal financial assistance does not encompass contracts of guarantee or insurance, regulated programs, licenses, procurement contracts by the Federal government at market value, or programs that provide direct benefits. This assurance applies to all federal financial assistance from or funds made available through the Department of the Treasury, including any assistance that the Recipient may request in the future.

The Civil Rights Restoration Act of 1987 provides that the provisions of this assurance apply to all of the recipient’s programs, services and activities, so long as any portion of the recipient’s program(s) is federally assisted in the manner proscribed above.

1. Recipient ensures its current and future compliance with Title VI of the Civil Rights Act of 1964, as amended, which prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal funds, of any person in the United States on the ground of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury Title VI regulations at 31 CFR Part 22 and other pertinent executive orders such as Executive Order 13166; directives; circulars; policies; memoranda and/or guidance documents.
2. Recipient acknowledges that Executive Order 13166, “Improving Access to Services for Persons with Limited English Proficiency,” seeks to improve access to federally assisted programs and activities for individuals who, because of national origin, have Limited English proficiency (LEP). Recipient understands that denying a person access to its programs, services, and activities because of LEP is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964 and the Department of the Treasury’s implementing regulations. Accordingly, Recipient shall initiate reasonable steps, or comply with the Department of the Treasury’s directives, to ensure that LEP persons have meaningful access to its programs, services, and activities. Recipient understands and agrees that meaningful access may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication in the Recipient’s programs, services, and activities.
3. Recipient agrees to consider the need for language services for LEP persons during development of applicable budgets and when conducting programs, services and activities. As a resource, the Department of the Treasury has published its LEP guidance at 70 FR 6067. For more information on LEP, please visit <http://www.lep.gov>.
4. Recipient acknowledges and agrees that compliance with this assurance constitutes a condition of continued receipt of federal financial assistance and is binding upon Recipient and Recipient’s successors, transferees and assignees for the period in which such assistance is provided.
5. Recipient acknowledges and agrees that it must require any sub-grantees, contractors, subcontractors, successors, transferees, and assignees to comply with assurances 1-4 above, and agrees to incorporate the following language in every contract or agreement subject to Title VI and its regulations between the Recipient and the Recipient’s sub-grantees, contractors, subcontractors, successors, transferees, and assignees:

The sub-grantee, contractor, subcontractor, successor, transferee, and assignee 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 U.S.C. § 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 contract (or agreement). Title VI also includes protection to persons with “Limited English Proficiency” in any program or activity receiving federal financial assistance, 42 U.S.C. § 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.

6. Recipient understands and agrees that if any real property or structure is provided or improved with the aid of federal financial assistance by the Department of the Treasury, this assurance obligates the Recipient, or in the case of a subsequent transfer, the transferee, for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any

personal property is provided, this assurance obligates the Recipient for the period during which it retains ownership or possession of the property;

7. Recipient shall cooperate in any enforcement or compliance review activities by the Department of the Treasury of the aforementioned obligations. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring of any settlement agreements that may result from these actions. That is, the Recipient shall comply with information requests, on-site compliance reviews, and reporting requirements.
8. Recipient shall maintain a complaint log and inform the Department of the Treasury of any complaints of discrimination on the grounds of race, color, or national origin, and limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, pending or completed, including outcome. Recipient also must inform the Department of the Treasury if Recipient has received no complaints under Title VI..
9. Recipient must provide documentation of an administrative agency's or court's findings of non-compliance of Title VI and efforts to address the non-compliance, including any voluntary compliance or other agreements between the Recipient and the administrative agency that made the finding. If the Recipient settles a case or matter alleging such discrimination, the Recipient must provide documentation of the settlement. If Recipient has not been the subject of any court or administrative agency finding of discrimination, please so state.
10. If the Recipient makes sub-awards to other agencies or other entities, the Recipient is responsible for ensuring that sub-recipients also comply with Title VI and other applicable authorities covered in this document State agencies that make sub-awards must have in place standard grant assurances and review procedures to demonstrate that that they are effectively monitoring the civil rights compliance of sub-recipients.

The United States of America has the right to seek judicial enforcement of the terms of this assurances document and nothing in this document alters or limits the federal enforcement measures that the United States may take in order to address violations of this document or applicable federal law.

Under penalty of perjury, the undersigned official(s) certifies that he/she has read and understood its obligations as herein described, that any information submitted in conjunction with this assurance document is accurate and complete, and that the Recipient is in compliance with the aforementioned nondiscrimination requirements.

Recipient

Date

Signature of Authorized Official:

PAPERWORK REDUCTION ACT NOTICE

The information collected will be used for the U.S. Government to process requests for support. The estimated burden associated with this collection of information is 15 minutes per response. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Privacy, Transparency and Records, Department of the Treasury, 1500 Pennsylvania Ave., N.W., Washington, D.C. 20220. DO NOT send the form to this address. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.



Request for Proposals (RFP) 12239P Central Business District Housing Development Project

Submit Proposals To:

Yakima City Hall
City Clerk's Office
129 N 2nd Street
Yakima, WA 98901

Issue Date:
Proposals Due:

December 2, 2022
December 30, 2022
11:00 a.m. PST

City of Yakima
NOTICE TO PROPOSERS
RFP NO. 12239P

Notice is hereby given by the undersigned that sealed Requests for Proposals will be accepted by the Clerks' Office located at City Hall, 129 N. 2nd Street, Yakima, Washington 98901, until the hour of 11:00:00 AM PST on December 30, 2022. At such time, RFPs will be publicly opened in Council Chambers and Proposer's names will be read for: Central Business District Housing Development Project

The City of Yakima reserves the right to reject any & all RFPs. The City hereby notifies all Proposers that it will affirmatively ensure compliance with WA State Law Against Discrimination (RCW chapter 49.60) & the Americans with Disabilities Act (42 USC 12101 et set.)

Dated November 30, 2022. Publish on December 2 & 4, 2022
Christina Payer, Buyer II

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City of Yakima
Request for Proposals (RFP) 12239P
Central Business Housing Development Project

Section 1 Project Summary

The City of Yakima (“City”) is seeking proposals (“Proposals”) from qualified firms, developers or individuals (individually and collectively referred to as “Proposer”) for the opportunity to enter into an American Rescue Plan Act (ARPA) funded partnership with the City of Yakima.

The selected Proposer will complete an Central Business District Housing Development Project in Yakima within the next three (3) years per this RFP. The selected Proposer(s) will put forth proposals consistent with the ARPA requirements. The parties will enter into a mutually agreeable contract that satisfies all federal, state, and local requirements for the project and use of ARPA funds.

Project Considerations

Because this project will be funded with ARPA funds, it is preferred that qualified firms have experience successfully completing projects which incorporate federal requirements. Federal clauses will also be attached to any contract resulting from this RFP. ARPA grant includes \$1 Million in funding for this project. The City may make multiple or one award not to exceed the amount available, as noted in the RFP. The period of performance will be approximately three (3) years.

Coronavirus State and Local Fiscal Recovery Funds (SLFRF) will be used. The guidelines are included as a separate attachment - Attachment A, as well as in the link provided below. See Final Rule FAQs.

[Coronavirus State and Local Fiscal Recovery Funds](#)

Desirable Locations and Project Intent Identified by the City of Yakima

This Proposal is limited to property that is located within the Central Business District (CBD) zoning district or within a 1,000 feet of the CBD zoning district. The purpose of this locational requirement is to encourage housing that is supportive of the CBD purpose, environment and vitality, as well as to encourage economic development.

Successful projects must include one or more of these conditions:

1. New construction of multi-family housing structures with at least 10 or more housing units;
2. Rehabilitation of existing mixed use or multi-family housing for the purposes of installing features to improve safety, private or public health deficiencies, or ADA compliance.
3. Building upgrades for residential units may include fire alarm upgrades, ADA fixture, fire suppression (fire sprinklers), water lines, earthquake stability upgrades, and emergency exiting or window upgrades.
4. Conversion of upper floors (those above the ground level, first floor) to housing units. In this case the first floor is a retail, office or other commercial use that creates a “missed use” building.
5. Preparation of a vacant lot necessary to accommodate new construction for housing, including public utilities, demolition or remediation costs, grading, public street frontage improvements, or other related costs.

Section 2 Project Introduction

Community Overview

The City of Yakima, the county seat of Yakima County, was incorporated in 1886 and is located in central Washington State. It encompasses 28.7 square miles in an area of rich volcanic soil. The City is 145 miles southeast of Seattle, and 200 miles southwest of Spokane, Washington. The region is served by rail, highway and air transportation facilities, which have helped develop the City as the commercial and business center of Central Washington. With a 2020 population of 96,968, Yakima is the eleventh largest City in the State of Washington.

Community Housing Needs Overview

The following is a brief summary of housing needs in the City of Yakima. The most recent City of Yakima housing needs assessment data is contained in the City's recent [Housing Action Plan](#).

The City of Yakima has grown since 2010, with a current estimated population of 96,968 residents and is expected to continue growing to 110,387 people by 2040.

The average household size in Yakima is 2.71, slightly larger than the statewide average of 2.55. While the average household size is larger relative to the state, more than half (58%) of the City's residents live in single or two-member households. Renters are more likely to be single-person households than owners.

There is a housing shortage in Yakima. Vacancy rates for both apartments and homes for sale are extremely low, below 1%. When vacancy rates are so low, people looking for new homes have fewer options, increasing competition for the limited supply of units available. This drives up both rents and home prices.

Local housing prices are rising faster than local incomes. The median home value in Yakima has risen by 38% between 2010 and 2019. Over the same period, the median family income has increased by 19%. This indicates that homeownership is getting further and further out of reach for many prospective buyers.

In the last 3 years, the City grew by an annual average of 530 new residents, a greater annual amount compared to 2010-2017 at 386 persons per year. To achieve its growth target, the City is projected to add about 745 persons per year over the next 20 years.

The average household size in Yakima is 2.71. If applying a 2.7 household size to the remaining population target, about 5,517 dwelling units would be needed between 2020 and 2040.

Many households in Yakima are cost burdened. Between 2012 and 2016, 36% of all households in Yakima were cost burdened. Cost-burdened households spend a large portion (over 30%) of their available income on housing costs. This leaves less money available for other important needs like food, transportation, clothing, and education. With rising housing costs, the number of cost-burdened households has almost certainly increased during the past few years.

Cost burden is not evenly distributed across households. For example, renters are more cost-burdened than owners. Nearly 50% of renter households were cost-burdened, compared to about a quarter of all homeowners.

Needs are greatest among low-income households. About three fourths of all households with incomes below 50% of the county median family income are cost-burdened. Nearly half of these households are severely cost-burdened, meaning they spend over 50% of their income on housing costs. While there are low-income households living in neighborhoods across the City, the greatest concentration of low-income households is in eastern Yakima, and many of these households are Hispanic/Latino ethnicity.

Yakima needs more housing diversity. Over 65% of all housing units in Yakima are single-family homes. Not all households require or can afford that much space. For example, about 30% of all households in Yakima are singles living alone, yet only 5% of housing units in Yakima are studios and only 13% have just one bedroom. Increasing the

diversity of housing options available will increase housing supply and provide more choices for residents seeking more affordable housing that meets their current needs.

Section 3 Project Timeline

Project Milestone	Anticipated Date
RFP Issued	December 2, 2022
Deadline for Submittal of Proposals	11:00 a.m. PST on December 30, 2022
Evaluation of Submittals by City	January 3-6, 2023
Interviews Begin (if requested)	January 9, 2023
Recommendation to City Council and authorization to enter into agreement	January-February, 2023
Project Awarded	February 21, 2023
Agreement approved by City Council.	February 21, 2023

Section 4 Inquiries

All inquiries regarding this RFP may be directed to the RFP Coordinator, Christina Payer, Buyer II at: christina.payer@yakimawa.gov.

Section 5 Addenda

The City may determine it is necessary to revise any part of this solicitation. Revisions will be made by written addenda and it is the Proposer's responsibility to understand and comply with any addenda to this solicitation.

If a Proposer discovers any significant ambiguity, error, conflict, discrepancy, omission, or other deficiency in this RFP, the Proposer has an affirmative duty to immediately notify the City of such concern and request consideration of modification or clarification of the RFP document. Any questions should be submitted via email to the contact person listed in Section 4.

All material questions will be answered in the form of an addendum and emailed to all firms on the City's Distribution List for this RFP.

Section 6 Proposal Submittal Instructions

The following minimum information should be provided in each proposal and will be utilized in evaluating each proposal submitted. To expedite the evaluation of proposals, submittals should be no more than thirty (30) pages. Proposals should include the following items:

1. Letter of Introduction:

Provide a cover letter, written on business letterhead and signed by an official authorized to legally bind the Proposer. Include the following:

- A. Name and title of Proposer representative
- B. Name, physical and mailing address of non-profit organization
- C. Telephone number and email address
- D. A statement that the Proposer believes its Proposal meets all the requirements set forth in this RFP
- E. Any additional information that Proposer would like the City of Yakima to consider

2. Financial Capability

Include either a current Financial Review or Compilation Report by a CPA firm, which is not to be older than one (1) year, or a Financial Statement from their bank asserting that Proposer has the Financial Capability to perform. The City reserves the right to use other means to substantiate Financial Capability, e.g. D&B reports, BBB, or other means.

3. Affordable Housing Plan

Provide a detailed description of the proposed affordable housing plan including the following:

A. Overview of plan

B. Proposer staffing overview and qualifications

D. Intended outcomes

E. Project timeline

F. Benefits to be realized by the community from the proposed development

G. Financial plan with breakdown of anticipated costs and payment/funding schedule

4. Qualifications

Proposers should address the following areas in their RFP Submittal:

A. Experience:

- 1) Detailed description of experience constructing single family housing or duplexes elsewhere
- 2) Describe your experience in completing similar projects
- 3) Describe existing partnerships that may contribute to your success
- 4) Provide a copy of any relevant certifications and/or licenses
- 5) Describe your experience working with federal funding

B. Cultural Competency:

Describe your plan for ensuring housing plan will serve the cultural, economic, language, and other unique characteristics of the community.

5. References:

Provide names and contact information (name, phone, email) for two references who have direct firsthand knowledge of Proposer's relevant experience. These references will be contacted by the City as part of the evaluation of this proposal.

Proposers responding to this RFP must comply with the requirements herein. The City reserves the right to exclude any responses from consideration that do not follow the required format or include all required documents.

Section 7 Proposal Questions/Request for Information

To evaluate the alternatives and select the appropriate Developer, the City is requesting development proposals that will help the City implement the Housing Action Plan as well as support the redevelopment of the CBD area. Proposals must include responses to the following questions (please be thorough in your answers):

1. Description of the Developer's proposed project:

- A. Square footage and number of dwelling unit(s);
- B. Description of the project, including new construction, multi-family rehabilitation, or a mixed use building;
- C. Percentage of housing units that will be market rate and those considered affordable to low-income and very-low-income households as defined in RCW 43.63A.510 or other special need population groups that may be served by the project, if any;
- D. Description of management program for completed project;
- E. Whether a parking adjustment will be sought or if YMC 15.06.040(D) will be used, or any other code waivers that may be requested for modification or exemption;
- F. Conceptual site plan for the property showing the proposed location of the dwelling unit(s), location of parking and location and size of the yards/green spaces.
- G. Anticipated timeline from time of contract award to completion of construction and occupancy of unit(s).

2. Proposed site overview to include:

- **Ownership Details**
- **Yakima County Assessor Tax No., Location/Address**
- **Site size and topography:** (acreage, topography, frontage)
- **Zoning:** (allows for residential development, does/does not have a density minimum or maximum, size of the parcel makes it appropriate for a single family residence and/or a duplex)
- **Parking:** (off-street parking requirement in number of spaces per dwelling unit, any code provisions to reduce the off-street parking requirements in the event the developer is developing subsidized low-income housing as outlined in Yakima Municipal Code Section 15.06.040(D), etc.)
- **Lot coverage:** (percentage of allowable lot coverage)
- **Setbacks:** (location of designated Local Access roads, front/side yard requirements, setback requirements from the centerline of the road/alley)
- **Close to transit:** (number of feet from major bus line)
- **Utilities:** (e.g. public water, stormwater, and public sewer)

Section 8 Submittal

Submit one signed, original hardcopy of your Proposal and one digital copy on flash drive to City of Yakima Clerk's Office: 129 N 2nd Street, Yakima, WA 98901, no later than 11:00 a.m. PST on December 30, 2022. All submittals shall be sealed in an envelope and clearly titled: "RFP 12238P Central Business District Housing Development Project". Modifications to submissions may be submitted prior to the date and time specified for receipt of submissions.

LATE RFP SUBMITTALS WILL NOT BE CONSIDERED. E-MAILED SUBMITTALS WILL NOT BE ACCEPTED. RFP submittals, which do not include all requested information and required documentation, may be considered non-responsive.

Section 9 Evaluation Criteria

The following are the criteria, which will be used in the selection of a Proposer. A maximum score of 100 points will be used by each evaluator to score Proposals. Each of the following elements shall have the stated maximum point value:

	<u>Criteria</u>	<u>Points</u>
1)	Housing Development Project Plan/Benefit to Community	45
2)	Qualifications and Experience/References	30
3)	Responsiveness to RFP/ARPA Guidelines	25
	<i>TOTAL</i>	<i>100</i>

The Evaluation Committee may request interviews of the top scoring Proposer(s) prior to a final scoring process.

Section 10 Minimum Score/Tied Score

A minimum score of 80 (or equivalent combined average of all scores from all Evaluation Committee members) is required in order to receive further consideration.

In case of tied score, recommendation of award will go to the Proposer who was favored by the majority of the Evaluation Committee members, according to their score. The Evaluation Committee shall then offer an “Intent to Negotiate and/or Intent to Award” the final contract with the successful Proposer and the decision to accept the award and approve the resulting contract shall be final.

Section 11 Post Evaluation and Award

The RFP Coordinator listed in Section 4 will e-mail written notices to all Proposers who submitted proposals informing them of their status.

The successful Proposer will be offered the opportunity to enter into an agreement with the City of Yakima to complete an Affordable Housing Development Project. The City reserves the right to negotiate any element of this RFP, if it is determined to be in the best interest of the City. If an agreement cannot be reached, the City reserves the right to enter into an agreement with the next highest ranked Proposer.

