



June 27, 2022

Aaron Luce
Office of Community Planning & Development
U.S. Department of Housing & Urban Development
909 First Avenue, Suite 300
Seattle, WA 98104

Re: Project-Specific Application for HUD Section 108 Loan Guarantee from the City of Mount Vernon, Washington

Dear Mr. Luce:

Thank you in advance for reviewing our attached Section 108 Loan Guarantee Application in the amount of \$1,700,000 to be used as a part of the City's overall funding for the Library portion of the Mount Vernon Library Commons Project.

As described in this application, the Library Commons Project is a multi-use municipal facility that is located within an economically distressed census tract; and will serve the residents of an area that has a high concentration of low-to-moderate income users by providing them with access to a new library, a community center, 3 floors of parking, a significant number of electric vehicle and bicycle parking infrastructure, as well as park-and-ride capacity. It is well-documented that libraries have a positive impact on poverty—ensuring that marginalized populations have convenient access to information, literacy resources, and connection to community services.

Section 108 funding will be used for the eligible activity of *constructing* the library portion of the Library Commons facility. The Library portion represents 42% (\$22,386,000) of the overall estimated project cost (\$53,300,000). Additionally, the City's downtown area master plan identifies the project as a significant *economic development* catalyst. The location of the project meets the national objective of *area benefit* because the public facility will be located within an economically distressed census tract, and because the combined percentage of Low-Middle Income residents in the city of Mount Vernon is 54.59%. The facility will, therefore, serve a high concentration of our City's low-to-moderate income (LMI) residents.

The preliminary work on the facility has included a downtown parking garage feasibility study, a library needs assessment and feasibility study, a downtown development strategy, property acquisition, environmental, racial equity impact, noise, and biological studies, and design and engineering work. In the weeks ahead, the City will go out to bid for project construction with the hope of breaking ground in the Fall of 2022.

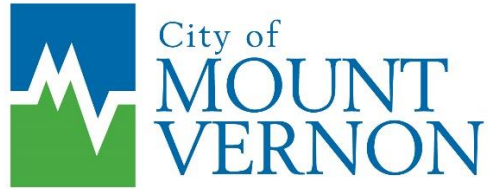
Mount Vernon City Councilmembers have been briefed on the details of Section 108 Loan provisions. Section 108 Loan activity is included in the City's 2022-23 Annual Action Plan, following a one-month public comment period which ended with a public hearing, and City Council approval of the Annual Action Plan.

Enclosed please find the City's Section 108 Loan Guarantee Application, including project photos, project map, LMI map information, public entity certifications, certification regarding lobbying, and a statement for loan guarantees and loan insurance.

Please feel free to contact me with any questions, concerns, or direction. Thank you for your assistance with our process.

Best Regards,

Jill Boudreau, Mayor
City of Mount Vernon
910 Cleveland Avenue
Mount Vernon, WA 98273
(360) 336-6211
mvmayor@mountvernonwa.gov



Community Development Block Grant Program

Application for
HUD Section 108 Loan Guarantee
\$1,700,000



June 2022

Background

In 2008, the City of Mount Vernon completed a comprehensive redevelopment master plan for its historic downtown area. The goals of that planning effort were to guide the investment of public and private resources in the downtown area over 20 years by focusing on density, housing, and a mixture of land uses. A key component of this plan was to provide the City's downtown area with 100-year flood protection. That \$30 million flood protection project was completed in 2018, and the project also utilized HUD funding through a (now repaid) Section 108 Loan. In 2019, the City received a Letter of Map Revision from FEMA allowing the master plan strategy to continue implementation.

The City also completed a needs assessment for a new public library in 2014. Originally constructed in 1954, the 3,600 square foot Mount Vernon City Library served a population of approximately 5,000. It has been 39 years since the library was last expanded. The third and final addition was completed when Mount Vernon's population reached 13,000 in 1981. In 2020, the same 12,336 square foot library serves a diverse population estimated at 36,000 in district and 15,000 out of district. To the extent that facility size limits the ability of the library to provide service and programs, the current level of library service in Mount Vernon is roughly one-third the level in 1981. Unless the library is replaced, this decline in the level of service will continue as the population grows.

The City's 2017 South Kincaid Subarea Plan revealed the concept of a multiple use public building located on the current project site. The location of the project will allow for both a library and for expanded parking use in the historic downtown core and the South Kincaid subarea. Parking is anticipated for use during the day by commercial needs, and multi-family apartment and hotel needs overnight.

