



KITTITAS YAKIMA VALLEY  
**COMMUNITY LAND TRUST**

April 11, 2014

Attn: Debbie Myers  
Kittitas County Homeless & Affordable Housing Committee  
Board of County Commissioners  
205 W. 5<sup>th</sup> Ave, Suite 108  
Ellensburg, WA 98926

Dear Advisory Board and Commissioners:

Please see enclosed a Homeless Prevention Grant Application. We are extremely grateful for the support and leadership the County has taken with our project. I am available to answer any questions and provide more materials or documentation if needed.

Please do not hesitate to contact me. Thank you,

Sarah Bedsaul  
Executive Director

## Section 4 – Project Application: 2014 Funding Cycle

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Please divide your application into three sections. Part A – General Information, Part B – Agency Questions, Part C – Project Questions, Part D – Funding Questions, Part E – Agency Reapplying for Program Funds, and Part F – Additional Information. Type and number each question, followed by your response.

### **Part A – General Information**

**Project Title:** Ruby Street Short Plat & Water Street Build Out (15 Affordable Homes)

**Project Site Name:** Kittitas Yakima Valley Community Land Trust

**Project Site Address:** 518 N. Pine St, Suite 102  
Ellensburg, WA 98926

**Total Project Costs:** 3,651,250.00

**Grant Amount Requested:** 366,850.00 (over a 3 year period: June 2014-July 2017)

**City, Town or Unincorporated Area to be served:** Kittitas County

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**Name of Applicant/Agency:** Kittitas Yakima Valley CLT      **Federal Tax ID#** 26-3194579

**Address of Applicant/Agency:** 518 N. Pine St, Suite 102, Ellensburg, WA 98926

**Name of Contact Persons:** Sarah Bedsaul      **Title:** Executive Director

**Email address:** sarah@kyvlandtrust.org

**Phone:** 962-5891 **Fax:** 962-5883

**Name and Title of Authorized Representative:** Sarah Bedsaul/Executive Director

Acceptance of this application may be subject to subsequent compliance reviews, including a review of the latest audit of financial statement. Preparation of an application does not guarantee that applicants will receive funds. By signing this grant application form the undersigned certifies that all information is accurate to the best of his/her knowledge.



Signature of Authorized Representative

April 11, 2014

Date

## **Part B – Agency Questions**

Please respond to the questions in this section about the specific project to be funded.

1. **Background/History:** (Please give a brief background and/or history of the applicant organization)

The community land trust (CLT) model creates home ownership opportunities for first-time homebuyers (someone who has not owned a primary residence in the last three years), and who earn less than 80% of the area median income. These are people who would otherwise not be able to afford to buy a home, invest in themselves, and our community. The individual purchases the home while the CLT maintains ownership of the land underneath the home. The new home owner builds equity and assets, investing in themselves and their community, while the CLT controls the resale price, preserving affordability for future generations of first-time home buyers.

KYVCLT is a 501(c)3 non-profit that is nearing its third year of operation. Our first (1200 square foot, three bedrooms/ two baths) affordable home in a central neighborhood in Ellensburg is nearing completion. A second home will be constructed next door during the 2014 summer. Additionally, the City of Ellensburg has contributed a three acre parcel of land at Water and Bender Streets, where we plan to build thirteen homes—thus making a total of fifteen affordable homes in our current pipeline. Several other plots of land and community partnerships are presently in negotiation within Kittitas County.

We strive to build stability for single parent families, one income households who are supporting loved ones, grandparents raising their grandchildren, and dual income families who are struggling to survive until their next paycheck. The KYVCLT supports moderate-to-low-income individuals and families to increase assets and invest in themselves and their communities. We empower potential homebuyers through 4 classes and 10 hours of financial education that seeks to build individual and family resources while supporting their independence and confidence. All classes are free with two classes open to the general public as a community service.

We not only provide permanent stewardship of affordable housing and resources committed to our projects but also to our homeowners throughout the entire process of buying, owning and potentially selling their home.

**2. Qualifications:** (Describe your organization's ability and qualifications to complete the project you are requesting to be funded, including any experience you have in managing public funds)

KYVCLT has effectively managed public and private funds for the past two years of operations. We have successfully partnered with the County in submitting timely and accurate billings. We have executed two promissory notes equaling \$170,000 with a private investor and are managing those funds as well.

We are currently an affiliate of Community Frameworks and are receiving HUD funding for acquisition reimbursement and have been successful in retaining \$30,000 for the Ruby Street Short Plat and have earmarked \$195,000 for the Water Street Build Out.

We have the support of Elmview, a very successful and long lasting non-profit. (MOU attached, Exhibit A). An attorney is on retainer to assist the agency and Board with legal advice.

Our first affordable home ownership project is being built by a local builder at 611 S. Ruby. A Short Plat for this project is complete creating the lot for the second CLT home to be constructed. The permitting and land use process established relationships with agencies and city departments critical to the development of affordable housing. The City of Ellensburg is actively partnering with us to pursue grant monies, utilize City code effectively and maximize our ability to make homes affordable.

### **Part C – Project Questions**

1. **Project Title:** Ruby Street Short Plat & Water Street Build Out (15 Affordable Homes)
2. **Project Summary:** (Provide one to two succinct paragraphs summarizing your project, and how it will strengthen or enhance housing and/or services to prevent or reduce homelessness in Kittitas County.

