

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

CONSENT AGENDA REQUEST

TO: Board of County Commissioners
Mark McCauley, County Administrator

FROM: Josh D. Peters, AICP, Director, Dept. of Community Development
George Terry, Associate Planner

DATE: May 12, 2025

RE: Amendment to Middle Housing Grant (MHG) Contract

STATEMENT OF ISSUE:

The Washington State Department of Commerce - Growth Management Services has allocated Jefferson County \$50,000.00 in grant funding for Middle Housing under House Bill (HB)1110. The purpose of this grant source allows for activities that support the preparation of policies and/or codes and other measures specific to implement middle housing (RCW 36.70A.030(26)) by applicable statutory deadlines. Per HB 1110, "Middle housing" means buildings that are compatible in scale, form, and character with single-family houses and contain two or more attached, stacked or clustered homes including duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, stacked flats, courtyard apartments, and cottage housing. On February 26, 2024, the Board of County Commissioners signed Growth Management Services contract number 24-63336-160 for the MHG, executing the grant and concurring on a schedule and scope of work. Washington State Department of Commerce (Commerce) and Community Development have recently coordinated on an amended scope (attached) to better reflect the work accomplished over the course of the grant funded activities and to overcome the timeline associated with the ordinance adoption process. Minor adjustments to the contract were required to satisfy grant expectations by the grant deadline of June 15, 2025. Therefore, adjustments made to this grant contract require additional review and signature(s).

ANALYSIS:

MHG Deliverable 1 is a Public Engagement Plan, submitted to Commerce in May 2024. MHG Deliverable 2 is a Final Code Audit Memo with recommendations for Middle Housing-related amendments, submitted to Commerce in June 2024. We have amended MHG Deliverable 3 DRAFT Middle Housing Ordinance for Port Hadlock/Irondale UGA Ordinance and MHG Deliverable 4 Adopted Middle Housing Ordinance. Amended MHG Deliverable 3 has become a Public Engagement Summary and amended MHG Deliverable 4 has become a DRAFT Middle Housing Ordinance, both to be submitted to Commerce on or before June 15, 2025. Again, this amendment works to overcome the timeline associated with the ordinance adoption

process. This amendment also works to better reflect our public engagement activities and results associated with the MHG. MHG funds and allocation across deliverables remain unchanged through this amendment. MHG deadlines also remain unchanged through this amendment.

FISCAL IMPACT:

As this is a deliverable based grant and no amendment was requested to budget or allocation, there is no fiscal impact from this grant amendment.

RECOMMENDATION:

Approve and fully execute the MHG amended contract.

REVIEWED BY:


Mark McCauley, County Administrator

5/8/25
Date

CONTRACT REVIEW FORM
(INSTRUCTIONS ARE ON THE NEXT PAGE)

Clear Form

CONTRACT WITH: Washington State Department of Commerce Contract No: 24-63336-160 Amendment 1
Contract For: Middle Housing Grant Amendment 1 Term: Date of adoption - 06/30/2025

COUNTY DEPARTMENT: Community Development
Contact Person: Chelsea Pronovost
Contact Phone: (360)379-4494
Contact email: CPronovost@co.jefferson.wa.us

AMOUNT: \$50,000

Revenue: \$50,000

Expenditure: \$50,000

Matching Funds Required:

Sources(s) of Matching Funds

Fund #

Munis Org/Obj

PROCESS:

- ☐ Exempt from Bid Process
- ☐ Cooperative Purchase
- ☐ Competitive Sealed Bid
- ☐ Small Works Roster
- ☐ Vendor List Bid
- ☐ RFP or RFQ
- ☒ Other: Grant Award

APPROVAL STEPS:

STEP 1: DEPARTMENT CERTIFIES COMPLIANCE WITH JCC 3.55.080 AND CHAPTER 42.23 RCW.

CERTIFIED: ☐ N/A: ☒


Signature

5/5/2025
Date

STEP 2: DEPARTMENT CERTIFIES THE PERSON PROPOSED FOR CONTRACTING WITH THE COUNTY (CONTRACTOR) HAS NOT BEEN DEBARRED BY ANY FEDERAL, STATE, OR LOCAL AGENCY.

CERTIFIED: ☒ N/A: ☐


Signature

5/5/2025
Date

STEP 3: RISK MANAGEMENT REVIEW (will be added electronically through Laserfiche):

Electronically approved by Risk Management on 5/7/2025.