This multi-use public building will be called The Mount Vernon Library Commons Project, and planning for the project began in 2018.

Due to loss of parking spaces from the floodwall/Riverwalk project, as well as the anticipated future waterfront development, the 2nd major master plan component of structured parking is enveloped in the Mount Vernon Library Commons project. *"To accommodate a portion of the anticipated increase in parking demand, the capacity of the parking garage identified in the Framework Plan should be as large as practical. Garage capacity will be used to replace parking displaced by the construction of the flood control measures."* (2008, Downtown and Waterfront Master Plan.) The waterfront redevelopment and downtown master plan project creates a significant opportunity for the City to recreate a vibrant, attractive riverfront and remove a major barrier to investment in the downtown area.

In April 2022, the City completed 100% Architectural/Engineering and entered the permitting phase of the project that includes NEPA and SEPA with anticipated completion date of June 30,

2022. The Mount Vernon Library Commons project is the first City building built from the ground up in more than 20 years. This opportunity allows the City to utilize low carbon architecture and showcase climate resilient and long-term environmental sustainability in a public building. The City project will be the first Passive House designed public building in Washington State (according to passivehouse-database.org), use all electric for energy, have solar power generation, and advanced stormwater systems.

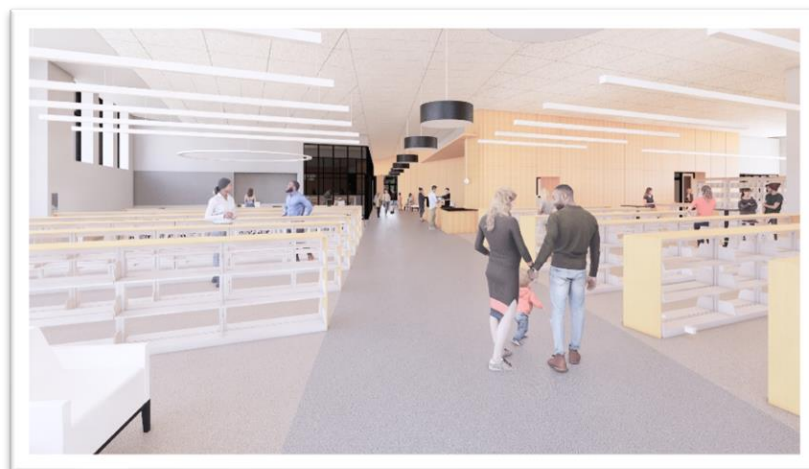
In addition, a [Racial Equity & Community Impact Report](#) for the Mount Vernon Library Commons was created in June 2021, updated in November 2021, and updated in January 2022. One of the identified barriers to electric vehicle adoption was due to lack of available charging in multi-family housing units. The project will produce 75 public EV charging stations.

Project Description

The City of Mount Vernon is requesting a Section 108 Loan in the amount of \$1.7 million for construction of the library within The Mount Vernon Library Commons Project—an estimated \$53.3 million project that qualifies as an eligible activity as *construction of a public facility (570.703(1))* which will fulfill a vital objective identified within the City’s 2018-2022 Consolidated Plan: *Support for public facilities for revitalization*.

Support for Public Facilities for Revitalization in the City’s downtown business and residential core is a key objective fulfilled by the completion of this project. The Library Commons Project will serve as an equitable anchor institution of the city with its two components: the library, and the parking infrastructure.

The Library is well-positioned to extend its role as a key community connector for residents in the city of Mount Vernon offering a senior services center, an early learning hub, access to digital literacy, new business incubation, employee training, and the necessary tools that strengthen democracy by addressing knowledge gaps.