City Council will approve or deny the Recommendation of Award and Agreement during a public City Council meeting.

Section 12 Developer’s Responsibilities and Scope of Services

Following the execution of the Agreement, Developer shall proceed with detailed due diligence, pre-development, and construction of the housing unit(s) pursuant to the timeline proposed in Developer’s proposal.

Environmental review and procedure may be required for development pursuant to state and local law. Developer is responsible for all necessary costs and actions associated with the required environmental review, planning, permitting, design, approvals, grading, construction and all permits, fees and approvals associated therewith.

Section 13 RFP General Terms and Conditions

Public Disclosure

Per Washington State Public Disclosure Act (RCW 42.56 et seq.), documents submitted under this Specification shall be considered public records and, with limited exceptions, will be made available for inspection and copying by the public.

Respondents should be aware that any records they submit to the City or that are used by the City, even if the Respondents possess the records, may be public records under the Washington Public Records Act (RCW 42.56). The City must promptly disclose public records upon request unless a statute exempts them from disclosure. Respondents should also be aware that if even a portion of a record is exempt from disclosure, generally, the rest of the record must be disclosed. Exemptions, including those for trade secrets and "valuable formula," are narrow and specific.

Appropriately identified trade secrets will be kept confidential to the extent permitted by law. Any proposal section alleged to contain proprietary information will be identified by the proposer in boldface text at the top and bottom as "PROPRIETARY." Designating the entire proposal as proprietary is not acceptable and will not be honored. Submission of a proposal will constitute an agreement to this provision for public records. Pricing information is not considered proprietary information.

It is the intention of the City to maintain an open and public process in the solicitation, submission, review and approval of this RFP. RFP proposal openings and review will be public.

Retention of Rights

The City reserves the right to cancel this RFP or accept or reject any or all proposals submitted or to waive any minor formalities of this call if the best interest of the City would be served.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal, regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the proposing Developer of the conditions contained in this RFP, unless clearly and specifically noted.

Costs for developing responses

The City will not reimburse Respondents for any costs involved in the preparation and submission of responses to this RFP or in the preparation for and attendance at subsequent interviews. Furthermore, this RFP does not obligate the City to accept or contract for any expressed or implied services. The City reserves the right to request any Respondent to clarify their Proposal or to supply any additional material deemed necessary to assist in the evaluation of the Respondent. All responses and accompanying material will become the property of the City and will not be returned.

Cooperative Purchasing

The Washington State Interlocal Cooperative Act (RCW 39.34) provides that other governmental agencies may purchase goods or services on this solicitation or contract in accordance with the terms and prices indicated therein if all parties agree. The City of Yakima does not accept any responsibility or involvement in the purchase orders or contracts issued by other public agencies.

Non-Discrimination

The City hereby notifies all Respondents that it will affirmatively ensure compliance with WA State Law Against Discrimination (RCW chapter 49.60) & the Americans with Disabilities Act (42 USC 12101 et seq.)

Developer will be in compliance with the applicable provisions of the Americans with Disabilities Act of 1990, and will be an equal opportunity employer as defined in Title VII of the Civil Rights Act of 1964, and applicable Washington State law. As such, Developer will not discriminate against any person on the basis of race, religious creed, color, national origin, ancestry, disability, medical condition, marital status, age, gender identity, or sex with respect to hiring, application for employment, tenure or terms and conditions of employment. Developer agrees to abide by all federal, state and local laws, regulations, ordinances and resolutions.

Department of the Treasury SLFRF FAQ's, Section 2

(SEPARATE ATTACHMENT)

Coronavirus State and Local Fiscal Recovery Funds

Final Rule: Frequently Asked Questions

This document contains answers to frequently asked questions regarding the Final Rule of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF, or Fiscal Recovery Funds). The final rule became effective on April 1, 2022. Treasury intends to update this document periodically in response to questions received from stakeholders. Recipients and stakeholders should consult the [final rule](#) for additional information, as this document does not describe all relevant requirements that apply to the SLFRF program. Recipients also may find helpful the [Overview of the Final Rule](#), which provides a summary of major provisions of the final rule for informational purposes.

- For overall information about the program, including information on requesting funding, please see <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments>
- For general questions about SLFRF, please email SLFRF@treasury.gov.

Answers to frequently asked questions on distribution of funds to non-entitlement units of local government (NEUs) can be found in this [FAQ supplement](#).

Answers to frequently asked questions on the taxability and reporting of payments from SLFRF can be found in this [FAQ issued by the IRS](#).

The FAQs in this document are applicable to the final rule, although readers will notice that many have been incorporated from the FAQs that were available in connection with the interim final rule, because they remain applicable. Answers to frequently asked questions that are unique to the interim final rule remain available at [Interim Final Rule: Frequently Asked Questions](#). A categorization is provided on the following page to assist in identifying the FAQs that remain largely the same as in the FAQ document associated with the interim final rule and the FAQs that are new or have been updated in conformity with the final rule.

Throughout these FAQs, Treasury may refer readers to relevant sections of the Overview of the Final Rule. The Overview of the Final Rule provides a summary of major provisions of the final rule for informational purposes and is intended as a brief, simplified user guide to the final rule provisions. The descriptions provided in the Overview summarize key provisions of the final rule but are non-exhaustive, do not describe all terms and conditions associated with the use of SLFRF funds, and do not describe all requirements that may apply to this funding. Any SLFRF funds received are also subject to the terms and conditions of the agreement entered into by Treasury and the respective jurisdiction, which incorporate the provisions of the final rule and the guidance that implements this program.

FAQ Categorization

Version	Date	Category	FAQ #
1.0	April 27, 2022	FAQs retained with slight modifications from the Interim Final Rule: Frequently Asked Questions document (please note that FAQ numbering has changed between the two documents)	#1.1 – #1.2, #1.4 – 1.7, #2.10, #2.12 – #2.13, #3.8 – #3.13, #4.3, #4.5, #6.10 – #6.11, #6.14, #8.1, #8.3, #10.1 – #10.2, #11.1 – 11.3, #11.6 – 11.12, #12.1 – 12.2
1.0	April 27, 2022	New or Substantially Updated FAQs	#1.3, #1.8, #2.1 – #2.9, #2.11, #2.14 – #2.24, #3.1 – 3.7, #3.14, #4.1 – #4.2, #4.4, #4.6, #4.7 – #4.10, #5.1 – #5.4, #6.1 – #6.9, #6.12 – #6.13, #6.15 – #6.16, #8.2, #11.4 – #11.5, Section 13
2.0	July 27, 2022	Updated FAQs	#2.14, #3.1, #4.9
2.0	July 27, 2022	New FAQs	#6.17 - #6.20, #13.13 - #13.17

1. Eligibility and Allocations

1.1. Which governments are eligible for funds?

The following governments are eligible:

- States and the District of Columbia
- Territories
- Tribal governments
- Counties
- Metropolitan cities
- Non-entitlement units, or smaller local governments

1.2. Which governments receive funds directly from Treasury?

Treasury distributes funds directly to each eligible state, territory, metropolitan city, county, or Tribal government. Smaller local governments that are classified as non-entitlement units receive funds through their applicable state government.

1.3. Are special-purpose units of government eligible to receive funds?

Special-purpose units of local government are not eligible to receive an award as a recipient under the SLFRF program; however, a state, territory, local, or Tribal government may transfer funds to a special-purpose unit of government to carry out a program or project on its behalf as a subrecipient. Special-purpose districts perform specific functions in the community, such as fire, water, sewer or mosquito abatement districts. A recipient can also provide funds to an entity that is special-purpose government for the purpose of directly benefitting the entity as a result of the entity experiencing a public health impact or negative economic impact of the pandemic.

1.4. How are funds being allocated to Tribal governments, and how will Tribal governments find out their allocation amounts?

\$20 billion of Fiscal Recovery Funds was reserved for Tribal governments. The American Rescue Plan Act specified that \$1 billion would be allocated evenly to all eligible Tribal governments. The remaining \$19 billion was to be distributed using an allocation methodology determined by Treasury, which was based on enrollment and employment.

There were two payments to Tribal governments. Each Tribal government's first payment included (i) an amount in respect of the \$1 billion allocation that was to be divided equally among eligible Tribal governments and (ii) each Tribal government's pro rata share of the Enrollment Allocation. Tribal governments were notified of their allocation amount and delivery of payment 4-5 days after completing request for funds in the Treasury Submission Portal. The deadline to make the initial request for funds was June 21, 2021.

The second payment included a Tribal government's pro rata share of the Employment Allocation. There was a \$1,000,000 minimum employment allocation for Tribal governments. In late June 2021, Tribal governments received an email notification to re-enter the Treasury Submission Portal to confirm or amend their 2019 employment numbers that were submitted to Treasury for the CARES Act's Coronavirus Relief Fund. To receive an Employment Allocation, including the minimum employment allocation, Tribal governments must have confirmed employment numbers by July 23, 2021. Treasury calculated employment allocations for those Tribal governments that confirmed or submitted amended employment numbers by the deadline. In August, Treasury communicated to Tribal governments the amount of their portion of the Employment Allocation and the anticipated date for the second payment.

1.5. My county is a unit of general local government with population under 50,000. Will my county receive funds directly from Treasury?

Yes. All counties that are units of general local government receive funds directly from Treasury and should apply via the [online portal](#). The list of county allocations is available [here](#).

1.6. My local government expected to be classified as a non-entitlement unit. Instead, it was classified as a metropolitan city. Why?

The American Rescue Plan Act (ARPA) defines, for purposes of the Coronavirus Local Fiscal Recovery Fund (CLFRF), metropolitan cities to include those that are currently metropolitan cities under the Community Development Block Grant (CDBG) program but also those cities that relinquish or defer their status as a metropolitan city for purposes of the CDBG program. This would include, by way of example, cities that are principal cities of their metropolitan statistical area, even if their population is less than 50,000. In other words, a city that is eligible to be a metropolitan city under the CDBG program is eligible as a metropolitan city under the CLFRF, regardless of how that city has elected to participate in the CDBG program.

Unofficial allocation estimates produced by other organizations may have classified certain local governments as non-entitlement units of local government. However, based on the statutory definitions, some of these local governments should have been classified as metropolitan cities.

1.7. In order to receive and use funds, must a recipient government maintain a declaration of emergency relating to COVID-19?

No. Neither the statute establishing the SLFRF nor the final rule requires recipients to maintain a local declaration of emergency relating to COVID-19.

1.8. Can nonprofit or private organizations receive funds? If so, how?

Yes. Under section 602(c)(3) of the Social Security Act, a State, territory, or Tribal

government may transfer funds to a “private nonprofit organization . . . , a Tribal organization . . . , a public benefit corporation involved in the transportation of passengers or cargo, or a special-purpose unit of State or local government.” Similarly, section 603(c)(3) authorizes a local government to transfer funds to the same entities (other than Tribal organizations). The interim final rule clarified that the lists of transferees in sections 602(c)(3) and 603(c)(3) are not exclusive, and the final rule clarified that recipients may transfer funds to any entity to carry out, as a subrecipient, an eligible activity on behalf of the SLFRF recipient (transferor), as long as they comply with the SLFRF Award Terms and Conditions and other applicable requirements. A transferee receiving a transfer from a recipient under sections 602(c)(3) and 603(c)(3) will be considered a subrecipient and will be expected to comply with all subrecipient reporting requirements.

Additionally, a recipient can provide funds to an entity, including a nonprofit organization, for the purpose of directly benefitting the entity as a result of the entity experiencing a public health impact or negative economic impact of the pandemic. In this instance, these entities will be considered beneficiaries, not subrecipients, and will not be expected to comply with subrecipient reporting requirements. Beneficiary reporting requirements will apply.

The ARPA does not authorize Treasury to provide SLFRF funds directly to nonprofit or private organizations. Thus, a nonprofit or private organization should seek funds from SLFRF recipient(s) in their jurisdiction (e.g., a State, local, territorial, or Tribal government).

2. Eligible Uses – Responding to the Public Health Emergency / Negative Economic Impacts

2.1. If a use of funds is not explicitly permitted in the final rule as a response to the public health emergency and its negative economic impacts, does that mean it is prohibited?

No. The final rule provides a non-exhaustive list of enumerated uses that respond to pandemic impacts. The final rule also presumes that some populations experienced pandemic impacts and are eligible for responsive services. Recipients also have broad flexibility to (1) identify and respond to other pandemic impacts and (2) serve other populations that experienced pandemic impacts, beyond the enumerated uses and presumed eligible populations. Recipients can also identify groups or “classes” of beneficiaries that experienced pandemic impacts and provide services to those classes.

2.2. What types of services are eligible as responses to the negative economic impacts of the pandemic?

Eligible uses to respond to the negative economic impacts of the pandemic include assistance to households and communities; assistance to small businesses and nonprofits; aid to impacted industries; and uses to support public sector capacity and workforce. For

an overview of the eligible uses within each of these subcategories, please see pages 12-13 and 16-34 of the [Overview of the Final Rule](#). The eligible uses within this category include programs and services to respond to impacts of the pandemic on households and communities, such as:

- Cash assistance
- Food assistance (e.g., child nutrition programs, including school meals) & food banks
- Childcare and early learning services, home visiting programs, services for child welfare-involved families and foster youth & childcare facilities
- Programs or services to support long-term housing security, including development of affordable housing and permanent supportive housing

They also include uses to bolster public sector capacity and workforce, such as:

- Payroll and covered benefits for public safety, public health, health care, human services and similar employees of a recipient government, for the portion of the employee's time spent responding to COVID-19.
- Payroll and covered benefits for additional public sector workers up to a pre-pandemic baseline that is adjusted for historic underinvestment in the public sector, providing additional funds for employees who experienced pay cuts or were furloughed, avoiding layoffs, providing worker retention incentives, and paying for ancillary administrative costs related to hiring, support, and retention.

These tools can allow recipients not only to bring back laid-off workers, but to address critical shortages of teachers, instructional aides, transportation workers, behavioral health workers, and other key government personnel, by funding positions at competitive wages and improving job quality in these sectors (see FAQs [#2.15](#), [#2.16](#), [#2.17](#)).

Recipients also have broad flexibility to identify and respond to other pandemic impacts and serve other populations that experienced pandemic impacts, beyond the enumerated uses. For more information on identifying eligible uses beyond those enumerated, please see pages 32-34 of the Overview of the Final Rule.

2.3. What types of COVID-19 response, mitigation, and prevention activities are eligible?

Please see pages 12-14 of the [Overview of the Final Rule](#) for a non-exhaustive list of enumerated eligible uses relating to COVID-19 mitigation and prevention, as well as information about how to design other responses that are not included in the list.

2.4. May recipients use funds to respond to the public health emergency and its negative economic impacts by providing direct cash transfers to households?

Yes. Cash transfers, like all eligible uses in the public health and negative economic impacts category, must respond to the negative economic impacts of the pandemic on a household or class of households. Recipients may presume that low- and moderate-income households (as defined in the final rule), as well as households that experienced unemployment, food insecurity, or housing insecurity, experienced a negative economic impact due to the pandemic. Recipients may also identify other households or classes of households that experienced a negative economic impact of the pandemic and provide cash assistance that is reasonably proportional to, and not grossly in excess of, the amount needed to address the negative economic impact. For example, in the ARPA, Congress authorized Economic Impact Payments to households at certain income levels, identifying and responding to a negative economic impact of the pandemic on these households.

Treasury has reiterated in the final rule that responses to negative economic impacts should be reasonably proportional to the impact that they are intended to address. Uses that bear no relation or are grossly disproportionate to the type or extent of harm experienced would not be eligible uses. Reasonably proportional refers to the scale of the response compared to the scale of the harm. It also refers to the targeting of the response to beneficiaries compared to the amount of harm they experienced; for example, it may not be reasonably proportional for a cash assistance program to provide assistance in a very small amount to a group that experienced severe harm and in a much larger amount to a group that experienced relatively little harm. Please also see questions 7-10 from the [IRS-issued FAQ](#) on SLFRF relating to the taxability of cash transfers.

2.5. May recipients use funds to respond to the public health emergency and its negative economic impacts by replenishing unemployment funds?

Recipients may only use SLFRF funds for contributions to unemployment insurance trust funds and repayment of the principal amount due on advances received under Title XII of the Social Security Act up to an amount equal to (i) the difference between the balance in the recipient's unemployment insurance trust fund as of January 27, 2020 and the balance of such account as of May 17, 2021, plus (ii) the principal amount outstanding as of May 17, 2021 on any advances received under Title XII of the Social Security Act between January 27, 2020 and May 17, 2021. Further, recipients may use SLFRF funds for the payment of any interest due on such Title XII advances.

Additionally, a recipient that deposits SLFRF funds into its unemployment insurance trust fund to fully restore the pre-pandemic balance may not draw down that balance and deposit more SLFRF funds, back up to the pre-pandemic balance. Through December 31, 2024, recipients that deposit SLFRF funds into an unemployment insurance trust fund, or use SLFRF funds to repay principal on Title XII advances, may not take action to reduce benefits available to unemployed workers by changing the computation method governing regular unemployment compensation in a way that results in a reduction of average weekly benefit amounts or the number of weeks of benefits

payable (i.e., maximum benefit entitlement).

2.6. May funds be used to reimburse recipients for costs incurred by state, local and Tribal governments in responding to the public health emergency and its negative economic impacts prior to passage of the American Rescue Plan?

Use of SLFRF is generally forward looking. The final rule permits funds to be used to cover costs incurred beginning on March 3, 2021.

2.7. May recipients use funds for general economic development?

Generally, no. General economic development – activities that do not respond to negative economic impacts of the pandemic but rather seek to more generally enhance the jurisdiction’s business climate – would generally not be eligible under this eligible use category.

To identify an eligible use of funds under the public health and negative economic impacts category, a recipient must identify a beneficiary or class of beneficiaries that experienced a harm or impact due to the pandemic, and eligible uses of funds must be reasonably designed to respond to the harm, benefit the beneficiaries that experienced it, and be related and reasonably proportional to that harm or impact. For example, job training and other supports – like childcare, transportation, and subsidized employment – for unemployed workers may be used to address negative economic impacts of the public health emergency and be eligible.

2.8. How can recipients use funds to assist the travel, tourism, and hospitality industries? May recipients use funds to assist impacted industries other than travel, tourism, and hospitality?