Dollar amount in the agenda request statement of issue section has one too many zeroes. Deliverable No. 2 was submitted to Commerce in June 2024? Is that correct?

STEP 4: PROSECUTING ATTORNEY REVIEW (will be added electronically through Laserfiche):

Electronically approved as to form by PAO on 5/6/2025.

Amendment No. 1 to address Attachment A Scope of Work and Attachment B Budget. Original attached.

STEP 5: DEPARTMENT MAKES REVISIONS & RESUBMITS TO RISK MANAGEMENT AND PROSECUTING ATTORNEY(IF REQUIRED).

STEP 6: CONTRACTOR SIGNS

STEP 7: SUBMIT TO BOCC FOR APPROVAL

Amendment

Grant Number: 24-63336-160

Amendment: 1



Local Government Division (LGD) Growth Management Services (GMS) Middle Housing

1. Grantee Jefferson County 621 Sheridan Street Port Townsend, WA 98368		2. Grantee Doing Business As (optional) N/A	
3. Grantee Representative George Terry Associate Planner (360) 379-4486 GTerry@co.jefferson.wa.us		4. COMMERCE Representative Anne Aurelia Fritzel 1011 Plum Street SE Housing Planning Manager Olympia, WA 98504 360-259-5216 Anne.Fritzel@commerce.wa.gov	
5. Original Grant Amount (including any previous amendments) \$50,000	6. Amendment Amount No Change		7. New Grant Amount \$50,000
8. Amendment Funding Source Federal: State: X Other: N/A:		9. Amendment Start Date Date of Execution	10. Amendment End Date June 30, 2025
11. Federal Funds (as applicable): N/A	Federal Agency: N/A		ALN: NA
12. Amendment Purpose: To amend Deliverable 3 DRAFT Middle Housing Ordinance for Port Hadlock/Irondale UGA Ordinance and Deliverable 4 Adopted Middle Housing Ordinance. Amended Deliverable 3 would become a Public Engagement Summary and amended Deliverable 4 would become a DRAFT Middle Housing Ordinance, both to be submitted to the Department of Commerce on or before June 15, 2025. This amendment works to overcome the timeline associated with the ordinance adoption process.			
COMMERCE, defined as the Department of Commerce, and the Grantee, as defined above, acknowledge and accept the terms of this Grant As Amended and attachments and have executed this Grant Amendment on the date below to start as of the date and year referenced above. The rights and obligations of both parties to this Grant As Amended are governed by this Grant Amendment and the following other documents incorporated by reference: Grantee Terms and Conditions including Attachment "A-1" – Scope of Work, Attachment "B-1" – Budget. A copy of this Grant Amendment shall be attached to and made a part of the original Grant between COMMERCE and the Grantee. Any reference in the original Grant to the "Grant" shall mean the "Grant as Amended".			
FOR GRANTEE Signature block on next page		FOR COMMERCE Signature block on next page	

Amendment

FOR GRANTEE	FOR COMMERCE
Heidi Eisenhour, Chair, Board of Commissioners Jefferson County	Mark K. Barkley, Assistant Director Local Government Division
Date	Date
 for Philip C. Hunsucker, Chief Civil Deputy Prosecuting Attorney	APPROVED AS TO FORM ONLY
05/06/2025	Sandra Adix Assistant Attorney General
Date	3/20/2014 Date

Amendment

This Grant is amended as follows:

Attachment A Scope of Work is hereby replaced with **Attachment A-1 Scope of Work**

Attachment B Budget is hereby replaced with **Attachment B-1 Budget**

ALL OTHER TERMS AND CONDITIONS OF THIS GRANT REMAIN IN FULL FORCE AND EFFECT.