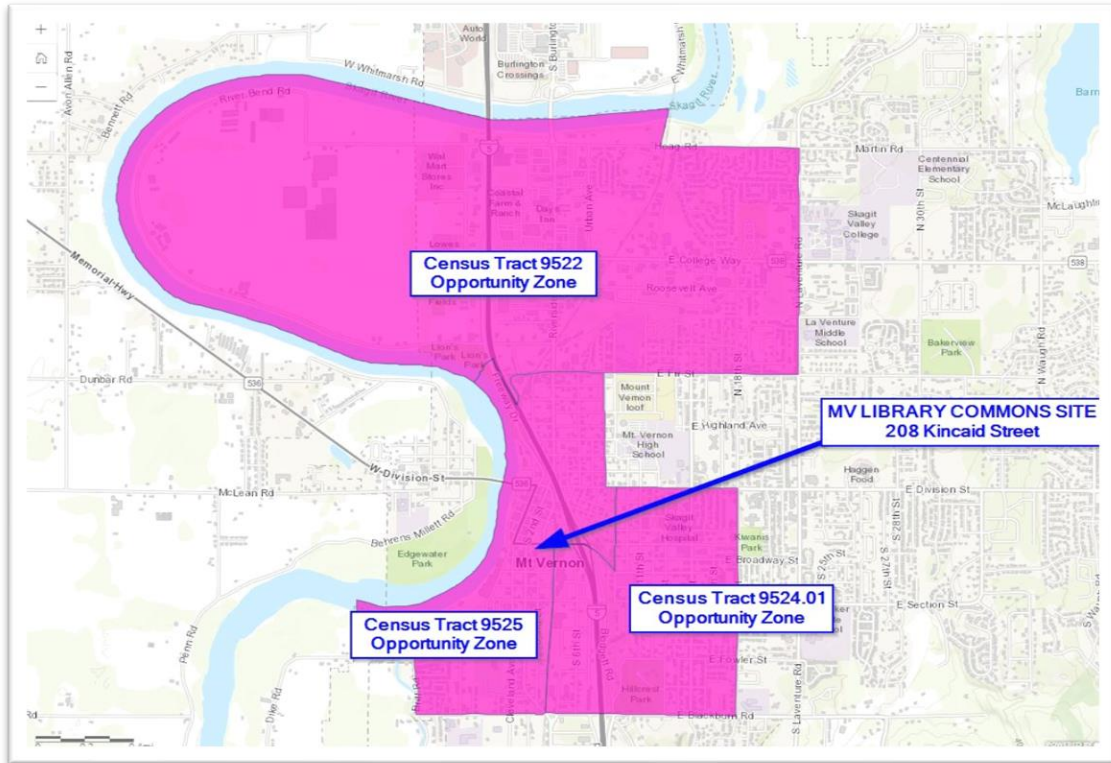
The Parking Infrastructure combined with other EV-charging infrastructure is a purposeful City investment, and an efficient way to catalyze private development in historic downtown. A small rural City that is “Seattle metro-adjacent” must compete with the Seattle market for economic growth. By providing public parking, the City incentivizes private investors—who would otherwise be required to pay to provide this crucial amenity—to look at development opportunity in Mount Vernon. This strategy is based on economic consultant reports from 2017 and is even clearer in a post COVID economy by capitalizing on opportunity for home-based work.

Based on current investment interest and development applications, the Mount Vernon Library Commons project is projected to yield a hotel, multi-family housing units, & enhance adjacent private development.