Please see pages 24-25 of the [Overview of the Final Rule](#).

2.9. How does the final rule help address the disparate impact of COVID-19 on certain populations and geographies?

In recognition of the long-standing disparities in health and economic outcomes in underserved communities that have amplified and exacerbated the impacts of the pandemic, the final rule identifies certain populations as “disproportionately impacted” by the pandemic and enumerates a broad range of services and programs to address health disparities, to build stronger communities through investments in neighborhoods, to address educational disparities, to provide rental assistance vouchers or assistance relocating to areas of greater economic opportunity, and other eligible uses to respond to negative economic impacts in disproportionately impacted communities.

Specifically, Treasury will presume that certain populations were disproportionately impacted by the pandemic and therefore automatically eligible to receive responsive services. See page 19 of the [Overview of the Final Rule](#) for a full list of the

populations presumed disproportionately impacted by the pandemic. Recipients may also provide responsive services to other populations, households, or geographic areas disproportionately impacted by the pandemic. In identifying these disproportionately impacted communities, recipients should be able to support their determination for how the pandemic disproportionately impacted the populations, households, or geographic areas to be served.

Treasury has provided a non-exhaustive list of eligible responses to serve disproportionately impacted communities on page 20 of the [Overview of the Final Rule](#). Note that these are an enhanced set of responses available in addition to responses available to respond to impacts of the pandemic on households and communities (including those listed on page 18 of the Overview).

2.10. May recipients use funds to pay for vaccine incentive programs (e.g., cash or in-kind transfers, lottery programs, or other incentives for individuals who get vaccinated)?

Yes. Under the final rule, recipients may use SLFRF funds to respond to the COVID-19 public health emergency, including expenses related to COVID-19 vaccination programs.

Programs that provide incentives reasonably expected to increase the number of people who choose to get vaccinated, or that motivate people to get vaccinated sooner than they otherwise would have, are an allowable use of funds so long as such costs are reasonably proportional to the expected public health benefit.

2.11. How can recipients use funds to support workers returning to work?

Under the final rule, recipients may use SLFRF funds under the public health and negative economic impacts eligible use category to provide assistance to individuals who want and are available for work, including job training, public jobs programs and fairs, support for childcare and transportation to and from a jobsite or interview, cash and other incentives for newly employed workers, subsidized employment, grants to hire underserved workers, assistance to unemployed individuals to start small businesses, and development of job and workforce training centers.

2.12. What staff are included in “public safety, public health, health care, human services, and similar employees”? Would this include, for example, 911 operators, morgue staff, medical examiner staff, or EMS staff?

As discussed in the final rule, funds may be used for payroll and covered benefits expenses for public safety, public health, health care, human services, and similar employees, for the portion of the employee’s time that is dedicated to responding to the COVID-19 public health emergency.

Public safety employees would include police officers (including state police officers),

sheriffs and deputy sheriffs, firefighters, emergency medical responders, correctional and detention officers, and those who directly support such employees such as dispatchers and supervisory personnel. Public health employees would include employees involved in providing medical and other health services to patients and supervisory personnel, including medical staff assigned to schools, prisons, and other such institutions, and other support services essential for patient care (e.g., laboratory technicians, medical examiner or morgue staff) as well as employees of public health departments directly engaged in matters related to public health and related supervisory personnel. Note that this category encompasses both public health and health care employees; both are treated as public health employees for the purposes of this eligible use category. Human services staff include employees providing or administering social services; public benefits; child welfare services; and child, elder, or family care, as well as others.

2.13. May recipients use funds to establish a public jobs program?

Yes. Under the public health and negative economic impacts eligible use category, the final rule permits a broad range of services to unemployed or underemployed workers and other individuals that suffered negative economic impacts from the pandemic. That can include public jobs programs, subsidized employment, combined education and on-the-job training programs, or job training to accelerate rehiring or address negative economic or public health impacts experienced due to a worker's occupation or level of training. The broad range of permitted services can also include other employment supports, such as childcare assistance or assistance with transportation to and from a jobsite or interview.

2.14. Can funds be used for investments in affordable housing?

Yes. Under the final rule, "Development, repair, and operation of affordable housing and services or programs to increase long-term housing security" is an enumerated eligible use to respond to impacts of the pandemic on households and communities. Treasury continues to strongly encourage the use of SLFRF for affordable housing and has updated this FAQ to promote clarity and administrability in the use of these funds.

Affordable housing projects must be responsive and proportional to the harm identified. This standard may be met by affordable housing development projects—which may involve large expenditures and capital investments—if the developments increase the supply of long-term affordable housing for households that experienced associated pandemic impacts under the final rule.

Presumptively Eligible Uses

For purposes of this standard, if a project fits within either of the below presumptions, Treasury will presume that a project is eligible. As discussed more below, Treasury will presume that the following affordable housing investments are eligible uses of SLFRF funds as responses to the negative economic impacts of the pandemic: (1) projects that would be eligible for funding under an expanded list of federal housing programs and (2) projects for the development, repair, or operation of affordable rental housing with certain income and affordability requirements. Recipients' affordable housing projects may use

either of these presumptions to qualify as a presumptively eligible use. If a recipient uses one presumption for an affordable housing project, the recipient may still use a different presumption for another affordable housing project.

Presumption 1: Treasury will presume that any project that is eligible to be funded under any of the following federal housing programs is an eligible use of SLFRF funds as a response to the negative economic impacts of the pandemic:

- The National Housing Trust Fund (HTF, administered by HUD);
- The Home Investment Partnerships Program (HOME, administered by HUD);
- The Low-Income Housing Tax Credit (administered by Treasury);
- The Public Housing Capital Fund (administered by HUD);
- Section 202 Supportive Housing for the Elderly Program and Section 811 Supportive Housing for Persons with Disabilities Program (administered by HUD);
- Project-Based Rental Assistance (PBRA) (administered by HUD); and
- Multifamily Preservation & Revitalization program (administered by USDA).

In previous guidance, presumptive eligibility for affordable housing projects was limited to HOME and HTF. Treasury has updated this list by adding additional programs in an effort to increase administrability and clarity in the use of SLFRF funds for affordable housing purposes. This update is also expected to decrease the transaction costs associated with layering SLFRF funds with existing projects. Note that these programs use different income limits than the definitions of low- and moderate-income adopted by Treasury. Given the severity of the affordable housing shortage, and the ways in which the pandemic has exacerbated the need for affordable, high-quality dwelling units, Treasury has determined that the households served by these federal housing programs have been impacted by the pandemic and its negative economic impacts and that development of affordable housing consistent with these programs is a related and reasonably proportional response to those impacts. Additionally, affordable housing projects provided by a Tribal government are eligible uses of SLFRF funds if they would be eligible for funding under the Indian Housing Block Grant program, the Indian Community Development Block Grant program, or the Bureau of Indian Affairs Housing Improvement Program.

To the extent that a recipient chooses to use SLFRF funds to invest in affordable housing projects in alignment with these federal housing programs, the investment agreement must require the covered project or units to adhere to all applicable local codes, and comply, at a minimum, with the applicable federal housing program's requirements related to:

- Resident income restrictions;
- The period of affordability and related covenant requirements for assisted units;
- Tenant protections; and
- Housing quality standards.

Presumption 2: Treasury will presume that an investment in the development, repair, or

operation of any affordable rental housing unit is an eligible use of SLFRF funds to respond to the negative economic impacts of the pandemic if the unit has a limited maximum income of 65% area median income (AMI), as imposed through a covenant, land use restriction agreement, or other enforceable legal requirement for a period of at least 20 years. A jurisdiction may establish a longer period of affordability at its discretion. This presumption is available even if the project does not align with the federal housing programs specified in Presumption 1.

Under this presumption, recipients may use SLFRF funds as part of the financing for a mixed-income housing project if the total financing made up of SLFRF funds does not exceed the total development costs attributable to affordable housing units limited to households at or below 65% AMI for the affordability period. For example, if 25% of a project's units are reserved for families at or below 65% AMI for the affordability period, and 20% of the total development costs of the project are attributable to such reserved units, then SLFRF funds may be used to pay for up to 20% of the total development costs.

The income limit and 20-year affordability covenant does not need to apply to specific units, but rather it may specify a number of units within the development, in which case the covenant should also specify the bedroom size mix.

Using 65% AMI as the income limit aligns to the AMI component of Treasury's definition of moderate-income households, which is one population that Treasury presumes impacted by the pandemic or its negative economic impacts. Because of the highly localized nature of housing costs and the broad use of AMI in affordable housing development, repair, and operation, Presumption 2 requires funded units to be at or below 65% AMI but does not incorporate the 300% FPL level that is also used to define moderate-income households under the final rule.

Recipients are strongly encouraged to prioritize SLFRF investments for affordable housing in close proximity to, or with strong transit linkages to, centers of employment and/or institutions that provide high quality education or childcare, health care, services and healthy foods.

Additional Eligible Uses:

Note that other affordable housing projects, beyond those eligible under the presumptions described above, may also be eligible uses of SLFRF funds under the final rule if they are related and are reasonably proportional to addressing the negative economic impacts of the pandemic and otherwise meet the final rule's requirements. As an example, in certain rental markets, data indicates that there are gaps in financing for units serving households between 50% and 80% AMI and/or significantly higher than average housing costs relative to AMI that have led communities in this income threshold to be impacted by the pandemic. In such cases, it may be reasonably proportional to address the negative economic impacts of the pandemic by funding units (e.g., up to 80% AMI) that do not fall into the presumptively eligible categories listed above.

To further support sustainable and durable homeownership, recipients may consider

offering down payment assistance, such as through contributions to a homeowner's equity at origination or that establish a post-closing mortgage reserve account on behalf of the borrower that may be utilized to make a missed or partial mortgage payment at any point during the life of the loan (e.g., if the borrower faces financial stress). Homeownership assistance that would be eligible under the Community Development Block Grant (at 24 CFR 507.201(n)) is also an eligible use of SLFRF funds.

2.15. Can I use funds to raise public sector wages and hire public sector workers?

Yes. Under the increased flexibility of the final rule, SLFRF funding may be used to support a broader set of uses to restore and support public sector employment. Eligible uses include hiring up to a pre-pandemic baseline that is adjusted for historic underinvestment in the public sector, providing additional funds for employees who experienced pay cuts or were furloughed, avoiding layoffs, providing worker retention incentives, including reasonable increases in compensation, and paying for ancillary administrative costs related to hiring, support, and retention.

Under the set of eligible uses for public-sector rehiring, recipients may fill vacancies and add additional employees using SLFRF funds (see pages 4385-4387 of the final rule and pages 27-28 of the [Overview of the Final Rule](#)). Recipients have two options to restore pre-pandemic employment, depending on the recipient's needs. First, if the recipient simply wants to hire back employees for pre-pandemic positions, recipients may use SLFRF funds to hire employees for the same positions that existed on January 27, 2020 but that were unfilled or eliminated as of March 3, 2021. Recipients may use SLFRF funds to cover payroll and covered benefits for such positions through the period of performance.

Second, if the recipient wants to hire above the pre-pandemic baseline and/or would like to have flexibility in positions, recipients may use SLFRF funds to pay for payroll and covered benefits associated with the recipient increasing its number of budgeted FTEs up to 7.5 percent above its pre-pandemic baseline. Filling these roles may require recipients to increase wages and improve benefits above and beyond what they currently offer, especially in roles with historically low wages and acute staffing needs. This compensation would be an eligible use of SLFRF funds.

SLFRF funds also may be used to provide worker retention incentives, including reasonable increases in compensation to persuade employees to remain with the employer as compared to other employment options. Retention incentives must be entirely additive to an employee's regular compensation, narrowly tailored to need, and should not exceed incentives traditionally offered by the recipient or compensation that alternative employers may offer to compete for the employees. Treasury presumes that retention incentives that are less than 25 percent of the rate of base pay for an individual employee or 10 percent for a group or category of employees are reasonably proportional to the need to retain employees, as long as other requirements are met.

2.16. How can funds be used to improve job quality and address labor supply challenges in the education and childcare sectors?

SLFRF funds can pay for the full salary and benefits of many school and childcare staff, including increased wages needed to recruit and retain excellent staff, and to fund premium pay, bonuses, training, and other worker supports. Some examples of potential uses of funds related to supporting the education and childcare sectors are provided below:

- Under the public health and negative economic impacts eligible use category, SLFRF funds can be used broadly for re-hiring public sector staff, such as school staff, to restore the public sector, including payroll and covered benefits for new or re-hired public employees (see [FAQ #2.15](#))
 - Even where the recipient, such as the municipality, does not have budgetary authority over a school district, it may choose to sub-award SLFRF funds to districts and other government entities for these purposes (see [FAQ #2.17](#)).
- SLFRF can fund premium pay for essential workers, including school personnel and childcare providers working in person in both the public and private sector, to compensate them for their service during the pandemic (see pages 35-36 of the [Overview of the Final Rule](#) and [section 5 of the FAQs](#)).
- Under the public health and negative economic impacts eligible use category, SLFRF can fund supports for unemployed and underemployed workers, including hiring bonuses, training, and other labor supports, regardless of sector (see [FAQ #2.11](#)).
 - Under this provision, recipients can help childcare providers and school districts by strengthening pipelines into these sectors, including by using SLFRF funds to train potential workers to fill in-demand roles in childcare and education, including as school bus drivers, school nutrition staff, paraprofessionals, and other staff.
- Childcare subsidies and other supports for childcare programs – public or private – that serve low- and moderate-income families, are broadly eligible uses of SLFRF funding under the public health and negative economic impacts eligible use category (see [FAQ #2.25](#)). These subsidies can support improvements to wages and job quality that make childcare employment an attractive career.
- Recipients can also provide assistance to small businesses under the public health and negative economic impacts eligible use category – which many state and local governments can use to help childcare small businesses expand their business, raise wages for workers, and complete training and other technical assistance to support high-quality care, given the impacts these businesses have faced over the course of the pandemic (see pages 21-22 of the [Overview](#)).

2.17. How can recipients use funds to invest in their public sector workforce when the recipient government is not the direct employer, as is the case with some transit agencies and local educational agencies?

Under the increased flexibility of the final rule, SLFRF funds may be used to support a broader set of uses to restore and support public sector employment as a response to the pandemic and its negative economic impacts (see [FAQ #2.15](#)).

Treasury acknowledges that funding models for public sector workers vary drastically across jurisdictions, and the direct employer of a public sector worker may be an entity separate from the SLFRF recipient government, like an independent transit agency or local educational agency (LEA), rather than the recipient government itself. Recipients may still use SLFRF funds to hire workers in these sectors under such circumstances.

Using the calculation detailed on page 4386 of the final rule and pages 27-28 of the [Overview of the Final Rule](#), a recipient may calculate at an entity level the actual number of FTEs for the entity and the adjusted pre-pandemic baseline for the entity. The difference between the actual number of FTEs and the adjusted pre-pandemic baseline represents the number of FTEs that can be hired using SLFRF funds.

A recipient may then transfer funds to the entity, which would act as a subrecipient and cover payroll, covered benefits, and other costs associated with hiring up to this number of FTEs. A recipient may, in addition, “transfer” the FTEs it may hire based on its own calculation to the entity. A recipient may not, however, perform the calculation on the behalf of an entity, and then “transfer” to itself, or to any other entity, any of the FTEs able to be hired by the entity.

As an illustrative example, consider a recipient county government that would like to fund the salary and benefits costs for hiring teachers in a school district.

The school district has 2000 budgeted FTEs on January 27, 2020. The school district’s pre-pandemic baseline is 2000 FTEs; its adjusted pre-pandemic baseline is $2000 * 1.075 = 2150$ FTEs. The county’s pre-pandemic baseline is 1000 FTEs; its adjusted pre-pandemic baseline is $1000 * 1.075 = 1075$ FTEs. Now, assume that on March 3, 2021, the school district had 1800 budgeted FTEs in total, and the county had 1000 budgeted FTEs.

The county would be able to transfer funds to the school district to hire up to 350 FTEs with SLFRF funds (that is, $2150 - 1800 = 350$ FTEs), and additionally, “transfer” up to 75 FTEs to the school district (that is, $1075 - 1000 = 75$ FTEs). If the county decided to “transfer” all of its 75 FTEs to the school district, then the school district could hire up to $350 + 75 = 425$ FTEs using funds from the county. However, the county may not directly hire any more than 75 FTEs under this public sector hiring provision, and may not use any of the funds for the 350 FTEs able to be hired by the school district to fund any of the county’s FTE positions.

This public sector rehiring provision is a powerful tool for addressing staffing needs and shortages across government.

2.18. Can I use SLFRF funds to provide childcare to households?

Yes. Childcare and early learning services, home visiting programs, services for child welfare involved families and foster youth are an enumerated use eligible to respond to impacts of the pandemic on households and communities. These eligible uses can include new or expanded services, increasing access to services, efforts to bolster, support, or preserve existing providers and services, and similar activities. Further, improvements to or new construction of childcare, daycare, and early learning facilities are eligible capital expenditures, subject to the other eligibility standards for capital expenditures.

2.19. How can funds be used for “installation and improvement of ventilation systems in congregate settings, health care settings, or other public facilities” like commercial buildings, office buildings, schools, nursing homes, multi-family residential buildings, and restaurants?

As a general matter, ventilation improvements, including updates to HVAC systems, improved air filtration, and increased outdoor air flow, can help reduce the concentration and risk of exposure to aerosols, and thus infection with COVID-19.¹ The [National COVID-19 Preparedness Plan](#) specifies that improving ventilation and air filtration is a key component of keeping schools and businesses safely open. Although improvements to ventilation and air cleaning cannot on their own eliminate the risk of airborne transmission of the SARS-CoV-2 virus, the Environmental Protection Agency (EPA) has recommended taking steps to improve [indoor air quality](#) (IAQ) including optimizing fresh air ventilation, enhancing air filtration and cleaning, and managing the way air flows as components of a larger approach that may include individual actions and layered prevention strategies.