Amendment

Attachment A-1: Scope of Work

Grant Objective: Through public engagement, existing code audit, review of Commerce's guidance, and Planning Commission review and input, prepare a Middle Housing Ordinance for the Port Hadlock/Irondale Urban Growth Area, and bring it through the public hearing process for adoption by the Board of County Commissioners.			
Actions/Steps/Deliverables	Description	Start Date	End Date
Action 1	Middle Housing Public Engagement Plan		
Step 1.1	Draft Public Engagement Plan	July 2023	April 2024
Deliverable 1	Middle Housing Public Engagement Plan		May 31, 2024
Action 2	Middle Housing Code Audit		
Step 2.1	Review and evaluate Jefferson County's existing development regulations for middle housing related amendments and identify gaps	July 2023	April 2024
Step 2.2	Review Commerce Middle Housing Model Ordinance(s) and other resources to inform code audit	July 2023	April 2024
Step 2.3	Draft Code Audit results memo with identified recommended amendments	March 2024	June 2024
Deliverable 2	Final Code Audit Memo w/recommendations for Middle Housing-related amendments		June 30, 2024
Action 3	Public Engagement Summary		
Step 3.1	Execute Public Engagement Plan consistent with Deliverable 1.	July 2024	May 2025
Step 3.2	Compile materials used in public engagement efforts to be submitted with Public Engagement Summary.	September 2024	June 2025
Step 3.3	Create public engagement comment reports, compile public notices used, and draft explanations of results.	January 2025	June 2025
Deliverable 3	Public Engagement Summary		June 15, 2025
Action 4	DRAFT Middle Housing Ordinance		
Step 4.1	Present Code Audit Memo recommendations to Planning Commission and public consistent with Public Engagement Plan	January 2025	May 2025

Amendment

Step 4.2	Present preliminary draft ordinance to Planning Commission and public consistent with Public Engagement Plan.	January 2025	May 2025
Step 4.3	Based upon Code Audit Memo, Planning Commission review, and public input, prepare DRAFT ordinance with amendments to Jefferson County zoning code for Port Hadlock/Irondale UGA	November 2024	June 2025
Deliverable 4	DRAFT Middle Housing ordinance		June 15, 2025

Amendment

Attachment B-1: Budget

Grant Objective: Conduct public engagement and analysis to update housing policy and development code consistent with HB 1110.	Fiscal Year	Commerce Funds
Deliverable 1. Middle Housing Public Engagement Plan	FY1 – May 31, 2024	\$5,000
Deliverable 2. Final Code Audit Memo w/recommendations for Middle Housing-related amendments	FY1 – June 15, 2024	\$20,000
Deliverable 3. Public Engagement Summary	FY2 – June 15, 2025	\$12,500
Deliverable 4. DRAFT Middle Housing Ordinance	FY2 – June 15, 2025	\$12,500
Contract Total		\$50,000

Funds must be invoiced in the appropriate fiscal year (FY1 or FY 2), or they may not be able to be paid. Please be sure to invoice for all FY 1 by June 30, 2024 and FY 2 by June 30, 2025.



**Interagency Agreement with
Jefferson County
through
Growth Management Services**

Contract Number:

24-63336-160

For

Middle Housing Grant

Dated:

Date of Execution



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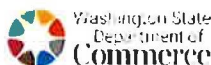


Face Sheet

Contract Number: 24-63336-160

Local Government Division Growth Management Services Middle Housing Grants

1. Contractor Jefferson County Dept. of Community Development 621 Sheridan Street Port Townsend, WA-98368		2. Regional Planner Ted Vanegas Ted.Vanegas@commerce.wa.gov	
3. Contractor Representative George Terry Assistant Planner (360) 379-4486 gterry@co.jefferson.wa.us		4. COMMERCE Representative Anne Aurelia Fritzel 1011 Plum Street SE Housing Planning Manager Olympia, WA 98504 360-259-5216 Anne.Fritzel@commerce.wa.gov	
5. Contract Amount \$50,000	6. Funding Source Federal: ☐ State: ☒ Other: ☐ N/A: ☐		7. Start Date Date of Execution
8. End Date June 30, 2025			
9. Federal Funds (as applicable) N/A		Federal Agency: N/A	
10. Tax ID # N/A		11. SWV # 0002430-15	
12. UBI # 91-6001322		13. UEI # N/A	
14. Contract Purpose For activities that support the preparation and adoption of policies and/or codes and other measures specific to implement middle housing (RCW 36.70A.030(26)) by applicable statutory deadlines.			
COMMERCE, defined as the Department of Commerce, and the Contractor, as defined above, acknowledge and accept the terms of this Contract and Attachments and have executed this Contract on the date below and warrant they are authorized to bind their respective agencies. The rights and obligations of both parties to this Contract are governed by this Contract and the following documents incorporated by reference: Contractor Terms and Conditions including Attachment "A" – Scope of Work, and Attachment "B" – Budget.			
FOR CONTRACTOR Kate Dean, Chair, Board of Commissioners Philip C. Hunsucker, Chief Civil Deputy Prosecuting Attorney April 11, 2024 Date		FOR COMMERCE DocuSigned by: Mark K. Barkley, Assistant Director Local Government Division 5/15/2024 1:51 PM PDT Date APPROVED AS TO FORM ONLY BY ASSISTANT ATTORNEY GENERAL APPROVAL ON FILE	



Special Terms and Conditions

1. AUTHORITY

COMMERCE and Contractor enter into this Contract pursuant to the authority granted by Chapter 39.34 RCW.