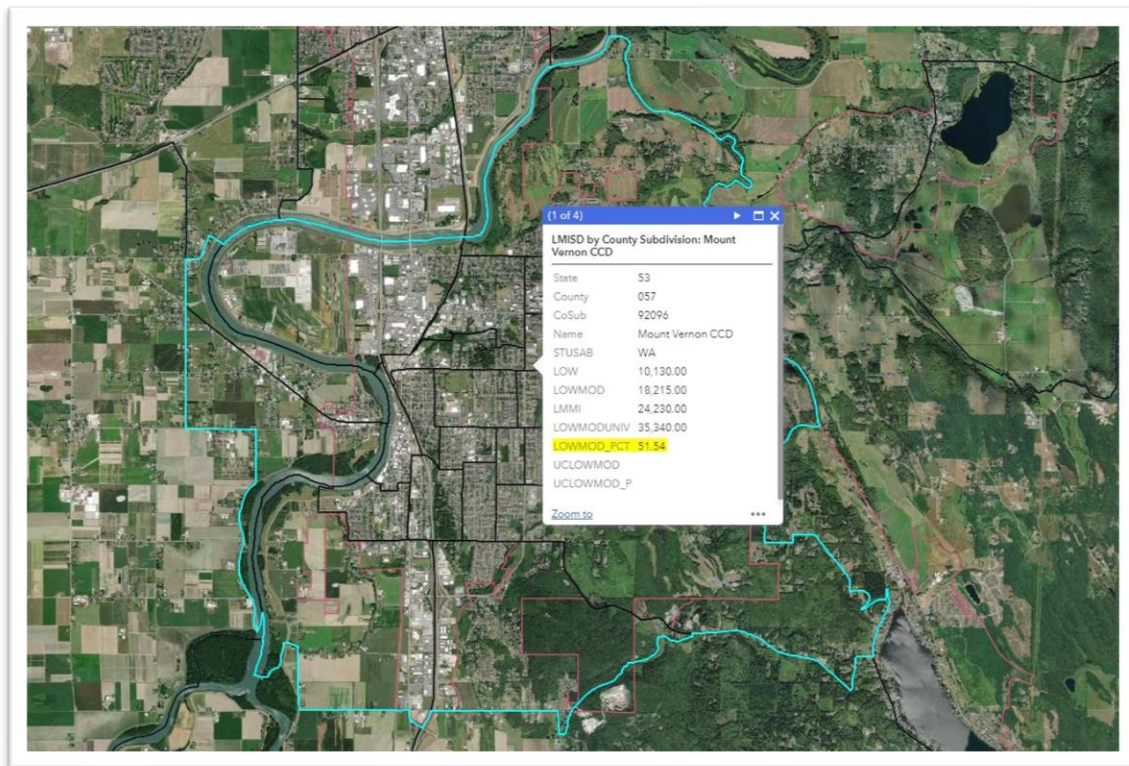


Construction of the Library/Community Center fulfills the criteria of meeting a national objective, under Area Benefit Activities (570.208(a)(1)(i)). Not only is the MV Library Commons Project sited within a federal Opportunity Zone (US Census Tract 9525) with 51.39% LMI, but the public facility also serves the needs of all the city’s residents. The city itself encompasses three opportunity zone tracts (9525, 9522, 9524.01), and contains an overall population that is 54.59% LMI according to HUD’s Low-Moderate Income Data Survey.





Map showing project site within 1 of 3 contiguous opportunity zones located in city limits. (Source: opportunityzones.hud.gov/resources/map)



Map of Mount Vernon city limits with highlighted city-wide 51.54% LMI percentage (Source: LMI Area Data: hud.maps.arcgis.com)

Information of Organizational Arrangements

The City has hired OAC Services, Inc for project management services on the Library Commons Project. OAC is an industry leader in the use and advancement of Alternative Project Delivery methods including General Contractor/Construction Manager and Design-Build in both public and private sectors. They were hired to evaluate costs and delivery, manage contracts and become the General Contractor/Construction Manager during that stage. OAC will also evaluate the options of phasing the project and present the options to Mount Vernon leaders for decision. They complete 4-5 major construction projects each year, and help guide a dozen more, annually.

OAC has experience delivering library, community center and parking structures throughout western Washington. They were selected in 2018 to shepherd the library project after an extensive selection process. Mayor Jill Boudreau is the City Project Manager for the Library Commons.

Once constructed, the City's Library Department will move into the new Library Commons building and begin operations. The City of Mount Vernon has an opportunity to re-establish the role of the Mount Vernon City Library as a vibrant community cultural center and a place for life-long learning. Population growth, increasing service demands, limited building size and an aging facility with technological constraints challenge the capacity of the current library location to meet residents' needs. A new facility would enable the library to improve the delivery of valued, traditional library services and to offer important new services.

In 2017, the City of Mount Vernon developed a bold vision to build a new library, community center, and parking garage in the heart of the downtown area. In partnership with Skagit County, this new civic building would provide a home for senior services that Skagit County currently provides. Years of research, outreach, and planning went into the development of the new building and to siting the project. The future Mount Vernon City Library is intended as a community catalyst. The goals for the facility center around contributing to the educational, social, and economic vitality of the city. The library is the most visited civic structure with more than 140,000 visits and 300,000 items circulated annually. A community needs assessment completed in 2018 clearly outlined the civic value of this educational support and the need for additional study and STEM support in the community. This need is amplified in the post Covid-19 world where access to wireless and study space are especially needed for students completing education with distance learning components.

Mount Vernon currently has three indoor conference rooms available for rent (and a number of makeshift spaces). Having low cost or free conference space is key to the city's civic plans. Not only are these spaces necessary for public forum, but they are also key to growth. Work completed by the Economic Development Alliance of Skagit County noted the lack of business gathering space as a clear limiter of Economic Growth. The City of Mount Vernon Parking Study concluded that each additional parking could yield a retail revenue value of \$50,000 per year.

Project Timeline/Development Phases

Presently the project is nearing completion of the design and engineering phase. Noise studies, SEPA, NEPA, and edits to biological evaluations are underway. The Environmental Review Record should be complete by June 30th.