Under the SLFRF program, funds for installation and improvement of ventilation systems can be used for projects that respond to the pandemic’s public health impacts and provide longer-term benefits, including the inspection, testing, commissioning, maintenance, repair, replacement, and upgrading of HVAC systems to improve indoor air quality in facilities. Projects can include assessing current HVAC systems, updating HVAC systems, updating air filters, installing functional windows for improved ventilation, repairing windows and doors, installing in-room air cleaning devices, and other projects for improving indoor air quality. For a more extensive guide of how to effectively use funds for ventilation improvements, Treasury recommends reviewing EPA’s [Clean Air in Buildings Challenge](#), a call to action and a set of guiding principles and best practices to assist building owners and operators with improving IAQ in buildings, as well as EPA’s resource page on [“Ventilation and Coronavirus \(COVID-19\).”](#) For a guide on federal programs and resources to support school infrastructure, including ventilation improvements, Treasury recommends consulting the [“White House Toolkit: Federal](#)

¹ <https://www.cdc.gov/coronavirus/2019-ncov/community/ventilation.html>;
<https://www.epa.gov/coronavirus/indoor-air-and-coronavirus-covid-19>.

[Resources for Addressing School Infrastructure Needs.](#)” Further, Treasury recommends that recipients engage with public health and infection prevention professionals to develop and support an effective COVID-19 mitigation strategy. Finally, Treasury recommends that recipients ensure that the inspection, testing, commissioning, maintenance, repair, replacement, and upgrading of ventilation systems is performed by a skilled, trained, and certified workforce.

Recipients that undertake ventilation system investments under the public health and negative economic impacts eligible use category should review capital expenditure requirements in the final rule and note that capital expenditures must be related and reasonably proportional to the pandemic impact identified.

2.20. In what types of buildings can recipients use funds to install and improve of ventilation systems?

In addition to directly installing and improving ventilation systems in congregate settings, health care settings, or other public facilities, recipients may grant or loan funds to businesses, non-profits, and other entities that may benefit from COVID-19 mitigation measures.

In making these investments, Treasury recommends that recipients consult with public health and infection prevention professionals and that recipients ensure work is performed by a workforce that is skilled, trained, and certified in ventilation systems work. Many buildings would benefit from ventilation improvements, including settings where risk of infection is higher, such as when people are indoors for prolonged periods of time, are in crowded environments, or are performing activities that increase emission of respiratory fluids (such as speaking loudly, singing, or exercising).² This includes commercial buildings, office buildings, dense worksites, schools, nursing homes and other long-term care facilities, multi-family residential buildings, restaurants, correctional facilities, transportation hubs, and public transit vehicles, among other locations. Recipients are encouraged to consider congregate settings and other key locations as priorities for installation and improvement of ventilation systems. Please note that use of funds is not limited to government-owned public facilities and funds may be distributed by recipients to private businesses, non-profits, and others for COVID-19 mitigation and prevention, as the final rule clarifies that recipients may identify the general public as the impacted population for COVID-19 prevention and mitigation services. Recipients should review capital expenditure requirements for the public health and negative economic impacts eligible use category in the final rule before undertaking investments in ventilation systems.

For more information on ventilation system upgrades for school settings, Treasury recommends consulting:

- Creating Healthy Indoor Air Quality in Schools: <https://www.epa.gov/iaq-schools>
- Efficient and Healthy Schools campaign: <https://efficienthealthyschools.lbl.gov/>

² <https://www.epa.gov/coronavirus/indoor-air-and-coronavirus-covid-19>.

- Efficient and Healthy Schools website:
<https://www.energy.gov/eere/buildings/efficient-and-healthy-schools>

For more information on ventilation system upgrades for office and other commercial building settings, Treasury recommends consulting:

- Enhancing Health with Indoor Air: <https://sftool.gov/learn/about/626/enhancing-health-indoor-air>
- Sustainable Response to COVID-19:
<https://sftool.gov/learn/about/625/sustainable-response-covid-19>
- Better Buildings Resource Center: Building Operations during COVID-19
<https://betterbuildingssolutioncenter.energy.gov/covid19>

For more information on ventilation system upgrades for residential settings, Treasury recommends consulting:

- Improving Ventilation in Your Home: <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/Improving-Ventilation-Home.html>
- Ventilation in Buildings: <https://www.cdc.gov/coronavirus/2019-ncov/community/ventilation.html>

2.21. Can SLFRF funds be used to support public school facility improvements, upgrades, and new construction – such as those that make buildings more energy efficient, increase their use of renewable energy, address capacity constraints, and respond to health and safety concerns?

Yes. There are numerous ways in which SLFRF funds may be used to support public school facility improvements and upgrades.

First, as part of the public health and negative economic impacts (PH-NEI) eligible use category, SLFRF funds may be used address educational disparities in disproportionately impacted communities,³ which may include funding improvements or new construction of schools and other educational facilities or equipment. Recipients may consider energy efficiency improvements as part of their facility investments, and may also use funds for pre-project development costs, such as assessment of building conditions, energy audits, feasibility studies, HVAC commissioning and testing, and lead testing, that are tied to or reasonably expected to lead to an eligible investment in school facilities to address educational disparities in disproportionately impacted communities. Recipients should review and comply with the requirements applicable to capital expenditures under the public health and negative economic impacts eligible use category as outlined in the final rule.⁴

³ Please see FAQ 2.9 for more on disproportionately impacted communities, and the [Overview of the Final Rule](#) (p.19) for a list of presumed disproportionately impacted communities. For services to address educational disparities, Treasury will recognize Title I eligible schools as disproportionately impacted and responsive services that support the school generally or support the whole school as eligible.

⁴ Please see the [Overview of the Final Rule](#) (p. 30-31) for a summary of capital expenditure requirements for the public health and negative economic impacts eligible use category.

Second, as part of the PH-NEI eligible use category, recipients may use funds for adaptations to schools for the purpose of mitigating the spread of COVID-19, including for ventilation improvements. Similar to the above, recipients should ensure compliance with the capital expenditure requirements for the eligible use category.

Third, as part of the water and sewer infrastructure eligible use category, recipients may invest in certain projects to support lead remediation, including replacement of internal plumbing and faucets and fixtures in schools and childcare facilities. Recipients can also invest in certain green water infrastructure projects. Eligible water and sewer projects are generally aligned with those allowable under the EPA's Drinking Water and Clean Water State Revolving Funds, and Treasury has added additional eligible projects as part of the final rule. Recipients should review and comply with the specific requirements provided for in the water and sewer infrastructure eligible use category as outlined in the final rule.

Fourth, as part of the revenue loss eligible use category, which is the broadest eligible use category that is capped by either the \$10 million standard allowance (up to a recipient's award size) or a recipient's calculated revenue loss, recipients may use SLFRF funds on government services. These government services include any service traditionally provided by a government unless Treasury has stated otherwise. Eligible government services that may be covered under the revenue loss eligible use category include maintenance, improvement, or new construction of public school facilities, including those that address over-crowding and capacity constraints, support energy efficiency, and respond to health and safety concerns, among other purposes.

Under the SLFRF program, recipients must obligate all funds by December 31, 2024 and expend funds by December 31, 2026. Recipients may transfer funds to other entities, including local educational agencies, to carry out as a subrecipient an eligible use of funds by the recipient, as long as they comply with program requirements. Recipients should note that the Davis-Bacon Act requirements (prevailing wage rates) do not apply to projects funded solely with award funds from the SLFRF program, except for certain SLFRF-funded construction projects undertaken by the District of Columbia. The National Environmental Policy Act (NEPA) does not apply to Treasury's administration of the SLFRF program, although projects supported with SLFRF funds may still be subject to NEPA review if they are also funded by other federal financial assistance programs.

2.22. Would investments in improving outdoor spaces (e.g., parks) be an eligible use of funds as a response to the public health emergency and/or its negative economic impacts?

There are multiple ways that investments in improving outdoor spaces could qualify as eligible uses; several are highlighted below, though there may be other ways that a specific investment in outdoor spaces would meet eligible use criteria.

First, in recognition of the disproportionate negative economic impacts on certain communities and populations, the final rule includes enumerated eligible uses in disproportionately impacted communities for developing neighborhood features that

promote improved health and safety outcomes, such as parks, green spaces, recreational facilities, sidewalks, pedestrian safety features like crosswalks, projects that increase access to healthy foods, streetlights, neighborhood cleanup, and other projects to revitalize public spaces.

Second, recipients may provide assistance to disproportionately impacted small businesses. The final rule included rehabilitation of commercial properties, storefront improvements, and façade improvements as enumerated eligible assistance to these small businesses.

Third, recipients can assist small businesses, nonprofits, or other entities to create or enhance outdoor spaces to mitigate the spread of COVID-19 (e.g., restaurant patios).

Recipients pursuing many of these uses should also note the eligibility standards for capital expenditures in the final rule, which are summarized on pages 30-31 of the [Overview of the Final Rule](#).

2.23. Would expenses to address a COVID-related backlog in court cases be an eligible use of funds as a response to the public health emergency?

Yes. The final rule maintains that SLFRF funds may be used to address administrative needs of recipient governments that were caused or exacerbated by the pandemic. Please see pages 4388-4389 of the final rule. During the COVID-19 public health emergency, many courts were unable to operate safely during the pandemic and, as a result, now face significant backlogs. Court backlogs resulting from the inability of courts to safely operate during the COVID-19 pandemic decreased the government's ability to administer services. Therefore, steps to reduce these backlogs, such as implementing COVID-19 safety measures to facilitate court operations, hiring additional court staff or attorneys to increase speed of case resolution, and other expenses to expedite case resolution are eligible uses.

2.24. Can funds be used for eviction prevention efforts or housing stability services?

Yes. Treasury provided a non-exhaustive list of eligible services in the final rule: Rent, rental arrears, utility costs or arrears (e.g., electricity, gas, water and sewer, trash removal, and energy costs, such as fuel oil), reasonable accrued late fees (if not included in rental or utility arrears), mortgage payment assistance, financial assistance to allow a homeowner to reinstate a mortgage or to pay other housing-related costs related to a period of forbearance, delinquency, or default, mortgage principal reduction, facilitating mortgage interest rate reductions, counseling to prevent foreclosure or displacement, relocation expenses following eviction or foreclosure (e.g., rental security deposits, application or screening fees).

Treasury also clarified that assistance to households for delinquent property taxes, for example to prevent tax foreclosures on homes, was permissible under the interim final

rule and continues to be so under the final rule. In addition, Treasury also clarified that recipients may administer utility assistance or address arrears on behalf of households through direct or bulk payments to utility providers to facilitate utility assistance to multiple consumers at once, so long as the payments offset customer balances and therefore provide assistance to households. The public health and negative economic impacts eligible use category also includes emergency assistance for individuals experiencing homelessness, either individual-level assistance (e.g., rapid rehousing services) or assistance for groups of individuals (e.g., master leases of hotels, motels, or similar facilities to expand available shelter). Please see page 4360 of the final rule for further relevant clarifications.

3. Eligible Uses – Revenue Loss

3.1. Does a recipient need to calculate or provide proof of its revenue loss to use funds for government services?

Recipients may elect a “standard allowance” of up to \$10 million to spend on government services through the period of performance. The standard allowance is available to all recipients and offers a simple, convenient way to determine revenue loss, instead of using the full formula specified in the final rule. Recipients must make a one-time, irrevocable election to either take the standard allowance or calculate revenue loss. Recipients were able to indicate this choice in their Project and Expenditure Reports due April 30, 2022, and recipients may update their revenue loss election, as appropriate, in future reporting cycles through the April 2023 reporting period. Upon update, any prior revenue loss election will be superseded. For example, if a recipient previously elected to calculate revenue loss in their Project and Expenditure Report due April 30, 2022 and this recipient would like to update their election, Treasury’s reporting portal will allow the recipient to supersede their prior election in future reporting cycles and instead take the standard allowance. Similarly, recipients who previously elected the standard allowance and would like to supersede their prior election and instead calculate revenue loss may also update their revenue loss election in future reporting cycles. Recipients continue to be required to employ a consistent methodology across the period of performance (i.e., choose either the standard allowance or the full formula) and may not elect one approach for certain reporting years and the other approach for different reporting years. Recipients who elect the standard allowance do not have to produce any further demonstration or calculation of revenue loss.

Electing the standard allowance does not increase or decrease a recipient’s total allocation. For example, a recipient with an allocation of \$6 million would be allowed to claim no more than \$6 million as revenue loss to use for government services, and a recipient with an allocation of \$12 million would be allowed to claim the full \$10 million standard allowance and use the remaining allocation towards other eligible use categories. Recipients who elect to calculate revenue loss by formula must do so as articulated in the final rule and described in the [Overview of the Final Rule](#) and [FAQ #3.6](#).

3.2. Can revenue loss funds be used for a purpose that is not explicitly listed as an

example of a government service in the Overview of the Final Rule or Final Rule?

Yes. Government services generally include any service traditionally provided by a government, unless Treasury has stated otherwise. Common examples are listed on page 11 of the [Overview of the Final Rule](#) and page 4408 of the final rule, but these lists are not exhaustive. In addition to the common examples described in the final rule, many recipients and stakeholders have asked if using funds for activities like payroll for specific public sector staff, renovations to particular government facilities, and equipment to facilitate and improve government services such as health services, waste disposal, road building and maintenance, and water and sewer services would be eligible as government services. Treasury is clarifying here that under the final rule, payroll for government employees, contracts, grants, supplies and equipment, rent, and the many other costs that governments typically bear to provide services are costs that could comprise the costs of government services, and are eligible uses of funds.

Revenue loss is the most flexible eligible use category under the SLFRF program, and funds are subject to streamlined reporting and compliance requirements. Recipients should be mindful that certain restrictions, which are detailed further in the Restrictions on Use section in the Overview of the Final Rule and Final Rule and apply to all eligible use categories, apply to government services as well. Note also that every use that is eligible under other eligible use categories is also eligible under revenue loss, because those eligible uses are also services provided by recipient governments, and Treasury encourages recipients to use their funds for investments that serve the needs of their communities and build a stronger and more equitable recovery.

3.3. Can revenue loss funds be used for a project eligible under other eligible use categories, such as addressing the public health and negative economic impacts of the pandemic, providing premium pay, or investing in water, sewer, or broadband infrastructure?

Yes. The revenue loss eligible use category allows recipients to expend funds with flexibility and streamlined reporting requirements, including on expenditures that would not be eligible under other eligible use categories, like general infrastructure repairs. Recipients may also use revenue loss funds to carry out investments that would be eligible under other eligible use categories, because those eligible uses are also services provided by recipient governments. Treasury encourages the use of government services funds on uses enumerated in these categories, including but not limited to affordable housing, childcare investments, supporting public sector workers, job training and workforce development, and investments in public health.

3.4. How is revenue defined for the purpose of the revenue loss calculation formula?

The final rule adopts a definition of “General Revenue” that is based on, but not identical, to the Census Bureau’s concept of “General Revenue from Own Sources” in the Annual Survey of State and Local Government Finances.

General Revenue means money that is received from tax revenue, current charges, and miscellaneous general revenue, excluding refunds and other correcting transactions and proceeds from issuance of debt or the sale of investments, agency or private trust transactions, and intergovernmental transfers from the Federal Government, including transfers made pursuant to section 9901 of the American Rescue Plan Act. General Revenue also includes revenue from liquor stores that are owned and operated by state and local governments. General Revenue does not include revenues from utilities, except recipients may choose to include revenue from utilities that are part of their own government as General Revenue provided the recipient does so consistently over the remainder of the period of performance. Revenue from Tribal business enterprises must be included in General Revenue.

Please see the appendix for a diagram of the final rule’s definition of General Revenue within the Census Bureau’s revenue classification structure.

3.5. Will revenue be calculated on an entity-wide basis or on a source-by-source basis (e.g. property tax, income tax, sales tax, etc.)?

Recipients should calculate revenue on an entity-wide basis. This approach minimizes the administrative burden for recipients, provides for greater consistency across recipients, and presents a more accurate representation of the net impact of the COVID-19 public health emergency on a recipient’s revenue, rather than relying on financial reporting prepared by each recipient, which vary in methodology used and which generally aggregate revenue by purpose rather than by source.

Recipients should classify revenue sources as they would if responding to the U.S. Census Bureau’s Annual Survey of State and Local Government Finances. According to the Census Bureau’s [Government Finance and Employment Classification manual](#), the following is an example of current charges that would be included in a state or local government’s General Revenue from own sources: “Gross revenue of facilities operated by a government (swimming pools, recreational marinas and piers, golf courses, skating rinks, museums, zoos, etc.); auxiliary facilities in public recreation areas (camping areas, refreshment stands, gift shops, etc.); lease or use fees from stadiums, auditoriums, and community and convention centers; and rentals from concessions at such facilities.”

Please refer to the appendix for further details on the definition of General Revenue.

3.6. For recipients not electing the \$10 million standard allowance, what is the formula for calculating the reduction in revenue?

Recipients calculate revenue loss at four distinct points in time, either at the end of each calendar year (e.g., December 31 for years 2020, 2021, 2022, and 2023) or the end of each fiscal year of the recipient. Under the flexibility provided in the final rule, recipients can choose whether to use calendar or fiscal year dates but must be consistent throughout the period of performance. To calculate revenue loss at each of these dates, recipients must follow a four-step process:

a. Calculate revenues collected in the most recent full fiscal year prior to the public health emergency (i.e., last full fiscal year before January 27, 2020), called the base year revenue.

b. Estimate counterfactual revenue, which is equal to the following formula, where *n* is the number of months elapsed since the end of the base year to the calculation date:

$$\text{base year revenue} \times (1 + \text{growth adjustment})^{n/12}$$

The *growth adjustment* is the greater of either a standard growth rate—5.2 percent—or the recipient’s average annual revenue growth in the last full three fiscal years prior to the COVID-19 public health emergency.

c. Identify actual general revenue, which equals revenues collected over the twelve months immediately preceding the calculation date. Under the final rule, recipients must adjust actual revenue totals for the effect of tax cuts and tax increases that are adopted after the date of adoption of the final rule (January 6, 2022). Specifically, the estimated fiscal impact of tax cuts and tax increases adopted after January 6, 2022, must be added to or subtracted from the calculation of actual revenue for purposes of calculation dates that occur on or after April 1, 2022. Recipients may subtract from their calculation of actual revenue the effect of tax increases enacted prior to the adoption of the final rule. Note that recipients that elect to remove the effect of tax increases enacted before the adoption of the final rule must also remove the effect of tax decreases enacted before the adoption of the final rule, such that they are accurately removing the effect of tax policy changes on revenue.

d. Revenue loss for the calculation date is equal to counterfactual revenue minus actual revenue (adjusted for tax changes) for the twelve-month period. If actual revenue exceeds counterfactual revenue, the loss is set to zero for that twelve-month period. Revenue loss for the period of performance is the sum of the revenue loss for each calculation date.