2. CONTRACT MANAGEMENT

The Representative for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Contract.

The Representative for COMMERCE and their contact information are identified on the Face Sheet of this Contract.

The Representative for the Contractor and their contact information are identified on the Face Sheet of this Contract.

3. COMPENSATION

COMMERCE shall pay an amount not to exceed \$50,000 (fifty thousand dollars), for the performance of all things necessary for or incidental to the performance of work under this Contract as set forth in the Scope of Work.

4. BILLING PROCEDURES AND PAYMENT

COMMERCE will pay Contractor upon acceptance of deliverables provided and receipt of properly completed invoices, which shall be submitted to the Representative for COMMERCE not more often than monthly nor less than quarterly.

The invoices shall describe and document, to COMMERCE's satisfaction, a description of the work performed, the progress of the project, and fees. The invoice shall include the Contract Number 24-63336-160.

Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Contractor.

COMMERCE may, in its sole discretion, terminate the Contract or withhold payments claimed by the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this Contract.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COMMERCE.

Invoices and End of Fiscal Year

Invoices are due on the 20th of the month following the provision of services.

Final invoices for a state fiscal year may be due sooner than the 20th and Commerce will provide notification of the end of fiscal year due date.

The Contractor must invoice for all expenses from the beginning of the contract through June 30, regardless of the contract start and end date.

Duplication of Billed Costs

The Contractor shall not bill COMMERCE for services performed under this Agreement, and COMMERCE shall not pay the Contractor, if the Contractor is entitled to payment or has been or will be paid by any other source, including grants, for that service. Any payment made by COMMERCE



for costs that are determined to be duplicate, in Commerce's sole determination, shall be subject to recapture and may result in suspension or termination of this Contract.

Disallowed Costs

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

COMMERCE may, in its sole discretion, withhold ten percent (10%) from each payment until acceptance by COMMERCE of the final report (or completion of the project, etc.).

5. SUBCONTRACTOR DATA COLLECTION

Contractor will submit reports, in a form and format to be provided by Commerce and at intervals as agreed by the parties, regarding work under this Contract performed by subcontractors and the portion of Contract funds expended for work performed by subcontractors, including but not necessarily limited to minority-owned, woman-owned, and veteran-owned business subcontractors. "Subcontractors" shall mean subcontractors of any tier.

6. INSURANCE

Each party certifies that it is self-insured under the State's or local government self-insurance liability program, and shall be responsible for losses for which it is found liable.

7. FRAUD AND OTHER LOSS REPORTING

Contractor shall report in writing all known or suspected fraud or other loss of any funds or other property furnished under this Contract immediately or as soon as practicable to the Commerce Representative identified on the Face Sheet.

8. ORDER OF PRECEDENCE

In the event of an inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations
- Special Terms and Conditions
- General Terms and Conditions
- Attachment A – Scope of Work
- Attachment B – Budget



General Terms and Conditions

1. DEFINITIONS

As used throughout this Contract, the following terms shall have the meaning set forth below:

- A. "Authorized Representative" shall mean the Director and/or the designee authorized in writing to act on the Director's behalf.
- B. "COMMERCE" shall mean the Washington Department of Commerce.
- C. "Contract" or "Agreement" or "Grant" means the entire written agreement between COMMERCE and the Contractor, including any Attachments, documents, or materials incorporated by reference. E-mail or Facsimile transmission of a signed copy of this contract shall be the same as delivery of an original.
- D. "Contractor" or "Grantee" shall mean the entity identified on the face sheet performing service(s) under this Contract, and shall include all employees and agents of the Contractor.
- E. "Personal Information" shall mean information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers, and "Protected Health Information" under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- F. "State" shall mean the state of Washington.
- G. "Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those services under this Contract under a separate contract with the Contractor. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.

2. ALL WRITINGS CONTAINED HEREIN

This Contract contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind any of the parties hereto.

3. AMENDMENTS

This Contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

4. ASSIGNMENT

Neither this Contract, work thereunder, nor any claim arising under this Contract, shall be transferred or assigned by the Contractor without prior written consent of COMMERCE.