On May 25, 2022, Mount Vernon City Council made a formal resolution to accept the final design and go out to bid for construction services.

The City anticipates having site control by mid-August 2022. Ground-breaking could begin as early as September 2022.

If approved, the City of Mount Vernon would likely submit a request for release of funds in the late Fall/early Winter of 2022 for construction of the library portion of the project.

Financial Information

Cost Estimates: Cost estimates have been prepared incrementally as the full design is completed. The latest design cost report was in Spring of 2022. City contractors are projecting a total budget recommendation of approximately \$53.3 million, with \$2,950,000 in alternates to be added dependent on bid and funding. The library portion of these estimated costs is approximately 42% of the total, or \$22,386,000.

| <u>Overall Summary</u> | <u>Total</u> |
|-------------------------------|---------------------|
| Hard costs | \$ 34,900,000 |
| Sales Tax | \$ 3,100,000 |
| Bid Contingency | \$ 1,900,000 |
| Soft Costs | \$ 13,400,000 |
| TOTAL Recommended Budget | \$ 53,300,000 |
| ALTERNATES | \$ 2,950,000 |

Project Expense Break Down:

As a multi-use project, each element of the project has been broken down into itemized expenses. The City is requesting Section 108 Loan funding specifically to assist in supplementing the \$16.76 million cost of construction of the Library element.

ESTIMATED: BASED ON PROJECT BUDGET BASED ON 100% Architectural/Engineering design

| Category/Description | Cost | RAISE request | Other Federal - HUD, Congressionally Designated DelBene | Other Federal HUD, CDBG Loan | Non-Federal State of WA, LIFT Program | Non-Federal State of WA, Dept of Commerce Grant | Non-Federal State of WA, Capital Grant | Non-Federal Skagit County Grant | Non-Federal City Funds | Non-Federal Library Foundation |
|--|----------------------|----------------------|---|------------------------------|---------------------------------------|---|--|---------------------------------|------------------------|--------------------------------|
| Construction Cost Transportation Component (50%) | \$ 19,950,000 | 10,000,000 | | | 9,250,000 | | | | 4,977,801 | |
| Construction Cost Public Library (42%) | \$ 16,758,000 | | | 1,700,000 | 2,750,000 | 3,000,000 | 4,000,000 | 500,000 | 7,126,890 | 1,000,000 |
| Construction Cost Community Center (8%) | \$ 3,192,000 | | 2,000,000 | | 500,000 | | 250,000 | 500,000 | | |
| Construction Management | \$ 1,500,000 | | | | | | | | 1,500,000 | |
| Permits | \$ 361,129 | | | | | | | | 361,129 | |
| Utilities | \$ 500,000 | | | | | | | | 500,000 | |
| Project Soft Costs & Owner-direct Work | \$ 11,038,871 | | | | | | | | 3,384,180 | |
| Total Project Costs: | \$ 53,300,000 | \$ 10,000,000 | \$ 2,000,000 | \$ 1,700,000 | \$ 12,500,000 | \$ 3,000,000 | \$ 4,250,000 | \$ 1,000,000 | \$ 17,850,000 | \$ 1,000,000 |

Finances To-Date: On May 23, 2018 City Council approved Ordinance# 3752 which established Fund 301 – known now as the Library Commons Project. This fund is being used to track and monitor all accounting for this project. The main source of revenues up to this point has been from the Local Infrastructure Financing Tool (LIFT) program. The LIFT tax was imposed by Council with Ordinance# 3800 on May 22, 2019. The imposition date was on July 1, 2019. The City began receiving up to \$500,000 per year for 25 years. These funds were approved to be used for the parking structure portion of the Library Commons Project. The City must match these funds each year with REET I funds. Total revenue for this project equates to \$25 million.

As of April 19th, 2022, total available resources equate to \$1,843,818. This includes all revenues collected from LIFT and REET I matching funds and all expenditures including the total estimated amount for the City’s contract with HKP for architectural and design services. Total expenditures for this project are currently just over \$2.5 million.

Grants: To date, the City has been awarded \$10,750,000 in grant funding, less some administrative costs. These include the following grants and amounts:

1. **State Capital Grant 2022** \$4,000,000
2. **DelBene Directed spending – Federal** \$2,000,000
3. **WA State Commerce Grant 2020** \$2,000,000
4. **WA State Commerce Grant 2019** \$1,000,000
5. **MV Library Foundation** \$1,000,000
6. **Skagit County Economic Grant** \$ 500,000
7. **WSDOT Design Grant** \$ 250,000

Transportation Infrastructure Finance and Innovation Act (TIFIA): One alternative to bond funding that City Council is considering is the application for a federal loan with a new loan program from the Department of Transportation.