The supplementary information in the final rule provides an example of this calculation, which recipients may find helpful, in the Revenue Loss section. Recipients should see the final rule for the full description of the requirements to reflect the effect of tax cuts and tax increases on actual revenue.

3.7. Are recipients expected to demonstrate that reduction in revenue is due to the COVID-19 public health emergency?

Under the final rule, any diminution in actual revenue calculated using the formula above would be presumed to have been “due to” the COVID-19 public health emergency, in the case of both the standard allowance and the formula, which, as discussed above adjusts for certain tax policy changes.

3.8. May recipients use pre-pandemic projections as a basis to estimate the reduction in revenue?

No. Treasury is disallowing the use of projections to ensure consistency and comparability across recipients and to streamline verification. However, in estimating the revenue shortfall using the formula above, recipients may incorporate their average annual revenue growth rate in the three full fiscal years prior to the public health emergency.

3.9. In calculating revenue loss, are recipients required to use audited financials?

Where audited data is not available, recipients are not required to obtain audited data. Treasury expects all information submitted to be complete and accurate.

3.10. In calculating revenue loss, should recipients use their own data, or Census data?

Recipients should use their own data sources to calculate General Revenue, and do not need to rely on published revenue data from the Census Bureau. Treasury acknowledges that due to differences in timing, data sources, and definitions, recipients' self-reported General Revenue figures may differ somewhat from those published by the Census Bureau.

3.11. Should recipients calculate revenue loss on a cash basis or an accrual basis?

Recipients may calculate revenue loss on a cash, accrual, or modified accrual basis, provided that recipients are consistent in their choice of methodology for all inputs of the revenue loss calculation throughout the period of performance and until reporting is no longer required.

3.12. In identifying intergovernmental revenue for the purpose of calculating General Revenue, should recipients exclude all federal funding, or just federal funding related to the COVID-19 response? How should local governments treat federal funds that are passed through states or other entities, or federal funds that are intermingled with other funds?

In calculating General Revenue, recipients should exclude all intergovernmental transfers from the federal government. This includes, but is not limited to, federal transfers made via a state to a locality pursuant to the Coronavirus Relief Fund or Fiscal Recovery Funds. To the extent federal funds are passed through states or other entities or intermingled with other funds, recipients should attempt to identify and exclude the federal portion of those funds from the calculation of General Revenue on a best-efforts basis.

3.13. What entities constitute a government for the purpose of calculating revenue

loss?

In determining whether a particular entity is part of a recipient's government for purposes of measuring a recipient's General Revenue, recipients should identify all the entities included in their government and the General Revenue attributable to these entities on a best-efforts basis. Recipients are encouraged to consider how their administrative structure is organized under state and local statutes. In cases in which the autonomy of certain authorities, commissions, boards, districts, or other entities is not readily distinguishable from the recipient's government, recipients may adopt the Census Bureau's criteria for judging whether an entity is independent from, or a constituent of, a given government. Recipients may not include independent entities in calculating General Revenue. For an entity to be independent, it generally meets all four of the following conditions:

- The entity is an organized entity and possesses corporate powers, such as perpetual succession, the right to sue and be sued, having a name, the ability to make contracts, and the ability to acquire and dispose of property.
- The entity has governmental character, meaning that it provides public services, or wields authority through a popularly elected governing body or officers appointed by public officials. A high degree of responsibility to the public, demonstrated by public reporting requirements or by accessibility of records for public inspection, also evidences governmental character.
- The entity has substantial fiscal independence, meaning it can determine its budget without review and modification by other governments. For instance, the entity can determine its own taxes, charges, and debt issuance without another government's supervision.
- The entity has substantial administrative independence, meaning it has a popularly elected governing body, or has a governing body representing two or more governments, or, in the event its governing body is appointed by another government, the entity performs functions that are essentially different from those of, and are not subject to specification by, its creating government.

If an entity does not meet all four of these conditions, a recipient may classify the entity as part of the recipient's government and include the portion of General Revenue that corresponds to the entity.

To further assist recipients in applying the foregoing criteria, recipients may refer to the Census Bureau's [*Individual State Descriptions: 2017 Census of Governments*](#) publication, which lists specific entities and classes of entities classified as either independent (defined by Census as "special purpose governments") or constituent (defined by Census as "dependent agencies") on a state-by-state basis. Recipients should note that the Census Bureau's lists are not exhaustive and that Census classifications are based on an analysis of state and local statutes as of 2017 and subject to the Census

Bureau's judgment. Though not included in the Census Bureau's publication, state colleges and universities are generally classified as dependent agencies of state governments by the Census Bureau.

If an entity is determined to be part of the recipient's government, the recipient must also determine whether the entity's revenue is covered by the final rule's definition of General Revenue. For example, some cash flows may be outside the definition of General Revenue. In addition, note that the definition of general revenue includes Tribal enterprises in the case of Tribal governments. Refer to [FAQ #3.4](#) and the Appendix for the components included in General Revenue.

3.14. How should recipients that receive multiple allocations (e.g., a city and a county consolidated government) calculate their revenue loss?

If a government entity receives a combined award (e.g., in its capacity both as an NEU and as a Unit of General Local Government (UGLG) within a non-UGLG county), it must determine its revenue loss only once as the combined entity. The government entity may not, for example, elect the standard allowance once as an NEU and once as an UGLG (i.e., it would only be able to claim up to a total of \$10 million standard allowance against all of its awards). Similarly, if the government entity elects to calculate its revenue according to the formula set out in the final rule, it must do so on a combined basis.

In the case of an award to an UGLG within a non-UGLG county under section 603(b)(3)(B)(ii) of the Social Security Act, the UGLG is considered the prime recipient of this award. Therefore, the prime recipient in this circumstance may treat these transferred funds as its own award for purposes of the revenue loss determination.

For example, if an NEU receives \$2 million in its NEU distribution, and then receives an additional \$13 million as an UGLG within a non-UGLG county, and the NEU elects the standard allowance of \$10 million in revenue loss, the NEU would be able to spend up to a total of \$10 million on government services under revenue loss against its awards, and would be able to spend the remaining \$5 million in other expenditure categories.

4. Eligible Uses – General

4.1. How do I know if a specific use is eligible?

The best way to begin evaluation of whether a specific use is an eligible use of SLFRF funds is to consider which of the four eligible use categories the use may fall into.

As a reminder, there are four eligible use categories, ordered below from the broadest and most flexible to the most specific. The [Overview of the Final Rule](#) serves as a summary of the major provisions of each category.

- Replace lost public sector revenue, using this funding to provide government services up to the amount of revenue loss due to the pandemic. (pages 9-11 of the

Overview)

- Support the COVID-19 public health and economic response by addressing COVID-19 and its impact on public health as well as addressing economic harms to households, small businesses, nonprofits, impacted industries, and the public sector. (pages 12-34 of the Overview)
- Provide premium pay for eligible workers performing essential work, offering additional support to those who have and will bear the greatest health risks because of their service in critical sectors. (pages 35-36 of the Overview)
- Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, to support vital wastewater and stormwater infrastructure, and to expand affordable access to broadband internet. (pages 37-40 of the Overview)

The SLFRF program provides substantial flexibility for each jurisdiction to meet local needs within these eligible use categories. In general, recipients should think about what services they are trying to provide, and for which groups or populations, and assess whether this use of funds would fit within the parameters of the eligible use category as outlined in the Overview and the final rule. Recipients also should be mindful that various forms of assistance have been made available during the pandemic (e.g., Economic Injury Disaster Loans through the U.S. Small Business Administration), and certain restrictions on duplications of benefits may apply.

Revenue loss eligible use category

If a use does not appear to be eligible under the water, sewer, and broadband infrastructure, premium pay, or public health and negative economic impacts eligible use categories, then recipients should consider using funds under the revenue loss eligible use category. The revenue loss eligible use category provides recipients broad latitude to use funds for the provision of government services to the extent of reduction in revenue due to the pandemic.

All recipients may elect a “standard allowance” of up to \$10 million to spend on government services through the period of performance (see [FAQ #3.1](#)), or elect to calculate their revenue loss under the formula provided in the final rule. Under this eligible use category, government services generally include any service traditionally provided by a government, unless Treasury has stated otherwise (see [FAQ #3.2](#)). While recipients can refer to common examples on page 11 of the Overview of the Final Rule and page 4408 of the final rule, these lists are not exhaustive. Every use that is eligible under other eligible use categories is also eligible under revenue loss.

Public health and negative economic impacts eligible use category

To assess the eligibility of a use under the public health and negative economic impacts

eligible use category, recipients may refer initially to the non-exhaustive lists of enumerated uses that respond to pandemic impacts, and the lists of populations presumed to have experienced pandemic impacts and be eligible for responsive services. These lists appear in the Overview and the final rule organized by sub-categories around the types of assistance a recipient may provide. Recipients should first determine the sub-category where their use of funds may fit (e.g., public health, assistance to households, assistance to small businesses), based on the entity that experienced the health or economic impact. Then, recipients should refer to the relevant section for more details on each sub-category of eligible responses.

If a recipient intends to provide enumerated uses of funds to populations presumed eligible, then the use of funds is clearly consistent with the final rule. However, if the intended expenditure does not match an enumerated use serving a presumed eligible population, that does not necessarily mean it is ineligible. Recipients can consider using the broad flexibility available in this eligible use category to (1) identify and respond to other pandemic impacts and (2) serve other populations that experienced pandemic impacts, beyond the enumerated uses and presumed eligible populations. Recipients can also identify groups or “classes” of beneficiaries that experienced pandemic impacts and provide services to those classes.

Premium pay eligible use category

To assess whether a use falls under the premium pay eligible use category, recipients can follow the steps outlined on p. 35-36 of the Overview, and refer to the FAQs in [section 5](#).

Water, sewer, and broadband infrastructure eligible use category

To assess whether a use falls under the water, sewer, and broadband infrastructure category, recipients can consult p. 37-40 of the Overview, and refer to the FAQs in [section 6](#).

Recipients should also note the restrictions on use, which are applicable across all eligible use categories, and summarized on p. 41-42 of the Overview.

When assessing whether a specific use is eligible, recipients are not required to submit planned expenditures for prior approval by Treasury, and Treasury is not pre-approving proposed expenditures or calculations of revenue loss. Recipients should review the final rule and the Overview of the Final Rule, and consult with counsel as needed, to evaluate whether a particular expenditure is an eligible use of funds.

4.2. May recipients use funds to invest in traditional infrastructure projects other than water, sewer, and broadband projects (e.g. roads, bridges)?

As discussed in [FAQ #3.2](#), recipients have broad flexibility to use revenue loss funds to provide government services, which generally include any service traditionally provided by a government. These services may include, but are not limited to, maintenance of

infrastructure or pay-go spending for building of new infrastructure, including roads.

Under the public health and negative economic impacts eligible use category, a general infrastructure project typically would not be considered an eligible response unless the project responds to a specific pandemic-related public health need (e.g., investments in facilities for the delivery of vaccines) or a specific negative economic impact of the pandemic (e.g., affordable housing).

4.3. May recipients use funds to pay interest or principal on outstanding debt?

No. The final rule maintains the restriction on the use of funds for debt service for the reasons described on page 4430 of the final rule and clarifies that this restriction applies to all eligible use categories.

This applies to paying interest or principal on any outstanding debt instrument, including, for example, short-term revenue or tax anticipation notes, or paying fees or issuance costs associated with the issuance of new debt.

4.4. Are governments required to submit proposed expenditures to Treasury for approval?

No. Recipients are not required to submit planned expenditures for prior approval by Treasury. Recipients are subject to the requirements and guidelines for eligible uses contained in the final rule. For more information on compliance and reporting, please see the SLFRF Compliance and Reporting Guidance.

4.5. Do restrictions on using funds to cover costs incurred beginning on March 3, 2021 apply to costs incurred by the recipient (e.g., a State, local, territorial, or Tribal government) or to costs incurred by households, businesses, and individuals benefiting from assistance provided using funds?

The final rule permits funds to be used to cover costs incurred beginning on March 3, 2021. This limitation applies to costs incurred by the recipient (i.e., the state, local, territorial, or Tribal government receiving funds). Recipients may use SLFRF funds to provide assistance to households, businesses, and individuals within the eligible use categories described in the final rule for economic harms experienced by those households, businesses, and individuals prior to March 3, 2021. For example,

- Public Health/Negative Economic Impacts – Recipients may use SLFRF funds to provide assistance to households – such as rent, mortgage, or utility assistance – for economic harms experienced or costs incurred by the household prior to March 3, 2021 (e.g., rental arrears from preceding months), provided that the cost of providing assistance to the household was not incurred by the recipient prior to March 3, 2021.

- Premium Pay – As discussed further in [FAQ #5.2](#), recipients may provide premium pay retrospectively for work performed at any time since the start of the COVID-19 public health emergency. Such premium pay must be “in addition to” wages and remuneration already received and the obligation to provide such pay must not have been incurred by the recipient prior to March 3, 2021. Employers may not simply reimburse themselves for pay already received by the employee.
- Revenue Loss – The final rule gives recipients broad latitude to use funds for the provision of government services to the extent of reduction in revenue due to the pandemic. If the recipient has elected to calculate lost revenue, the calculation begins with the recipient’s revenue in the last full fiscal year prior to the COVID-19 public health emergency. However, use of funds for government services must be forward looking for costs incurred by the recipient after March 3, 2021.
- Investments in Water, Sewer, and Broadband – Recipients may use SLFRF funds to make necessary investments in water, sewer, and broadband. See [FAQ Section 6](#). Recipients may use funds to cover costs incurred for eligible projects planned or started prior to March 3, 2021, provided that the project costs covered by the funds were incurred after March 3, 2021.

4.6. May recipients use funds to satisfy non-federal matching requirements?

Generally, yes, if using funds available under the revenue loss eligible use category, and no, if using funds under any other eligible use category, except as discussed further below.

Funds available under the revenue loss eligible use category (sections 602(c)(1)(C) and 603(c)(1)(C) of the Social Security Act) generally may be used to meet the non-federal cost-share or matching requirements of other federal programs. However, note that SLFRF funds may not be used as the non-federal share for purposes of a state’s Medicaid and Children’s Health Insurance Programs (CHIP) because the Office of Management and Budget has approved a waiver as requested by the Centers for Medicare & Medicaid Services pursuant to 2 CFR 200.102 of the Uniform Guidance and related regulations.

If a recipient seeks to use SLFRF funds to satisfy match or cost-share requirements for a federal grant program, it should first confirm with the relevant awarding agency that no waiver has been granted for that program, that no other circumstances enumerated under 2 CFR 200.306(b) would limit the use of SLFRF funds to meet the match or cost-share requirement, and that there is no other statutory or regulatory impediment to using the SLFRF funds for the match or cost-share requirement.

SLFRF funds beyond those that are available under the revenue loss eligible use category may not be used to meet the non-federal match or cost-share requirements of other federal programs, other than as specifically provided for by statute. As an example, the Infrastructure Investment and Jobs Act provides that SLFRF funds may be used to meet the non-federal match requirements of authorized Bureau of Reclamation projects and certain broadband deployment projects. Recipients should consult the final rule for further

details if they seek to utilize SLFRF funds as a match for these projects.

4.7. May recipients pool funds for regional projects?

Yes, provided that the project is itself an eligible use of SLFRF funds for each recipient that is contributing to the pool of funds and that recipients are able to track the use of funds in line with the reporting and compliance requirements of the SLFRF. In general, when pooling funds for regional projects, recipients may expend funds directly on the project or transfer funds to another government or other entity that is undertaking the project on behalf of multiple recipients. To the extent recipients undertake regional projects via transfer to another organization or government, recipients would need to comply with the rules on transfers specified in the final rule supplementary information. A recipient may transfer funds to a government outside its boundaries (e.g., county transfers to a neighboring county, or an NEU transferring its funds to a County), provided that the transferor can document that the transfer constitutes an eligible expense of the transferor government and that its jurisdiction receives a benefit proportionate to the amount transferred.

4.8. May recipients fund a project with both ARPA funds and other sources of funding (e.g., blending, braiding, or other pairing funding sources), including in conjunction with financing provided through a debt issuance?

Generally, yes, provided that the costs are eligible costs under each source program and are compliant with all other related statutory and regulatory requirements and policies, including restrictions on use of funds.

The recipient must comply with applicable reporting requirements for all sources of funds supporting the SLFRF projects.

Recipients may source funding for a project in multiple ways, including, but not limited to, the following:

- Using funds available under the revenue loss eligible use category for non-federal match (see [FAQ #4.6](#))
- Pooling funds for a joint project with another SLFRF recipient (see [FAQ #4.7](#))
- Transferring funds to a subrecipient to finance a project that also uses other sources of funding
- Blending or braiding SLFRF funds with other sources of government funding, including debt issuance, to pursue a project

Localities may also transfer their funds to the state through section 603(c)(4) of the Social Security Act, which will decrease the locality's award and increase the state award amounts.

Note that using a recipient blending and braiding funds in conjunction with other sources of funding is distinct from using funds for non-federal match. In the case of non-federal match, the recipient would be using SLFRF funds to satisfy cost-sharing or matching requirements in order to qualify for another source of federal funding, while blending and braiding refers to using multiple sources of funding for complementary purposes.

If the entirety of a project is funded with SLFRF funds, then the entire project must be an eligible use. The use of funds would be subject to the deadline on obligating funds no later than December 31, 2024 and expending funds no later than December 31, 2026. If a project is only partially funded with SLFRF funds, then the portion of the project funded must be an eligible use and the SLFRF funds must also be obligated by December 31, 2024 and expended by December 31, 2026. In either case, recipients must be able to, at a minimum, determine and report to Treasury on the amount of SLFRF funds obligated and expended and when such funds were obligated and expended.

SLFRF funds may not be used to fund the entirety of a project that is partially, although not entirely, an eligible use under Treasury's final rule. However, SLFRF funds may be used for a smaller component project that does constitute an eligible use, while using other funds for the remaining portions of the larger planned project that does not constitute an eligible use. In this case, the "project" for SLFRF purposes under this program would be only the eligible use component of the larger project. For example, a recipient government may use SLFRF funds to subsidize the production of affordable housing units as a response to the pandemic and its negative economic impacts and use other funds to build other parts of a larger development that contains these affordable units.