5. CONFIDENTIALITY AND SAFEGUARDING OF INFORMATION

- A. "Confidential Information" as used in this section includes:
 - i. All material provided to the Contractor by COMMERCE that is designated as "confidential" by COMMERCE;
 - ii. All material produced by the Contractor that is designated as "confidential" by COMMERCE; and



III. All Personal Information in the possession of the Contractor that may not be disclosed under state or federal law.

- B. The Contractor shall comply with all state and federal laws related to the use, sharing, transfer, sale, or disclosure of Confidential Information. The Contractor shall use Confidential Information solely for the purposes of this Contract and shall not use, share, transfer, sell or disclose any Confidential Information to any third party except with the prior written consent of COMMERCE or as may be required by law. The Contractor shall take all necessary steps to assure that Confidential Information is safeguarded to prevent unauthorized use, sharing, transfer, sale or disclosure of Confidential Information or violation of any state or federal laws related thereto. Upon request, the Contractor shall provide COMMERCE with its policies and procedures on confidentiality. COMMERCE may require changes to such policies and procedures as they apply to this Contract whenever COMMERCE reasonably determines that changes are necessary to prevent unauthorized disclosures. The Contractor shall make the changes within the time period specified by COMMERCE. Upon request, the Contractor shall immediately return to COMMERCE any Confidential Information that COMMERCE reasonably determines has not been adequately protected by the Contractor against unauthorized disclosure.
- C. Unauthorized Use or Disclosure. The Contractor shall notify COMMERCE within five (5) working days of any unauthorized use or disclosure of any confidential information, and shall take necessary steps to mitigate the harmful effects of such use or disclosure.

6. COPYRIGHT

Unless otherwise provided, all Materials produced under this Contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by COMMERCE. COMMERCE shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, the Contractor hereby irrevocably assigns all right, title, and interest in all Materials, including all intellectual property rights, moral rights, and rights of publicity to COMMERCE effective from the moment of creation of such Materials.

"Materials" means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. "Ownership" includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the Contract, but that incorporate pre-existing materials not produced under the Contract, the Contractor hereby grants to COMMERCE a nonexclusive, royalty-free, irrevocable license (with rights to sublicense to others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Contractor warrants and represents that the Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to COMMERCE.

The Contractor shall exert all reasonable effort to advise COMMERCE, at the time of delivery of Materials furnished under this Contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Contract. The Contractor shall provide COMMERCE with prompt written notice of each notice or claim of infringement received by the Contractor with respect to any Materials delivered under this Contract. COMMERCE shall have the right to modify or remove any restrictive markings placed upon the Materials by the Contractor.

7. DISPUTES

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, Agreement terms and applicable statutes and rules and make a determination of the dispute. The Dispute Board shall thereafter decide the dispute with the majority prevailing. The determination of the Dispute Board shall be final and binding on the parties hereto. As



an alternative to this process, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control.

8. GOVERNING LAW AND VENUE

This Contract shall be construed and interpreted in accordance with the laws of the state of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

9. INDEMNIFICATION

Each party shall be solely responsible for the acts of its employees, officers, and agents.

10. LICENSING, ACCREDITATION AND REGISTRATION

The Contractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements or standards necessary for the performance of this Contract.

11. RECAPTURE

In the event that the Contractor fails to perform this Contract in accordance with state laws, federal laws, and/or the provisions of this Contract, COMMERCE reserves the right to recapture funds in an amount to compensate COMMERCE for the noncompliance in addition to any other remedies available at law or in equity.

Repayment by the Contractor of funds under this recapture provision shall occur within the time period specified by COMMERCE. In the alternative, COMMERCE may recapture such funds from payments due under this Contract.

12. RECORDS MAINTENANCE

The Contractor shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

The Contractor shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by COMMERCE, personnel duly authorized by COMMERCE, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

13. SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Contract and prior to normal completion, COMMERCE may suspend or terminate the Contract under the "Termination for Convenience" clause, without the ten calendar day notice requirement. In lieu of termination, the Contract may be amended to reflect the new funding limitations and conditions.

14. SEVERABILITY

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

15. SUBCONTRACTING

The Contractor may only subcontract work contemplated under this Contract if it obtains the prior written approval of COMMERCE.



If COMMERCE approves subcontracting, the Contractor shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, COMMERCE in writing may: (a) require the Contractor to amend its subcontracting procedures as they relate to this Contract; (b) prohibit the Contractor from subcontracting with a particular person or entity; or (c) require the Contractor to rescind or amend a subcontract.