The Transportation Infrastructure Finance and Innovation Act (TIFIA) is a Department of Transportation Build America Bureau initiative to help expand and modernize America's Rural transportation system. It provides low-cost loans for rural transportation projects. Their strategic goal is to leverage limited Federal resources and stimulate capital market investment in transportation infrastructure by providing credit assistance in the form of direct loans, loan guarantees, and standby lines of credit to projects of national or regional significance.

Key objectives:

- Facilitate projects with significant public benefits
- Encourage new revenue streams and private participation
- Fill capital market gaps for secondary/subordinate capital
- Be a flexible, "patient" investor willing to take on investor concerns about investment horizon, liquidity, predictability, and risk
- Limit Federal exposure by relying on market discipline

The Library Commons Project qualifies as a:

1. Rural Infrastructure Project (Rural Project Initiative – RPI)
2. Transit-Oriented Development Project

City staff have been working with the Build America Bureau by providing full information and documentation about the Library Commons Project and they feel that this project would be a great candidate for this funding program.

TIFIA Federal Loan Facts:

- Can fund 49% of overall project (\$26.1M)
- Rate is half of the current treasury rate
- Can be financed over 35 years
- Deferred payments until after project is fully functioning
- All advisor fees are waived
- Financing as needed and the exact amount needed
- Can include previous expended costs
- Rolling application process
- Must comply with all Federal "Buy America" guidelines

Possible Financing Options (estimates only):

| Financing Amount | Rate | Term (years) | Annual Payment |
|------------------|-------|--------------|----------------|
| \$ 26,117,000 | 1.50% | 22 | \$ 1,394,675 |
| \$ 26,117,000 | 1.50% | 25 | \$ 1,253,402 |
| \$ 26,117,000 | 1.50% | 35 | \$ 959,166 |

Depending on which option the City would select, funding would mainly be from the LIFT funding and REET I match. Aligning the payoff close to the 25-year LIFT revenue stream would be beneficial for the City to consider.

Staff is working closely with the Build America Bureau team and on the application process and will continue to monitor and consider the best future steps.

Cash flow need: To understand what and when funding will be needed to estimate and develop a cashflow for this project, the Mayor was provided with the following table of estimated cashflow need for the Library Commons Project:

| Cash Flow Need - Estimated | | | | | |
|----------------------------|--------------|---------------|-----------------------------|------------------------|--|
| Application Period | Amount | % Month | Cumulative | Phase | |
| 1 August 2022 | \$ 1,524,000 | 3.00% | \$ 1,524,000 | Construction | |
| 2 September 2022 | \$ 2,286,000 | 4.50% | \$ 3,810,000 | Construction | |
| 3 October 2022 | \$ 2,540,000 | 5.00% | \$ 6,350,000 | Construction | |
| 4 November 2022 | \$ 2,794,000 | 5.50% | \$ 9,144,000 | Construction | |
| 5 December 2022 | \$ 3,556,000 | 7.00% | \$ 12,700,000 | Construction | |
| 6 January 2023 | \$ 4,064,000 | 8.00% | \$ 16,764,000 | Construction | |
| 7 February 2023 | \$ 4,572,000 | 9.00% | \$ 21,336,000 | Construction | |
| 8 March 2023 | \$ 5,080,000 | 10.00% | \$ 26,416,000 | Construction | |
| 9 April 2023 | \$ 5,080,000 | 10.00% | \$ 31,496,000 | Construction | |
| 10 May 2023 | \$ 4,572,000 | 9.00% | \$ 36,068,000 | Construction | |
| 11 June 2023 | \$ 4,318,000 | 8.50% | \$ 40,386,000 | Construction | |
| 12 July 2023 | \$ 4,064,000 | 8.00% | \$ 44,450,000 | Construction | |
| 13 August 2023 | \$ 3,048,000 | 6.00% | \$ 47,498,000 | Construction | |
| 14 September 2023 | \$ 2,540,000 | 5.00% | \$ 50,038,000 | Construction | |
| 15 October 2023 | \$ 254,000 | 0.50% | \$ 50,292,000 | Punchlist and Turnover | |
| 16 November 2023 | \$ 254,000 | 0.50% | \$ 50,546,000 | Punchlist and Turnover | |
| 17 December 2023 | \$ 254,000 | 0.50% | \$ 50,800,000 | Punchlist and Turnover | |
| Total Construction Costs | | \$ 50,800,000 | (less \$2.5M previous paid) | | |
| Hard Construction Costs | | \$ 39,900,000 | | | |
| Soft Construction Costs | | \$ 10,900,000 | | | |