4.9. May funds be used to make loans or other extensions of credit ("loans") to support an eligible use?

Yes. SLFRF funds may be used to make loans, provided that the loan supports an activity that is an eligible use of funds, the SLFRF funds used to make the loan are obligated by December 31, 2024 and expended by December 31, 2026, and the cost of the loan is tracked and reported in accordance with the points below. For example, a recipient may, consistent with the requirements of the interim final rule and final rule, use funds to finance the construction of affordable housing, or to finance a necessary investment in water, sewer or broadband.

Funds must be used to cover "costs incurred" by the recipient between March 3, 2021, and December 31, 2024, and funds must be expended by December 31, 2026. Accordingly, recipients must be able to determine the amount of funds used to make a loan.

- For loans that mature or are forgiven on or before December 31, 2026, the recipient must account for the use of funds on a cash flow basis, consistent with the approach to loans taken in the Coronavirus Relief Fund.
 - Recipients may use SLFRF funds to fund the principal of the loan and in that

case must track repayment of principal and interest (i.e., “program income,” as defined under 2 CFR 200).

- When the loan is made, recipients must report the principal of the loan as an expense.
- Repayment of principal may be re-used only for eligible uses and subject to restrictions on timing of use of funds. Interest payments received prior to the end of the period of performance will be considered an addition to the total award and may be used for any purpose that is an eligible use of funds. Recipients are not subject to restrictions under 2 CFR 200.307(e)(1) with respect to such payments.
- For loans with maturities longer than December 31, 2026, the recipient may use funds for only the projected cost of the loan.
 - Recipients can project the cost of the loan by estimating the subsidy cost. The subsidy cost is the estimated present value of the cash flows from the recipient (excluding administrative expenses) less the estimated present value of the cash flows to the recipient resulting from a loan, discounted at the recipient’s cost of funding and discounted to the time when the loan is disbursed. The cash flows are the contractual cash flows adjusted for expected deviations from the contract terms (delinquencies, defaults, prepayments, and other factors). A recipient’s cost of funding can be determined based on the interest rates of securities with a similar maturity to the cash flow being discounted that were either (i) recently issued by the recipient or (ii) recently issued by a unit of state, local, or Tribal government similar to the recipient.
 - Alternatively, recipients may treat the cost of the loan as equal to the expected credit losses over the life of the loan based on the Current Expected Credit Loss (CECL) standard. Recipients may measure projected losses either once, at the time the loan is extended, or annually over the period of performance.
 - Under either approach for measuring the amount of funds used to make loans with maturities longer than December 31, 2026, recipients would not be subject to restrictions under 2 CFR 200.307(e)(1) and need not separately track repayment of principal or interest.
 - Additionally, recipients may use funds for eligible administrative expenses incurred in the period of performance, which include the reasonable administrative expenses associated with a loan made in whole, or in part, with funds. See section IV.E of the final rule.
- Contributions to Revolving Loan Funds. A recipient may contribute funds to a revolving loan fund if the loaned SLFRF funds are restricted to financing eligible

uses under the public health emergency/negative economic impacts, premium pay, and necessary water, sewer and broadband categories (or under the government services category if the contribution to the revolving fund is made using revenue loss funds). The funds contributed using SLFRF funds must be limited to the projected cost of loans made over the life of the revolving loan fund, following the approach described above for loans with maturities longer than December 31, 2026.

- Loans funded with SLFRF funds under the revenue loss eligible use category. Notwithstanding the above, if a recipient uses revenue loss funds to fund a loan, whether or not the maturity of the loan is after December 31, 2026, the loaned funds may be considered to be expended at the point of disbursement to the borrower, and repayments on such loans are not subject to program income rules. Similarly, any contribution of revenue loss funds to a revolving loan fund may also follow the approach of loans funded under the revenue loss eligible use category.
- Loans to fund investments in affordable housing projects. Notwithstanding the above requirements for loans with maturities beyond December 31, 2026, Treasury has determined that SLFRF funds may be used to finance certain loans that finance affordable housing investments, as it is typical for state and local governments to finance such investments through loans and because the features of these loans significantly mitigate concerns about funds being deployed for purposes of recycling funds, potentially for ineligible uses, following the SLFRF program's expenditure deadline. Specifically, under the "public health and negative economic impacts" eligible use category, recipients may use SLFRF funds to make loans to finance affordable housing projects, funding the full principal amount of the loan, if the loan and project meet the following requirements:
 - The loan has a term of not less than 20 years;
 - The affordable housing project being financed has an affordability period of not less than 20 years after the project or assisted units are available for occupancy after having received the SLFRF investment; and
 - For loans to finance projects expected to be eligible for the low-income housing credit (LIHTC) under section 42 of the Internal Revenue Code of 1986 (the Code),
 - the project owner must agree, as a condition for accepting such a loan, to waive any right to request a qualified contract (as defined in section 42(h)(6)(F) of the Code); and
 - the project owner must agree to repay any loaned funds to the entity that originated the loan at the time the project becomes non-compliant, including if such project ceases to satisfy the requirements to be a qualified low-income housing project (as defined in section 42(g) of the Code) or a qualified residential rental project (as defined in section 142(d) of the Code), or if such project fails to comply with any of the requirements of the extended low-income housing commitment that

are described in section 42(h)(6)(B)(i)-(iv) of the Code.

Loans that fund investments in affordable housing projects under the public health and negative economic impacts eligible use category and meet the above criteria may be considered to be expended at the point of disbursement to the borrower, and repayments on such loans are not subject to program income rules. Loan modifications are permitted if the modifications do not result in repayment of all or substantially all funds to the lender prior to the end of the affordability period. To reduce administrative complexity, the start date of the 20-year affordability covenant may conform to the start date of other covenants on the same project or units that are required by another source of federal or state funding associated with the project or units.

4.10. May funds be used for outreach to increase uptake of federal assistance like the Child Tax Credit or federal programs like SNAP?

Yes. Eligible uses to address negative economic impacts include “assistance accessing or applying for public benefits or services.” This can include benefits navigators or marketing efforts to increase consumer uptake of federal tax credits, benefits, or assistance programs that respond to negative economic impacts of the pandemic.” Of note, per the final rule, allowable uses of funds for evaluations may also include other types of program evaluations focused on program improvement and evidence building.

5. Eligible Uses – Premium Pay

5.1. What criteria should recipients use in identifying workers to receive premium pay?

SLFRF may be used to provide premium pay to eligible workers performing essential work during the pandemic or to provide grants to eligible employers that have eligible workers who perform essential work. Premium pay may be awarded to eligible workers up to \$13 per hour. Premium pay must be in addition to wages or remuneration (i.e., compensation) the eligible worker otherwise receives. Premium pay may not exceed \$25,000 for any single worker during the program.

Premium pay must be responsive to eligible workers performing essential work during the pandemic, and like the interim final rule, the final rule emphasizes the need for recipients to prioritize premium pay for lower-income workers. Premium pay that would go to a worker whose total pay is above 150% of the greater of the state or county average annual wage for all occupations (with or without the premium) requires specific justification for how it responds to the needs of these workers unless that worker is not exempt from the Fair Labor Standards Act overtime provisions.

For a detailed description of what constitutes an eligible worker and essential work as well other premium pay requirements, please see pages 35-36 of the [Overview of the](#)

[Final Rule.](#)

5.2. May recipients provide premium pay retroactively for work already performed?

Yes. Treasury encourages recipients to consider providing premium pay retroactively for work performed during the pandemic, recognizing that many essential workers have not yet received additional compensation for their service during the pandemic. SLFRF funds may not be used to reimburse a recipient or eligible employer grantee for premium pay or hazard pay already received by the employee. To make retroactive premium payments funded with SLFRF funds, a recipient or eligible employer grantee must make a new cash outlay for the premium payments and the payments must be in addition to any wages or remuneration the eligible worker already received.

5.3. Can SLFRF be used to pay for benefits and taxes associated with premium pay wages?

Premium pay is taxable as wage income, and therefore, employers are encouraged to treat the premium pay earned by the employee just as they would other wage income and withhold from the additional pay any required taxes. For further guidance, please see the [FAQ published by the IRS on SLFRF](#).

5.4. Does non-base compensation, such as overtime, count toward the 150% pay threshold? Is the 150% threshold calculated based off of income only from the awarding employer or from an employee's total yearly compensation?

Yes, non-base compensation, including overtime and bonuses, counts toward the 150% pay threshold; however, the 150% pay threshold does *not* take into account other sources of income earned by an employee (e.g., income from a second job). For an hourly employee, or an employee that does not have a year's worth of earnings, an employer should extrapolate the hourly wage at an annual rate by multiplying the hourly rate by forty hours per week and then by fifty-two weeks per year.

6. Eligible Uses – Water, Sewer, and Broadband Infrastructure

6.1. What types of water and sewer projects are eligible uses of funds?

Eligible water and sewer projects are outlined on pages 37-38 of the [Overview of the Final Rule](#). Under the interim final rule, SLFRF funds could be used to fund projects that would be eligible under EPA's Clean Water State Revolving Fund or Drinking Water State Revolving Fund. With broadened eligibility under the final rule, SLFRF funds may also be used to fund additional types of projects — such as additional stormwater infrastructure, residential wells, lead remediation, and certain rehabilitations of dams and reservoirs — beyond the CWSRF and DWSRF, if they are found to be “necessary” according to the definition provided in the final rule and outlined on page 38 of the Overview.

6.2. May recipients use funds as a non-federal match for the Clean Water State

Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF)?

Per [FAQ #4.6](#), SLFRF funds available for the provision of government services, up to the amount of the recipient's reduction in revenue due to the public health emergency (the revenue loss eligible use category), may be used to meet the non-federal cost-share or matching requirements of other federal programs, including the CWSRF and DWSRF programs administered by the EPA. Per [FAQ #4.9](#), loans funded under the revenue loss eligible use category may be deemed expended at the point of disbursement. Thus, recipients using SLFRF funds available under revenue loss for non-federal matching requirements for the DWSRF or CWSRF may consider funds expended at the point the recipient makes the deposit into the State Revolving Funds. Recipients using SLFRF funds available under revenue loss should log projects under expenditure category 6.2.

As further noted in FAQ #4.6, SLFRF funds beyond those that are available under the revenue loss eligible use category may not be used to meet the non-federal match or cost-share requirements of other federal programs, other than as specifically provided for by statute. Recipients using funds under the eligible use category for water and sewer infrastructure may not use funds as a state match for the CWSRF and DWSRF.

6.3. Does the National Environmental Policy Act (NEPA) apply to projects funded with SLFRF funds?

NEPA does not apply to Treasury's administration of the funds, including funds expended under the revenue loss, public health and negative economic impacts, and water, sewer, and broadband infrastructure eligible use categories. Projects supported with payments from the funds may still be subject to NEPA review if they are also funded by other federal financial assistance programs or have certain federal licensing or registration requirements.

6.4. What types of broadband projects are eligible uses of funds?

Recipients are required to design projects that, upon completion, reliably meet or exceed symmetrical 100 Mbps download and upload speeds where practicable. More details on eligible broadband projects, including eligible areas for investment and the affordability requirement, are outlined on pages 39-40 of the [Overview of the Final Rule](#).

6.5. For broadband investments, may recipients use funds for related programs such as cybersecurity or digital literacy training?

Yes. In the final rule, Treasury maintained the enumerated eligible use for assistance to households for internet access and digital literacy programs. Recipients may use funds to provide assistance to households facing negative economic impacts due to the pandemic, including digital literacy training and other programs that promote access to the Internet.

SLFRF may be used for modernization of cybersecurity for existing and new broadband infrastructure, regardless of their speed delivery standards. This includes modernization of

hardware and software. Under the final rule, recipients may also invest in general cybersecurity upgrades, unrelated to broadband infrastructure, under the revenue loss eligible use category.

6.6. Do I need pre-approval for my water, sewer, or broadband project?

See [FAQ #4.4](#). Generally, recipients are not required to submit planned expenditures for prior approval by Treasury and recipients are subject to the requirements and guidelines for eligible uses contained in the final rule.

While recipients must ensure that water and sewer infrastructure projects pursued are eligible under the final rule, recipients are not required to obtain project pre-approval from Treasury or any other federal agency when using SLFRF funds for necessary water and sewer infrastructure projects unless otherwise required by federal law. For projects that are being pursued under the eligibility categories provided through the DWSRF or CWSRF programs, project eligibilities are based on federal project categories and definitions for the programs and not on each state's eligibility or definitions. While reference in the final rule to the DWSRF, CWSRF, or other federal water programs is provided to assist recipients in understanding the types of water and sewer infrastructure projects eligible to be funded with SLFRF, recipients do not need to apply for funding from the applicable state programs or through any federal water program. Similarly, besides eligible project categories, the final rule does not incorporate other program requirements or guidance that attach to the DWSRF, CWSRF, or other federal water programs. However, as noted above, recipients should be aware of other federal or state laws or regulations that may apply to construction projects or water and sewer projects, independent of SLFRF funding conditions, and that may require preapproval from another federal or state agency.

6.7. For broadband infrastructure investments, what are eligible areas of investment?

Recipients are encouraged to prioritize projects that are designed to serve locations without access to reliable wireline 100/20 Mbps broadband service, but are broadly able to invest in projects designed to provide service to locations with an identified need for additional broadband investment. For more details, see page 39 of the [Overview of the Final Rule](#).

6.8. May recipients use payments from the SLFRF for “middle mile” broadband projects?

Yes. Under the final rule, recipients may use payments from the SLFRF for “middle-mile projects,” but Treasury encourages recipients to focus on projects that will achieve last-mile connections—whether by focusing on funding last-mile projects or by ensuring that funded middle-mile projects have potential or partnered last-mile networks that could or would leverage the middle-mile network.

6.9. For broadband infrastructure investments, what does the requirement to “reliably” meet or exceed a broadband speed threshold mean?

See page 39 of the [Overview of the Final Rule](#), as well as pages 4419-4420 of the final rule.

6.10. May recipients use funds for pre-project development for eligible water, sewer, and broadband projects?

Yes. To determine whether funds can be used on pre-project development for an eligible water or sewer project, recipients should consult whether the pre-project development use or cost is eligible under the Drinking Water and Clean Water State Revolving Funds (DWSRF and CWSRF, respectively). Generally, the CWSRF and DWSRF often allow for pre-project development costs that are tied to an eligible project, as well as those that are reasonably expected to lead to a project. For example, the DWSRF [allows](#) for planning and evaluations uses, as well as numerous pre-project development costs, including costs associated with obtaining project authorization, planning and design, and project start-up like training and warranty for equipment. Likewise, the CWSRF [allows](#) for broad pre-project development, including planning and assessment activities, such as cost and effectiveness analyses, water/energy audits and conservation plans, and capital improvement plans.

Similarly, pre-project development uses and costs for broadband projects should be tied to an eligible broadband project or reasonably expected to lead to such a project. For example, pre-project costs associated with planning and engineering for an eligible broadband infrastructure build-out is considered an eligible use of funds, as well as technical assistance and evaluations that would reasonably be expected to lead to commencement of an eligible project (e.g., broadband mapping for the purposes of finding an eligible area for investment).

All funds must be obligated by recipients within the statutory period between March 3, 2021 and December 31, 2024, and expended to cover such obligations by December 31, 2026.

6.11. May funds be used to support energy or electrification infrastructure that would be used to power new water treatment plants and wastewater systems?

The EPA's [Overview of Clean Water State Revolving Fund Eligibilities](#) describes eligible energy-related projects. This includes a "[p]ro rata share of capital costs of offsite clean energy facilities that provide power to a treatment works." Thus, SLFRF funds may be used to finance the generation and delivery of clean power to a wastewater system or a water treatment plant on a pro-rata basis. If the wastewater system or water treatment plant is the sole user of the clean energy, the full cost would be considered an eligible use of funds. If the clean energy provider provides power to other entities, only the proportionate share used by the water treatment plant or wastewater system would be an eligible use of funds.

6.12. How should states and local governments assess whether a stormwater management project, such as a culvert replacement, is an eligible project?

Pages 37-38 of the [Overview of the Final Rule](#) describe the overall approach that recipients must take to evaluate the eligibility of water or sewer projects. With broadened eligibility under the final rule, a wide range of culvert repair, resizing, and removal, replacement of storm sewers, and additional types of stormwater infrastructure are eligible projects, as outlined further in the final rule.

6.13. May recipients use funds for road repairs and upgrades that occur in connection with an eligible water or sewer project?

Yes, recipients may use SLFRF funds for road repairs and upgrades directly related to an eligible water or sewer project. For example, a recipient could use funds to repair or repave a road following eligible sewer repair work beneath it. However, use of funds for general infrastructure projects is subject to the limitations described in [FAQ #8.1](#). Water and sewer infrastructure projects are often a single component of a broader transportation infrastructure project, for example, the implementation of stormwater infrastructure to meet Clean Water Act established water quality standards. In this example, the components of the infrastructure project that interact directly with the stormwater infrastructure project may be funded by SLFRF funds.

6.14. May funds be used to build or upgrade broadband connections to schools or libraries?

As outlined in the final rule, recipients may use SLFRF funds to invest in broadband infrastructure that, where practicable, is designed to deliver service that reliably meets or exceeds symmetrical upload and download speeds of 100 Mbps to households or businesses with an identified need for additional broadband investment. “Businesses” in this context refers broadly to include non-residential users of broadband, including private businesses and institutions that serve the public, such as schools, libraries, healthcare facilities, and public safety organizations.

6.15. Are eligible water, sewer, and broadband infrastructure projects, eligible capital expenditures under the public health and negative economic impacts eligible use category, and eligible projects under the revenue loss eligible use category subject to the Davis-Bacon Act?

The Davis-Bacon Act requirements (prevailing wage rates) do not apply to projects funded solely with award funds from the SLFRF program, except for SLFRF-funded construction projects undertaken by the District of Columbia. The Davis-Bacon Act specifically applies to the District of Columbia when it uses federal funds (SLFRF funds or otherwise) to enter into contracts over \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. Recipients may be otherwise subject to the requirements of the Davis-Bacon Act when SLFRF award funds are used on a construction project in conjunction with funds from another federal program that requires enforcement of the Davis-Bacon Act. Additionally, corollary state prevailing-wage-in-construction laws (commonly known as “baby Davis-Bacon Acts”) may apply to projects. Please refer to

[FAQ #4.8](#) concerning projects funded with both SLFRF funds and other sources of funding.