Every subcontract shall bind the Subcontractor to follow all applicable terms of this Contract. The Contractor is responsible to COMMERCE if the Subcontractor fails to comply with any applicable term or condition of this Contract. The Contractor shall appropriately monitor the activities of the Subcontractor to assure fiscal conditions of this Contract. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to COMMERCE for any breach in the performance of the Contractor's duties.

Every subcontract shall include a term that COMMERCE and the State of Washington are not liable for claims or damages arising from a Subcontractor's performance of the subcontract.

16. SURVIVAL

The terms, conditions, and warranties contained in this Contract that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Contract shall so survive.

17. TERMINATION FOR CAUSE

In the event COMMERCE determines the Contractor has failed to comply with the conditions of this contract in a timely manner, COMMERCE has the right to suspend or terminate this contract. Before suspending or terminating the contract, COMMERCE shall notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

COMMERCE reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by COMMERCE to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the Contractor: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of COMMERCE provided in this contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

18. TERMINATION FOR CONVENIENCE

Except as otherwise provided in this Contract, COMMERCE may, by ten (10) business days' written notice, beginning on the second day after the mailing, terminate this Contract, in whole or in part. If this Contract is so terminated, COMMERCE shall be liable only for payment required under the terms of this Contract for services rendered or goods delivered prior to the effective date of termination.

19. TERMINATION PROCEDURES

Upon termination of this contract, COMMERCE, in addition to any other rights provided in this contract, may require the Contractor to deliver to COMMERCE any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

COMMERCE shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by COMMERCE, and the amount agreed upon by the Contractor and COMMERCE for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by COMMERCE, and



(iv) the protection and preservation of property, unless the termination is for default, in which case the Authorized Representative shall determine the extent of the liability of COMMERCE. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. COMMERCE may withhold from any amounts due the Contractor such sum as the Authorized Representative determines to be necessary to protect COMMERCE against potential loss or liability.

The rights and remedies of COMMERCE provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the Authorized Representative, the Contractor shall:

- A. Stop work under the contract on the date, and to the extent specified, in the notice;
- B. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
- C. Assign to COMMERCE, in the manner, at the times, and to the extent directed by the Authorized Representative, all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case COMMERCE has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- D. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Authorized Representative to the extent the Authorized Representative may require, which approval or ratification shall be final for all the purposes of this clause;
- E. Transfer title to COMMERCE and deliver in the manner, at the times, and to the extent directed by the Authorized Representative any property which, if the contract had been completed, would have been required to be furnished to COMMERCE;
- F. Complete performance of such part of the work as shall not have been terminated by the Authorized Representative; and
- G. Take such action as may be necessary, or as the Authorized Representative may direct, for the protection and preservation of the property related to this contract, which is in the possession of the Contractor and in which COMMERCE has or may acquire an interest.

20. TREATMENT OF ASSETS

Title to all property furnished by COMMERCE shall remain in COMMERCE. Title to all property furnished by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in COMMERCE upon delivery of such property by the Contractor. Title to other property, the cost of which is reimbursable to the Contractor under this contract, shall pass to and vest in COMMERCE upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by COMMERCE in whole or in part, whichever first occurs.

- A. Any property of COMMERCE furnished to the Contractor shall, unless otherwise provided herein or approved by COMMERCE, be used only for the performance of this contract.
- B. The Contractor shall be responsible for any loss or damage to property of COMMERCE that results from the negligence of the Contractor or which results from the failure on the part of the Contractor to maintain and administer that property in accordance with sound management practices.
- C. If any COMMERCE property is lost, destroyed or damaged, the Contractor shall immediately notify COMMERCE and shall take all reasonable steps to protect the property from further



damage.

- D. The Contractor shall surrender to COMMERCE all property of COMMERCE prior to settlement upon completion, termination or cancellation of this contract.
- E. All reference to the Contractor under this clause shall also include Contractor's employees, agents or Subcontractors.

21. WAIVER

Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing and signed by Authorized Representative of COMMERCE.