Cash flow plan: Since most of the awarded grants are reimbursable grants, City staff will manage current cash balances to make sure there is available funding to pay contractors prior to receiving the grant reimbursements. This will be possible by monitoring cash balances of bond maturities. The following table summarizes cashflow with our total available resources to the estimated cash need.

| Cash need | | City Resources | |
|----------------------|------------|-----------------------------|---------------------|
| 2022 Total | 12,700,000 | Available Resources | 1,843,818 |
| | | Grant Funding | 10,750,000 |
| 2023 Total | 38,100,000 | TIFIA Loan | 26,117,000 |
| Total remaining Cost | 50,800,000 | Total Available Resources | 38,710,818 |
| | | Total Available Resources | 38,710,818 |
| | | Total Remaining Cost | 50,800,000 |
| | | Balance needed/short | (12,089,182) |

As noted, the City is currently just under \$12.1 million short for the total need to cover the full cost of the project. The City planned funding option for this shortage is presented below.

Other Funding Possibilities: The Mayor and staff continue to apply for grants and look for other possible revenue sources. Below is also a list of possible funding options or outstanding funding sources that the City has applied for, but the outcomes are not known at this point.

| Planned Funding Option | |
|--|----------------------|
| <u>Internal Funding Options</u> | |
| Funding Still Needed: | \$ 12,089,182 |
| CDBG HUD Sec 108 Loan | \$ 1,600,000 |
| ARPA | 4,000,000 |
| Lodging Tax Funding | 250,000 |
| Surface Water Utility | 166,875 |
| TBD | 500,000 |
| Wastewater Utility | 50,000 |
| Fiber Optic Fund | 90,000 |
| Government Access Fund | 200,000 |
| Permit Fees - Reimb. | 600,000 |
| | <u>\$ 7,456,875</u> |
| Add Furniture/Stack to alternatives | <u>(1,000,000)</u> |
| Funding Still Needed | \$ 3,632,307 |
| Options for this remaining amount include funding with City Reserves or an increase in property tax. | |

| Possible Funding Option | |
|---|----------------------|
| <u>Outstanding Funding</u> | |
| Funding Still Needed: | \$ 12,089,182 |
| 2022 RAISE grant application | \$ 10,000,000 |
| CDBG HUD Sec 108 Loan | 1,600,000 |
| Skagit County Economic Grant 2022 | 500,000 |
| ZEVIP Grant | 800,055 |
| Surface Transportation Block Grant | unknown |
| Rural EV Infrastructure Grant | unknown |
| Puget Sound Energy partnership | <u>500,000</u> |
| | <u>\$ 13,400,055</u> |
| Amount Over Funded | 1,310,873 |
| Outstanding Funding includes grants that have been applied for but have not been awarded yet. | |

Repayment Plans: The City commits to repayment of the loan through annual principal payments of \$100,000 from the City's Community Development Block Grant entitlement funds, over the next 17 years.

Per HUD requirements, the City will collateralize the Section 108 loan, beyond the pledge of its future CDBG entitlement funds, by pledging the full faith and credit of the City of Mount Vernon as collateral for the Section 108 loans, with Real Estate Excise Tax (REET) funds and general property tax revenues specifically identified.

An ordinance will be adopted by City Council for the payback of the funding when the HUD loan documents are processed.