Treasury has indicated in its final rule that it is important that capital expenditure projects and necessary investments in water, sewer, or broadband infrastructure be carried out in ways that produce high-quality results, avert disruptive and costly delays, and promote efficiency. Treasury encourages recipients to ensure that capital expenditure projects and water, sewer, and broadband projects use strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions, not only to promote effective and efficient delivery of high-quality projects, but also to support the economic recovery through strong employment opportunities for workers. Using these practices in projects may help to ensure a reliable supply of skilled labor that would minimize disruptions, such as those associated with labor disputes or workplace injuries.

Treasury has also indicated in its reporting guidance that recipients will need to provide documentation of wages and labor standards for capital expenditure projects and infrastructure projects over \$10 million, and that these requirements can be met with certifications that the project is in compliance with the Davis-Bacon Act (or related state laws, commonly known as “baby Davis-Bacon Acts”) and subject to a project labor agreement. Please refer to the Reporting and Compliance Guidance for more detailed information on the reporting requirement.

6.16. What is the difference between using funds for eligible water and sewer projects and using funds under revenue loss for non-federal match for the Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF)?

As noted in [FAQ #6.1](#) and the Overview of the Final Rule, eligible projects that a recipient may fund under the water and sewer infrastructure eligible use category of SLFRF include eligible projects under EPA’s CWSRF and EPA’s DWSRF. Recipients may also fund certain additional projects, including a wide set of lead remediation, stormwater infrastructure, and aid for private wells and septic units. Per [FAQ #6.6](#), recipients spending SLFRF funds under the water and sewer eligible use category are not required to obtain project pre-approval from Treasury or any other federal agency unless otherwise required by federal law.

Projects that recipients undertake with SLFRF funds under the water and sewer eligible use category are separate and distinct from projects that a recipient manages through their CWSRF and DWSRF. As noted in [FAQ #4.6](#) and [FAQ #6.2](#), recipients may use funds under the revenue loss eligible use category for non-federal matching requirements, including for EPA’s Clean Water State Revolving Fund and EPA’s Drinking Water State Revolving Fund. By contrast, funds spent under the water and sewer infrastructure eligible use category may not be used to meet non-federal matching requirements.

6.17. Can SLFRF funds be used to pay for the replacement or placement of utility poles under the water, sewer, and broadband infrastructure eligible use category?

Under the water, sewer, and broadband infrastructure eligible use category, the replacement or placement of utility poles is eligible when it is directly related to or part of an eligible SLFRF infrastructure project, such as an eligible SLFRF broadband infrastructure project that is consistent with Treasury's final rule. The use of SLFRF funds to fund a project for which the only purpose is to pay for the replacement or placement of utility poles is not an eligible use under the water, sewer, broadband infrastructure eligible use category.

6.18. Do the Buy America Preference requirements for infrastructure projects apply to awards made under the SLFRF program?

Awards made under the SLFRF program are not subject to the Buy America Preference requirements set forth in section 70914 of the Build America, Buy America Act included in the Infrastructure Investment and Jobs Act, Pub. L. 117-58.

6.19. Do the Buy America Preference requirements for infrastructure projects apply to SLFRF-funded projects if they are supplemented with funding from other federal financial assistance programs?

Infrastructure projects funded solely with SLFRF award funds are not subject to the Buy America Preference requirements set forth in section 70914 of the Build America, Buy America Act included in the Infrastructure Investment and Jobs Act, Pub. L. 117-58. SLFRF recipients may be otherwise subject to the Buy America Preference requirements when SLFRF award funds are used on an infrastructure project in conjunction with funds from other federal programs that require compliance with the Buy America Preference requirements. Recipients are advised to consult with the other federal agencies administering federal financial assistance that is being blended or braided with SLFRF funds regarding the applicability of the Buy America Preference requirements.

6.20. Does Section 106 of the National Historic Preservation Act (NHPA) apply to projects funded with SLFRF funds?

Section 106 of the NHPA does not apply to Treasury's administration of SLFRF funds, including funds expended under the revenue loss, public health and negative economic impacts, and water, sewer, and broadband infrastructure eligible use categories. Projects supported with payments from the funds may still be subject to Section 106 of the NHPA if they involve participation from other federal agencies, including funding from other federal financial assistance programs, or are subject to receipt of approvals from other federal agencies.

7. Non-Entitlement Units (NEUs)

Answers to frequently asked questions on distribution of funds to NEUs can be found in this [FAQ supplement](#).

8. Ineligible Uses

8.1. May recipients use funds to replenish a budget stabilization fund, rainy day fund, or similar reserve account?

No. Funds made available to respond to the public health emergency and its negative economic impacts are intended to help meet pandemic response needs and provide immediate stabilization for households and businesses. Contributions to rainy day funds and similar reserve funds would not address these needs or respond to the COVID-19 public health emergency, but would rather be savings for future spending needs. Similarly, funds made available for the provision of governmental services (to the extent of reduction in revenue) are intended to support direct provision of services to citizens. Contributions to rainy day funds are not considered provision of government services, since such expenses do not directly relate to the provision of government services.

8.2. What is meant by a pension “deposit”? Can governments use funds for routine pension contributions for employees whose payroll and covered benefits are eligible expenses?

In the context of the restriction on deposits into pension funds, “deposit” means an extraordinary payment of an accrued, unfunded liability. The term deposit does not refer to routine contributions made by an employer to pension funds as part of the employer’s obligations related to payroll, such as either a pension contribution consisting of a normal cost component related to current employees or a component addressing the amortization of unfunded liabilities calculated by reference to the employer’s payroll costs.

In general, if an employee’s wages and salaries are an eligible use of SLFRF funds, recipients may treat the employee’s covered benefits as an eligible use of funds.

8.3. May recipients use Fiscal Recovery Funds to fund Other Post-Employment Benefits (OPEB)?

OPEB refers to benefits other than pensions (see, e.g., [Governmental Accounting Standards Board, “Other Post-Employment Benefits”](#)). Treasury has determined that Sections 602(c)(2)(B) and 603(c)(2) of the Social Security Act, which refer only to deposits to pensions funds, do not prohibit SLFRF recipients from funding OPEB. Recipients may use funds for eligible uses, and a recipient seeking to use SLFRF funds for OPEB contributions would need to justify those contributions under one of the four eligible use categories.

9. Reporting

Recipients should consult the Recipient Compliance and Reporting Responsibilities [page on Treasury’s website](#) to access the latest Compliance and Reporting Guidance. Recipients

should consult this guidance for additional detail and clarification on recipients' compliance and reporting responsibilities. User guides, which also contain FAQs pertaining to reporting, are provided for additional information.

10. Miscellaneous

10.1. Are recipients required to remit interest earned on SLFRF payments made by Treasury?

No. SLFRF payments made by Treasury to states, territories, and the District of Columbia are not subject to the requirement of the Cash Management Improvement Act and Treasury's implementing regulations at 31 CFR Part 205 to remit interest to Treasury. SLFRF payments made by Treasury to local governments and Tribes are not subject to the requirements of 2 CFR 200.305(b)(8) and (9) to maintain SLFRF award funds in an interest-bearing account and remit interest earned above \$500 on such payments to Treasury. Moreover, interest earned on SLFRF award funds is not subject to program restrictions. Finally, states may retain interest on payments made by Treasury to the state for distribution to NEUs that is earned before funds are distributed to NEUs, provided that the state adheres to the statutory requirements and Treasury's guidance regarding the distribution of funds to NEUs. Such interest is also not subject to program restrictions.

Among other things, states and other recipients may use earned income to defray the administrative expenses of the program, including with respect to NEUs.

10.2. May recipients use funds to cover the costs of consultants to assist with managing and administering the funds?

Yes. Recipients may use funds for administering the SLFRF program, including costs of consultants to support effective management and oversight, including consultation for ensuring compliance with legal, regulatory, and other requirements.

11. Operations

11.1. How do I know if my entity is eligible?

The American Rescue Plan Act of 2021 set forth the jurisdictions eligible to receive funds under the SLFRF program, which are:

- States and the District of Columbia
- Territories
- Tribal governments
- Counties
- Metropolitan cities (typically, but not always, those with populations over 50,000)
- Non-entitlement units of local government, or smaller local governments

(typically, but not always, those with populations under 50,000)

11.2. How does an eligible entity request payment?

Eligible entities (other than non-entitlement units) must submit their information to the [Treasury Submission Portal](#). Please visit the [Coronavirus State and Local Fiscal Recovery Fund website](#) for more information on the submission process.

11.3. I cannot log into the Treasury Submission Portal or am having trouble navigating it. Who can help me?

If you have questions about the Treasury Submission Portal or for technical support, please email covidreliefitsupport@treasury.gov.

11.4. What do I need to do to receive my payment?

All eligible payees are required to have a Unique Entity ID (UEI) as part of registration in addition to maintaining an active registration in the System for Award Management (SAM) (<https://www.sam.gov>).

Eligible payees must have a bank account enabled for Automated Clearing House (ACH) direct deposit. Payees with a Wire account are encouraged to provide that information as well.

More information on these and all program pre-submission requirements can be found on the [SLFRF website](#).

11.5. Why is Treasury employing ID.me for the Treasury Submission Portal?

ID.me is only required for submitting applications for funding in the Treasury Portal. ID.me is not required for users accessing the Treasury portal to complete reporting.

ID.me provides secure digital identity verification to those government agencies and healthcare providers to validate the individual entity – and block fraudulent attempts to access online services. All personally identifiable information provided to ID.me is encrypted and disclosed only with the express consent of the user. Please refer to ID.me Contact Support for assistance with your ID.me account. Their support website is <https://help.id.me>.

11.6. Why is an entity not on the list of eligible entities in the Treasury Submission Portal?

The ARPA lays out which governments are eligible for payments. The list of entities within the Treasury Submission Portal includes entities eligible to receive a direct

payment of funds from Treasury, which include states (defined to include the District of Columbia), territories, Tribal governments, counties, and metropolitan cities.

Eligible non-entitlement units of local government will receive a distribution of funds from their respective state government and should not submit information to the Treasury Submission Portal.

If you believe an entity has been mistakenly left off the eligible entity list, please email SLFRF@treasury.gov.

11.7. What is an Authorized Representative?

An Authorized Representative is an individual with legal authority to bind the government entity (e.g., the Chief Executive Officer of the government entity). An Authorized Representative must sign the Acceptance of Award terms for it to be valid.

11.8. How do I know the status of my request for funds (submission)?

Entities can check the status of their submission at any time by logging into the [Treasury Submission Portal](#).

11.9. My Treasury Submission Portal submission requires additional information/correction. What is the process for that?

If your Authorized Representative has not yet signed the award terms, you can edit your submission within the [Treasury Submission Portal](#). If your Authorized Representative has signed the award terms, please email SLFRF@treasury.gov to request assistance with updating your information.

11.10. My request for funds was denied. How do I find out why it was denied or appeal the decision?

Please check to ensure that no one else from your entity has applied, causing a duplicate submission. Please also review the list of all eligible entities on the [Coronavirus State and Local Fiscal Recovery Fund website](#).

If you still have questions regarding your submission, please email SLFRF@treasury.gov.

11.11. When will entities get their money?

Before Treasury is able to execute a payment, a representative of an eligible government must submit the government's information for verification through the [Treasury Submission Portal](#). The verification process takes approximately four business days. If

any errors are identified, the designated point of contact for the government will be contacted via email to correct the information before the payment can proceed. Once verification is complete, the designated point of contact of the eligible government will receive an email notifying them that their submission has been verified. Payments are generally scheduled for the next business day after this verification email, though funds may not be available immediately due to processing time of their financial institution.

11.12. How does a local government entity provide Treasury with a notice of transfer of funds to its State?

For more information on how to provide Treasury with notice of transfer to a state, please email SLRedirectFunds@treasury.gov.

12. Tribal Governments

12.1. Do Treasury's pandemic recovery program awards terms and conditions impose civil rights laws on Tribes?

The award terms and conditions for Treasury's pandemic recovery programs, including SLFRF, do not impose antidiscrimination requirements on Tribal governments beyond what would otherwise apply under federal law. Treasury has amended its reporting requirements with respect to the SLFRF, Treasury's Emergency Rental Assistance Program, and Homeowner Assistance Fund to reflect this clarification.

12.2. How does a Tribal government determine its allocation?

Tribal governments received information about their allocation when their submission to the Treasury Submission Portal was confirmed to be complete and accurate.

13. Uniform Guidance

13.1. What provisions of the Uniform Guidance for grants apply to these funds? Will the Single Audit requirements apply?

Most of the provisions of the Uniform Guidance (2 CFR Part 200) apply to this program, including the Cost Principles and Single Audit Act requirements. Recipients should refer to the Assistance Listing for detail on the specific provisions of the Uniform Guidance that do not apply to this program. The Assistance Listing will be available at <https://sam.gov/fal/7cecfdef62dc42729a3fdcd449bd62b8/view>.

For information related to Single Audit requirements specifically, please refer to the [Compliance Supplement materials](#) released by the Office of Management and Budget.

13.2. Do federal procurement requirements apply to SLFRF?

Yes. The procurement standards for federal financial assistance are located in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200.317 through 2 CFR 200.327 and apply to procurements using SLFRF funds. Pursuant to 2 CFR 200.317, recipients that are non-state entities, such as, metropolitan cities, counties, non-entitlement units of local government, and Tribes must comply with the procurement standards set forth in 2 CFR 200.318, through 2 CFR 200.327, when using their SLFRF award funds to procure goods and services to carry out the objectives of their SLFRF award. States, the District of Columbia, and U.S. Territories must follow their own procurement policies pursuant to 2 CFR 200.317, as well as comply with the procurement standards set forth at 2 CFR 200.321 through 2 CFR 200.323, and 2 CFR 200.327 when using their SLFRF award funds to procure goods and services to carry out the objectives of their SLFRF award. *See also* SLFRF Award Terms and Conditions.

Recipients are prohibited from using SLFRF funds to enter into subawards and contracts with parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs. *See* [2 CFR 200.214](#).

Moreover, a contract made under emergency circumstances under the Coronavirus Relief Fund (CRF) cannot automatically be transferred over to SLFRF. These programs are subject to different treatment under the Uniform Guidance. Under the CRF program, recipients are permitted to use their own procurement policies to acquire goods and services to implement the objectives of the CRF award. Under the SLFRF program, recipients are required to follow the procurement standards set out in 2 CFR Part 200 (Uniform Guidance) pursuant to the SLFRF Award Terms and Conditions executed by the recipients in connection with their SLFRF awards.

13.3. What is the threshold for competitive bidding for my government?

As stated above, recipients are required to comply with the procurement standards set forth in 2 CFR 200.317 through 2 CFR 200.327 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Pursuant to 2 CFR 200.317, States, the District of Columbia, and U.S. Territories should refer to the competitive bidding thresholds described in their own procurement policies and procedures. Other non-federal entities, such as metropolitan cities, counties, non-entitlement units of local government, and Tribes must adhere to the competitive bidding thresholds set forth in 2 CFR 200.320 for the relevant procurement methods.

[2 CFR 200.320 describes methods of procurement based](#) on two procurement thresholds. There are two thresholds that recipients should keep in mind related to procurement requirements: the Micro purchase threshold (MPT) and the Simplified Acquisition Threshold (SAT).

Micro-purchase threshold (MPT) - 2 CFR 200.320(a)(1): Purchase of supplies and services for a price below the MPT, currently set at \$10,000, are not required to be solicited competitively. However, there are circumstances when a recipient may have a MPT that is greater than \$10,000. For example, all non-Federal entities may increase their MPT up to

\$50,000 if they follow the protocols described in 200.320(a)(1)(iv). Additionally, non-federal entities such as metropolitan cities, counties, non-entitlement units of local government, and Tribes may use their own MPT if they follow the protocols described in 200.320(a)(1)(iv).

Simplified Acquisition Threshold (SAT) - 2 CFR 200.320(a)(2): Purchases of property and services at a price above the recipient's MPT and below the SAT, currently set at \$250,000, may be made following the small purchase procedures described in the definition of SAT in 2 CFR 200.1 and 2 CFR 200.320(a)(2). Procurement of property and services at a price above the SAT must follow the formal procurement methods outlined in 2 CFR 200.320(b).

13.4. Can a recipient prequalify firms for projects funded with SLFRF?

The Uniform Guidance permits recipients to use prequalified lists of persons, firms, or products so long as a list is current and includes enough qualified sources to ensure maximum open and free competition. The Uniform Guidance does not specifically define the term "current" for purposes of 2 CFR 200.319(e), and Treasury has not adopted additional guidance regarding this requirement as it applies to the SLFRF. As such, recipients must determine when a prequalified list would be sufficiently current, and a recipient must not preclude potential bidders from qualifying during the solicitation period. See 2 CFR 200.319(e). Furthermore, recipients may not utilize this provision to evade conducting their procurement transactions in a manner that provides for full and open competition.

Recipients should be mindful that other provisions of the Uniform Guidance inform the procurement requirements. For example, metropolitan cities, counties, non-entitlement units of local government, and Tribes must have and use documented procurement procedures, consistent with binding State, local, and Tribal laws and regulations. See 2 CFR 200.318(a).

13.5. Where can one find the most current information on assuring minority-owned businesses are included in the awards process?

The most up-to-date information on assuring that minority-owned businesses are included in the procurement process is located in [2 CFR 200.321](#), *Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms*.

13.6. Is there certain language that needs to be included in a bidding package?

Treasury does not require that there be specific language included in bidding packages, but SLFRF recipients must ensure all contracts made with SLFRF award funds contain the applicable contract provisions listed in 2 CFR Part 200, Appendix II.

13.7. Are recipients allowed to leverage existing contracts?

Recipients may leverage existing contracts for SLFRF activities if the existing contracts conform to the procurement standards in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200 (Uniform Guidance). States, the District of Columbia, and U.S. Territories must follow their own procurement policies pursuant to 2 CFR 200.317 as well as comply with the procurement standards set forth at 2 CFR 200.321 through 2 CFR 200.323, and 2 CFR 200.327. All other recipients must follow 2 CFR 200.318, *General procurement standards*, through 200.327, *Contract provisions*.