Attachment A: Scope of Work

Grant Objective: Through public engagement, existing code audit, review of Commerce's guidance, and Planning Commission review and input, prepare a Middle Housing Ordinance for the Port Hadlock/Trondale Urban Growth Area, and bring it through the public hearing process for adoption by the Board of County Commissioners.			
Actions/Steps/Deliverables	Description	Start Date	End Date
Action 1	Middle Housing Public Engagement Plan		
Step 1.1	Draft Public Engagement Plan	July 2023	April 2024
Deliverable 1	Middle Housing Public Engagement Plan		May 31, 2024
Action 2	Middle Housing Code Audit		
Step 2.1	Review and evaluate Jefferson County's existing development regulations for middle housing related amendments and identify gaps	July 2023	April 2024
Step 2.2	Review Commerce Middle Housing Model Ordinance(s) and other resources to inform code audit	July 2023	April 2024
Step 2.3	Draft Code Audit results memo with identified recommended amendments	March 2024	June 2024
Deliverable 2	Final Code Audit Memo w/recommendations for Middle Housing-related amendments		June 30, 2024
Action 3	Draft Middle Housing Ordinance		
Step 3.1	Present Code Audit Memo recommendations to Planning Commission	July 2024	August 2024
Step 3.2	Present Code Audit Memo recommendation to public consistent with public engagement plan	September 2024	October 2024



Step 3.3	Based upon Code Audit Memo, Planning Commission review, and public input, prepare ordinance with amendments to Jefferson County zoning code for Port Hadlock/Irondale UGA	November 2024	December 2024
Deliverable 3	Draft Missing Middle Housing Ordinance for Port Hadlock/Irondale UGA Ordinance		December 30, 2024
Action 4	Final Middle Housing Ordinance		
Step 4.1	Planning Commission public hearing; offer recommended ordinance to Board of Commissioners	January 2025	March 2025
Step 4.2	Board of Commissioners consideration of Planning Commission recommendation/study sessions	April 2025	May 2025
Step 4.3	Board of Commissioners public hearing	May 2025	May 2025
Deliverable 4	Adopted Middle Housing ordinance		June 15, 2025



Attachment B: Budget

Grant Objective: Through public engagement, existing code audit, review of Commerce's guidance, and Planning Commission review and input, prepare a Middle Housing Ordinance for the Port Hadlock/Irondale Urban Growth Area, and bring it through the public hearing process for adoption by the Board of County Commissioners.

	Fiscal Year	Commerce Funds
Deliverable 1. Middle Housing Public Engagement Plan	FY1 – March 30, 2024	\$5,000
Deliverable 2. Final Code Audit Memo w/recommendations for Middle Housing-related amendments	FY1 – June 15, 2024	\$20,000
Deliverable 3. Draft Missing Middle Housing Ordinance for Port Hadlock/Irondale UGA Ordinance	FY2 – December 30, 2024	\$12,500
Deliverable 4. Adopted Middle Housing Ordinance	FY2 – June 15, 2025	\$12,500
Total:		\$50,000

Funds must be invoiced in the appropriate fiscal year (FY1 or FY 2), or they may not be able to be paid. Please be sure to invoice for all FY 1 by June 30, 2024 and FY 2 by June 30, 2025.



Wendy Housekeeper
Executive Assistant
1820 Jefferson Street
PO Box 1220
Port Townsend, WA 98368

Date: 04/16/2024

Contract with: Wa State Dept of commerce

Contract for: middle Young Grant

Enclosed for signature are original documents, referenced above, which were approved by the Jefferson County Board of Commissioners.

Please sign and return one original copy to:

Jefferson County Commissioner's Office
Attention: Wendy Housekeeper
P.O. Box 1220
Port Townsend, WA 98368

Please return by: Wed, May 1, 2024

Insurance Certificate required: YES ☐ NO ☒

If you are unable to remit by the return date, please contact (360) 385-9100 or email at whousekeeper@co.jefferson.wa.us

Best regards,


Wendy Housekeeper
Executive Assistant

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of County Commissioners
Mark McCauley, County Administrator

FROM: Josh Peters, DCD Director
George Terry, Assistant Planner

DATE: April 15, 2024

RE: 2024 Middle Housing Grant Agreement.
Contract # 24-63336-160 (\$50,000)

STATEMENT OF ISSUE:

The Washington State Department of Commerce -Growth Management Services has allocated Jefferson County \$50,000 in grant funding for a Middle Housing under House Bill (HB)1110. The purpose of this grant source will allow for activities that support the preparation and adoption of policies and/or codes and other measures specific to implement middle housing (RCW 36.70A.030(26)) by applicable statutory deadlines. Per HB 1110, “Middle housing” means buildings that are compatible in scale, form, and character with single-family houses and contain two or more attached, stacked or clustered homes including duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, stacked flats, courtyard apartments, and cottage housing. On December 4, 2023, the Board of Commissioners signed a Letter of Commitment from the County accepting the grant and concurring on a draft schedule and scope of work (letter is attached.) Washington Department of Commerce and Community Development have coordinated on a final scope, schedule and agreement for Board approval. This issue was previously approved by the Board of Commissioners on February 26, 2024. Minor adjustments to the contract were required by the Washington State Department of Commerce after this previous Board approval. Therefore, adjustments made to this grant contract require additional review and signature(s).