Certifications to Accompany HUD Section 108 Loan Guarantee Program Applications for Entitlement Public Entities

ENTITLEMENT PUBLIC ENTITY CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing Section 108 application submission requirements, the undersigned certifies, on behalf of the entitlement public entity and to the best of his or her knowledge and belief, that:

1. It possesses the legal authority to make the pledge of grants required under 24 CFR 570.705(b)(2);
2. It has made efforts to obtain financing for activities described in the application without the use of the loan guarantee, it will maintain documentation of such efforts for the term of the loan guarantee, and it cannot complete such financing consistent with the timely execution of the program plans without such guarantee;
3. It possesses the legal authority to submit the application for assistance under 24 CFR Part 570, Subpart M and to use the guaranteed loan funds in accordance with the requirements of Subpart M;
4. Its governing body has duly adopted or passed as an official act a resolution, motion or similar official action:
 - (a) Authorizing the person identified as the official representative of the public entity to submit the application and amendments thereto and all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the public entity to act in connection with the application to provide such additional information as may be required; and
 - (b) Authorizing such official representative to execute such documents as may be required in order to implement the application and issue debt obligations pursuant thereto (provided that the authorization required by this paragraph may be given by the local governing body after submission of the application but prior to execution of the contract required by §570.705(b));
5. Before the submission of its application to HUD, it has:
 - (a) furnished citizens with information required by 24 CFR 570.704(a)(2)(i);
 - (b) held at least one public hearing to obtain the views of citizens on community development and housing needs;
 - (c) prepared its application in accordance with the citizen participation requirements and made the application available to the public;
6. It is following a detailed citizen participation plan that meets the requirements described in 570.704(a)(2);
7. It will affirmatively further fair housing, and the guaranteed loan funds will be administered in compliance with:
 - (a) Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.); and
 - (b) The Fair Housing Act (42 U.S.C. 3601-3619);
8. In the aggregate, at least 70 percent of all CDBG funds, as defined at §570.3, to be expended during the one, two, or three consecutive years specified by the public entity for its CDBG program will be for

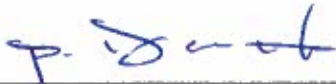
Certifications to Accompany HUD Section 108 Loan Guarantee Program Applications for Entitlement Public Entities

activities which benefit low- and moderate-income persons, as described in criteria at §570.208(a);

9. It will comply with the requirements governing displacement, relocation, real property acquisition, and the replacement of low- and moderate-income housing described in §570.606;
10. It will comply with the requirements of 24 CFR 570.200(c)(2) with regard to the use of special assessments to recover the capital costs of activities assisted with guaranteed loan funds;
11. (Where applicable, the public entity may also include the following additional certification.)
It lacks sufficient resources from funds provided under this subpart or program income to allow it to comply with the provisions of 24 CFR 570.200(c)(2), and it must therefore assess properties owned and occupied by moderate income persons, to recover the non-guaranteed loan funded portion of the capital cost without paying such assessments in their behalf from guaranteed loan funds;
12. It will comply with the other provisions of title I of the Housing and Community Development Act of 1974 as amended (42 U.S.C. 5301 et seq.) and with other applicable laws.

City of Mount Vernon (WA)

(Entitlement Public Entity)



(Signature of Authorized Official)

June 27, 2022

(Date)

Peter Donovan, Project Development Manager

(Typed Name and Title of Authorized Official)

Certifications to Accompany HUD Section 108 Loan Guarantee Program Applications for Entitlement Public Entities

SECTION 108 LOAN GUARANTEE PROGRAM

Certification Regarding Lobbying

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her 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.

(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.

City of Mount Vernon (WA)

(Entitlement Public Entity)



(Signature of Authorized Official)

Peter Donovan, Project Development Manager

(Typed Name and Title of Authorized Official)

June 27, 2022

(Date)

Certifications to Accompany HUD Section 108 Loan Guarantee Program Applications for Entitlement Public Entities

SECTION 108 LOAN GUARANTEE PROGRAM

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any 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 commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement 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 statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

City of Mount Vernon, (WA)

(Entitlement Public Entity)



(Signature of Authorized Official)

Peter Donovan, Project Development Manager

(Typed Name and Title of Authorized Official)

June 27, 2022

(Date)



To: Aaron Luce
Office of Community Planning & Development
U.S. Department of Housing & Urban Development
909 First Avenue, Suite 300
Seattle, WA 98104

From: Mayor Jill Boudreau
City of Mount Vernon (WA)
910 Cleveland Avenue
Mount Vernon, WA 98273

Date: June 27, 2022

Re: Signature Authorization

Mr. Luce,

This letter serves as notice to inform the Department of Housing and Urban Development that I have authorized the position of the City of Mount Vernon's Project Development Manager, Peter Donovan, to have authority to execute documents on behalf of myself, and the City of Mount Vernon.

Thank You,

A handwritten signature in blue ink, appearing to read "Jill", with a long horizontal flourish extending to the right.

Jill Boudreau, Mayor
City of Mount Vernon