13.8. Would an interlocal agreement—an agreement entered into between governments to effectuate an eligible use of the funds—or a cooperative purchase agreement need to be bid out?

States, the District of Columbia, and U.S. Territories must follow their own procurement policies pursuant to 2 CFR 200.317 as well as comply with the procurement standards set forth at 2 CFR 200.321 through 2 CFR 200.323, and 2 CFR 200.327. All other recipients must follow 2 CFR 200.318, *General procurement standards*, through 200.327, *Contract provisions*.

Recipients should consult the applicable procurement standards or policies to determine whether a cooperative purchase agreement must be bid out. Information on when competition is required and when exceptions to competition are permitted are located in 2 CFR 200.319, *Competition*, and 2 CFR 200.320, *Methods of procurement to be followed*.

It is permissible for recipients to use interlocal agreements but procurement standards set forth in the Uniform Guidance may still apply.

13.9. How is a “contract” different than a “subaward?”

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200 (Uniform Guidance) provides definitions for “contract” and “subaward.” A *contract* is a legal instrument by which a recipient or subrecipient purchases property or services needed to carry out the project or program under a federal award. A *subaward* is distinct from a contract in that a subaward is an award provided by a recipient of a federal award to a subrecipient to carry out part of a federal award on behalf of the recipient. Recipients may make subawards through any form of legal agreement, including an agreement that the recipient considers a contract. See 2 CFR 200.331 for more information on the differences between contracts and subawards.

13.10. What other background laws must recipients comply with?

SLFRF recipients must comply with all laws outlined in the SLFRF Award Terms and Conditions that the recipients accepted in connection with their SLFRF award and all other applicable executive orders, federal statutes, and regulations in carrying out their SLFRF award. Recipients must also provide for such compliance by other parties in any agreements it enters into with other parties relating to the award. The award terms listed

specific statutes and regulations that apply to the award, but the award terms made clear that these lists were not exclusive. Particularly in the case of the SLFRF, it's not possible to enumerate the full list of federal statutes, regulations and executive orders that may be applicable to the award given that the range of eligible uses of funds is so broad, including the provision of government services.

13.11. How does Treasury treat program income?

Per 2 CFR 200.307, Treasury is specifying here that recipients may add program income to the Federal award. Any program income generated from SLFRF funds must be used for the purposes and under the conditions of the Federal award.

Program income includes but is not limited to income from fees for services performed, the use or rental of real or personal property acquired under federal awards, the sale of commodities or items fabricated under a federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with federal award funds. Interest earned on advances of federal funds **is not** program income. For more information on what constitutes "Program Income" please see 2 CFR 200.1.

13.12. Does COVID-19 and the national emergency qualify as "exigency" as a special circumstance under 2 CFR 200.320 (c) in which a noncompetitive procurement can be used? If so, may a contract utilizing this special circumstance have a term that extends beyond the national emergency? For example, may the County execute a contract (without going through a competitive solicitation) immediately with a contractor to provide services with a term through the end of 2024, relying upon this special circumstance?

The COVID-19 public health emergency does not itself qualify as a "public exigency or emergency" under 2 CFR 200.320 (c). In other words, a recipient may not justify a noncompetitive procurement simply on the basis that the procurement is conducted during the public health emergency or that the project is in response to the public health emergency.

Instead, the recipient must make its own assessment as to whether in the case of a particular project there is a public exigency or emergency that "will not permit a delay resulting from publicizing a competitive solicitation."

13.13. What compliance and reporting requirements apply to subrecipients and beneficiaries?

As detailed in Treasury's [Compliance and Reporting Guidance](#) (pg. 11), subrecipients are required to comply with all of the restrictions applicable to recipients, including audit requirements under the Single Audit Act, whereas beneficiaries are not subject to these requirements. The distinction between subrecipients and beneficiaries is addressed in the

supplemental information to Treasury’s final rule.⁵ For example, when recipients of SLFRF funds provide award funds to individuals or entities as a result of experiencing a public health or negative economic impact of the pandemic, those receiving such funding are beneficiaries of the funds. In contrast, when recipients provide award funds to an entity to carry out a program in response to the public health emergency or its negative economic impacts, the entities receiving such funding are subrecipients.

Treasury requires recipients to report detailed information in the Treasury reporting portal as part of the Project and Expenditure Report regarding subrecipients that receive subawards of \$50,000 or more and certain beneficiaries that receive direct payments of \$50,000 or more in SLFRF funds. Requirements for this reporting can be found in the [Compliance and Reporting Guidance](#) (pg. 21).

Recipients are not required to separately identify payments to specific individuals receiving funds as beneficiaries in the Project and Expenditure Report. Those funds must be reported in the aggregate as part of the “Payments to Individuals” section.

As in the case of reporting under the Coronavirus Relief Fund, information on both beneficiaries and subrecipients will be collected in a single form in the Project and Expenditure Report.

13.14. Do recipients need to report subrecipient information for the revenue loss eligible use category?

No. Treasury is not collecting subaward data for projects categorized under Expenditure Category Group 6 “Revenue Replacement.” Treasury has determined that there are no subawards under this eligible use category. The definition of subrecipient in the Uniform Guidance provides that a subaward is provided for the purpose of “carrying out” a portion of a federal award. Recipients’ use of revenue loss funds does not give rise to subrecipient relationships given that there is no federal program or purpose to carry out in the case of the revenue loss portion of the award.

13.15. Which requirements of the Uniform Guidance apply to revenue loss funds?

Under the statute and the final rule, recipients may use SLFRF funds for the provision of government services up to the amount of their revenue loss due to the pandemic. Under the final rule, recipients may either calculate their revenue loss amount using a formula provided in the rule or elect up to a \$10 million “standard allowance” of revenue loss over the life of the program. Recipients have considerable flexibility to use SLFRF revenue loss funds on activities to address the diverse needs of their communities, as discussed in FAQ 3.2, but may not use the funds for the following ineligible uses:

- Offset a reduction in net tax revenue (applicable to states and territories)
- Make a deposit into a pension fund (applicable to all recipients except Tribes)

⁵ Coronavirus State and Local Fiscal Recovery Funds, 87 FR 4338, 4394.

- Service debt or replenish financial reserves (e.g., “rainy day funds”) (applicable to all recipients)
- Satisfy settlements and judgments (applicable to all recipients)
- Fund programs, services, or capital expenditures that include a term or condition that undermines efforts to stop the spread of COVID-19 (applicable to all recipients)

In-depth descriptions of the ineligible uses can be found in the “Restrictions on Use” section of the [Coronavirus State and Local Fiscal Recovery Funds: Overview of the Final Rule](#).

The SLFRF award terms and conditions provide that the requirements of the Uniform Guidance, 2 C.F.R. Part 200, apply to SLFRF awards other than such provisions as Treasury may determine are inapplicable to the award and subject to such exceptions as may be otherwise provided. The 2022 Compliance Supplement also provided that the requirements of 2 C.F.R. Part 200 are applicable unless stated otherwise. As such, recipients are required to follow Subparts A, B, C, and F of the Uniform Guidance for expenses categorized under Expenditure Category 6 “Revenue Replacement.” However, given the purpose and very broad scope of eligible uses of the revenue replacement funds, only a subset of the requirements in Subparts D and E of the Uniform Guidance apply to recipients’ use of such funds. The applicable requirements are listed below. In general, these requirements provide that recipients should not deviate from their established practices and policies regarding the incurrence of costs, and that they should expend and account for the funds in accordance with laws and procedures for expending and accounting for the recipient’s own funds.⁶ Recipients’ use of revenue replacement funds remains subject to the other applicable requirements of the SLFRF program, including among other things the deadlines for obligations and expenditures and the application of federal antidiscrimination requirements.

Uniform Guidance Subpart D and E Requirements Applicable to Revenue Loss Funds Used for the Provision of Government Services

Subpart D Post Federal Award Requirements

- 200.300 Statutory and national policy requirements.
- 200.302 Financial management.
- 200.303 Internal controls.
- 200.328 Financial reporting.
- 200.329 Monitoring and reporting program performance.
- Record Retention and Access (2 C.F.R. 200.334 – 200.338)
 - 200.334 Retention requirements for records.
 - 200.335 Requests for transfer of records.
 - 200.336 Methods for collection, transmission, and storage of information.
 - 200.337 Access to records.
 - 200.338 Restrictions on public access to records.

⁶ Cf. 2 CFR 200.302(a), 2 CFR 200.404(e).

- Remedies for Noncompliance (2 C.F.R. 200.339 – 200.343)
Note: These sections will apply to Treasury’s administration of the funds. Because the revenue loss eligible use category does not give rise to subawards, as discussed in FAQ 13.14, recipients will not be in a position to apply these provisions with respect to subrecipient relationships.
 - 200.339 Remedies for noncompliance.
 - 200.340 Termination.
 - 200.341 Notification of termination requirement.
 - 200.342 Opportunities to object, hearings, and appeals.
 - 200.343 Effects of suspension and termination.
- 200.344 Closeout.
Note: This section will apply to Treasury’s administration of the funds. Because the revenue loss eligible use category does not give rise to subawards, as discussed in FAQ 13.14, recipients will not be in a position to apply this provision with respect to subrecipient relationships.
- 200.345 Post-closeout adjustments and continuing responsibilities.
Note: This section will apply to Treasury’s administration of the funds. Because the revenue loss eligible use category does not give rise to subawards, as discussed in FAQ 13.14, recipients will not be in a position to apply this provision with respect to subrecipient relationships.
- 200.346 Collection of amounts due.

The program income requirements of 2 CFR 200.307 do not apply under revenue loss eligible use category. As such, recipients may maintain program income, which will not be considered an addition to the federal award.

Consistent with the Uniform Guidance, if SLFRF is to be used to cover a cost incurred by a recipient, the cost must be one that is allowable. In determining whether a cost is allowable for purposes of funds used under the revenue loss eligible use category, only the following factors and requirements apply:

Subpart E – Cost Principles

- 200.400(a) - (c), and (e) Policy guide.
- 200.403(a), (c), (d), (g), and (h) Factors affecting allowability of costs.
- 200.404(e) Reasonable costs.

13.16. What are the use and disposition requirements for assets purchased with SLFRF funds?

SLFRF funds may be used to acquire real and personal property, supplies, and equipment. For example, a recipient may use SLFRF funds to, among other things, construct or renovate affordable housing, childcare facilities, schools, and hospitals under the eligible use category for responding to the public health emergency or its negative economic impacts pursuant to Treasury’s implementing Final Rule, 31 CFR 35.6(b), and to make investments in water, sewer, and broadband infrastructure pursuant to Final Rule, 31 CFR 35.6(e).

Except for property, supplies, or equipment acquired using revenue loss funds, recipients must follow the applicable provisions of the Uniform Guidance regarding property standards (2 CFR 200.310-316), subject to the requirements set out in this FAQ.

During the period of performance, a recipient may use property, supplies, or equipment purchased or improved with SLFRF funds for a purpose other than the purpose for which it was purchased or improved if such other purpose is also consistent with the eligible use requirements. If a recipient changes the use of an asset to an ineligible use or sells the asset prior to the end of the period of performance, then the recipient must follow the disposition procedures in the Uniform Guidance. *See* 2 CFR 200.311, 200.313, 200.314, and 200.315.

After the period of performance, the property, supplies, or equipment must be used consistent with the purpose for which it was purchased or improved or for any other eligible purpose in the same category as the purpose reported to Treasury as of the final reporting period, as set forth in the table below.

Category	Use Requirements
Public Health and Assistance to Households and Individuals	Property, supplies, or equipment last reported as being used to respond to the public health impacts of the public health emergency, as outlined in 31 CFR 35.6(b)(3)(i), or being used for the provision of services to households provided in 31 CFR 35.6(b)(3)(ii)(A), are authorized to fulfill any eligible use of funds provided in these subparagraphs of the Final Rule.
Assistance to Small Businesses, Nonprofits, and Impacted Industries	Property, supplies, or equipment last reported as being used for the provision of services to small businesses, nonprofits, and impacted industries outlined in 31 CFR 35.6(b)(3)(ii)(B)-(D) are authorized to fulfill any eligible use of funds outlined in the public health and negative economic impacts eligible use category.
Water, Sewer, or Broadband Infrastructure	Property, supplies, or equipment last reported as being used to make investments in water, sewer, or broadband infrastructure pursuant to 31 CFR 35.6(e) are authorized to fulfill any eligible use of funds outlined in the water, sewer, and broadband infrastructure eligible use category.
Government Services/Revenue Loss	Property, supplies, or equipment acquired with revenue loss funds are exempt from the use and disposition requirements of the Uniform Guidance, regardless of award size.
Premium Pay	N/A

If an asset's use shifts within the parameters of the eligible purpose according to this table after the period of performance, no repayment would be required. For example, converting a hospital to a behavioral health facility would qualify as being used for the eligible purpose because both expenditures respond to the public health impacts of the public health emergency, as outlined in 31 CFR 35.6(b)(3)(i), so reimbursement to Treasury would be unnecessary.

If an asset's use shifts outside the parameters of the eligible purpose according to this table after the period of performance, then the recipient or subrecipient must follow the disposition procedures in the Uniform Guidance. *See* 2 CFR 200.311, 200.313, 200.314, and 200.315.

Recipients are responsible for being able to substantiate their determinations on whether the use of an asset is authorized and maintain a record of that determination in accordance with the requirements set forth in the financial assistance agreement accepted in connection with their award. Recipients are not required to seek or obtain the approval of Treasury prior to changing the use within the parameters of the authorized purpose.

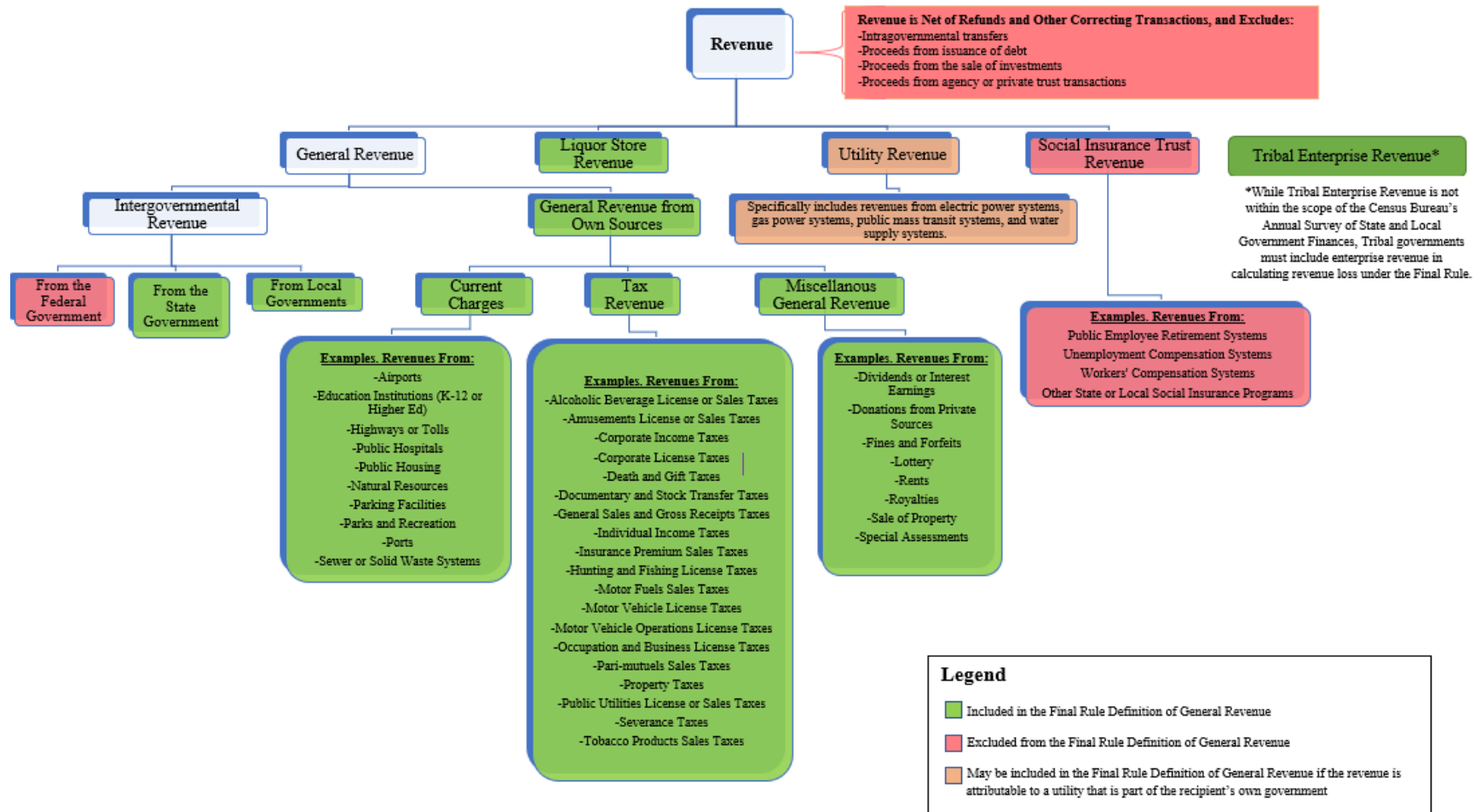
13.17. In the definition of “obligation” in the final rule, what does Treasury mean by “similar transactions that require payment?”

As stated in the final rule, obligation means “an order placed for property and services and entering into contracts, subawards, and similar transactions that require payment.” See 31 CFR 35.3.

As contemplated by this definition, Treasury recognizes that recipients may obligate funds through means other than contracts or subawards, for example in the case of payroll costs. In these circumstances, recipients must follow state or local law and their own established practices and policies regarding when they are considered to have incurred an obligation and how those obligations are documented. For example, a recipient may have incurred an obligation even though the recipient and its employee may not have entered into an employment contract.

Appendix

Final Rule Definition of General Revenue Within the Census Bureau Classification Structure of Revenue



Source: [U.S. Bureau of the Census Government Finance and Employment Classification Manual, 2006](#); [Annual Survey of State and Local Government Finances](#)