ANALYSIS:

The Middle Housing Grant funds will be used to accomplish the tasks described in the attached scope of work; those tasks will complement objectives for a broader reexamination of our urban development regulations in light of the pending availability of sewer service. Through public engagement, existing code audit, review of Commerce’s guidance, and Planning Commission review and input, prepare a Middle Housing Ordinance for the Port Hadlock/Irondale Urban Growth Area, and bring it through the public hearing process for adoption by the Board of County Commissioners. This grant from Department of Commerce has a DocuSign requirement for signatures.

FISCAL IMPACT:

No fiscal impact. Grant does not require county match.

RECOMMENDATION:

Approve and sign Department of Commerce through Growth Management Services Contract Number: 24-63336-160 for the amount of \$50,000.

REVIEWED BY:

 4/11/24
 Mark McCauley, County Administrator Date

Jefferson County Scope of Work

Grant Objective: Through public engagement, existing code audit, review of Commerce's guidance, and Planning Commission review and input, prepare a Middle Housing Ordinance for the Port Hadlock/Irondale Urban Growth Area, and bring it through the public hearing process for adoption by the Board of County Commissioners.

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Step 4.3	Board of Commissioners public hearing	May 2025	May 2025
Deliverable 4	Adopted Middle Housing ordinance		June 15, 2025

Deliverable 1. Public Engagement Plan	FY1 – March 30, 2024	\$5,000
Deliverable 2. Code Audit	FY1 – June 15, 2024	\$20,000
Deliverable 3. Draft Ordinance	FY2 – December 30, 2024	\$12,500
Deliverable 4. Final Ordinance	FY2 – June 15, 2025	\$12,500
Total:		\$50,000

CONTRACT REVIEW FORM

(INSTRUCTIONS ARE ON THE NEXT PAGE)

Clear Form

CONTRACT WITH: Washington State Department of Commerce

Contract No: 24-63336-160

Contract For: Middle Housing Grant

Term: 02/26/2024-06/30/2025

COUNTY DEPARTMENT:	Community Development
Contact Person:	Chelsea Pronovost
Contact Phone:	(360)379-4494
Contact email:	cpronovost@co.jefferson.wa.us

AMOUNT: \$50,000

Revenue: \$50,000

Expenditure: \$50,000

Matching Funds Required:

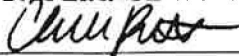
Sources(s) of Matching Funds

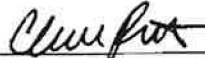
Fund # 143

Munis Org/Obj

PROCESS:

- | | |
|-------------------------------------|-------------------------|
| ☐ | Exempt from Bid Process |
| ☐ | Cooperative Purchase |
| ☐ | Competitive Sealed Bid |
| ☐ | Small Works Roster |
| ☐ | Vendor List Bid |
| ☐ | RFP or RFQ |
| ☒ | Other: Grant Award |

APPROVAL STEPS:**STEP 1: DEPARTMENT CERTIFIES COMPLIANCE WITH JCC 3.55.080 AND CHAPTER 42.23 RCW.**CERTIFIED: ☐ N/A: ☒

 Signature

 4/9/2024
 Date
STEP 2: DEPARTMENT CERTIFIES THE PERSON PROPOSED FOR CONTRACTING WITH THE COUNTY (CONTRACTOR) HAS NOT BEEN DEBARRED BY ANY FEDERAL, STATE, OR LOCAL AGENCY.CERTIFIED: ☒ N/A: ☐

 Signature

 4/9/2024
 Date
STEP 3: RISK MANAGEMENT REVIEW (will be added electronically through Laserfiche):

Electronically approved by Risk Management on 4/10/2024.

State agreement - cannot change.

STEP 4: PROSECUTING ATTORNEY REVIEW (will be added electronically through Laserfiche):

Electronically approved as to form by PAO on 4/11/2024.

State language - cannot change.

STEP 5: DEPARTMENT MAKES REVISIONS & RESUBMITS TO RISK MANAGEMENT AND PROSECUTING ATTORNEY(IF REQUIRED).**STEP 6: CONTRACTOR SIGNS****STEP 7: SUBMIT TO BOCC FOR APPROVAL**