The Kittitas Yakima Valley Community Land Trust (KYVCLT) believes that all residents of Kittitas and Yakima Counties should have the opportunity to invest, build equity, and create a strong future for themselves in their own homes. To create those opportunities, the KYVCLT supports low-income individuals in home-ownership. The KYVCLT offers the opportunity for people to build assets and invest in themselves and their community through the creation and maintenance of affordable home-ownership.

We strive to help move individuals along the continuum from homelessness to stable housing, by giving people and families the opportunity to move up out of temporary housing, subsidized housing and rentals.

3. **List each goal statement.** Under the goal statement, list the activities (objectives) that will lead to the accomplishment of the goal. Also, discuss the measures you will be using to evaluate whether or not the goal has been met by the end of the funding cycle.

**Goal 1:** Identify and work with individuals and families who may have been homeless or are too low income to purchase a home; help them evaluate where they are financially and how they can move towards home ownership.

***Objectives:***

- a. Work with other social service and housing agencies to maximize resources and access potential home owners. (*A list of current efforts, Exhibit B*)
- b. Work with local employers to access potential home owners.
- c. Increase community capacity and engagement through presentations to community groups.
- d. Promote housing programs through local and social media outlets and events.
- e. Screen applicants for eligibility.

***Measurements:*** Track all applicants to the program. Track resources provided to each applicant. Track presentations made and outcomes. Track media hits and events.

**Goal 2:** Assist those individuals and families to buy a home on Community Land Trust property; steward them through the entire process of buying, owning and potentially selling a home.

**Objectives:**

- a. Provide one on one counseling to potential home owners.
- b. Execute "Keys to Home Ownership" curriculum. (*Exhibit C*)
- c. Work closely with lenders to ensure affordability of homes.

**Measurements:** Track all education classes and attendance. Track number of home owners.

**Goal 3:** Build a permanent inventory of land and homes owned by the Community Land Trust that is available and affordable for low income 1<sup>st</sup> time homebuyers; manage and retain public and private funds in perpetuity.

**Objectives:**

- a. Acquire land into the CLT portfolio.
- b. Research potential land acquisitions.
- c. Create relationships with land owners and seek out projects.

**Measurements:** Track and report land in CLT portfolio. Report on potential land projects.

**Goal 4:** Create sustainability within the agency; both with resources and staff.

**Objectives:**

- a. Develop CLT housing.
- b. Create a local, sustainable funding base.
- c. Seek grants from local, state and federal agencies.
- d. Utilize and recruit volunteers.

**Measurements:** Track all grants and funding sources. Utilize HomeKeeper software to track subsidy within housing development projects. Track volunteer hours, training and in-kind submissions to CLT.

**4. Priorities:** Provide a written summary describing how this project responds to the Homeless Assistance Grant Program Priorities for 2009 as listed in Section 2, letter F of this document.

- *Improve and/or develop new emergency, transitional or permanent affordable housing facilities in Kittitas County.*

Funding this request materially expands affordable housing in Kittitas County. The Community Land Trust model is based on creating affordable home ownership opportunities in perpetuity for people who are low income. The homes are initially affordable and remain so, thereby creating a sustainable pool of affordable homes in perpetuity.

- *The projects ability to increase the number of housing opportunities available for single persons and disenfranchised populations, as described in the “Gaps in Service” section of the 10 year plan.*

This project creates a new homeownership model for the citizens of Kittitas County. By doing so, the KYVCLT increases housing opportunities for all people who are low income. Single persons and those at risk of being homeless are in that pool. The support services and personal investment required for participation in the project provide a catalyst for those at risk of homelessness to invest in themselves. That investment leads to the purchase of a home which always seemed out of reach.

- *Connect homeless population to services.*

This project provides the support services that will allow those who were formerly homeless, as well as, people who are low-income to own homes. Participants in the program are required to access the services and supports which follows the proven path to success. If individuals do not qualify for our program we serve as a resource for other needs/programs in the community. Our stewardship includes:

#### Home Ownership Program Components

- ✓ Basic savings, debt and credit class (offered in partnership with Hope University)
  - ✓ First time homeowner education class
  - ✓ Shared equity and resale courses
  - ✓ Homeownership and move-in support
  - ✓ On-going mentoring and support through the KYVCLT
- *Strengthen linkages between agencies providing services to homeless individuals/families*  
Our program is working very closely with other housing and service agencies in Kittitas County to ensure that those individuals who are in transitional housing, emergency shelters and subsidized rentals are able to access our program to move up into a home ownership position. The Executive Director of the CLT is a board member of the Homeless and Affordable Housing Network of Kittitas County and is active in the Provider Network. The CLT is a large supporter of the Community Connect Day event that advocates services and outreach to those who are homeless or at risk of being homeless.

**5. Creativity/Innovation:** (Describe any creative or innovative aspects of this project. How is it different or unique? Include information about project partners/collaborations)

What makes a community land trust unique is that the houses in our portfolio remain affordable forever. This permanent affordability is accomplished through the sharing of the appreciation in the value of the land and housing and through the shared ownership of the land and the housing on that land. The KYVCLT maximizes and never loses the public and private subsidy that goes into each project.

We have created a strong partnership with the City of Ellensburg. The City's substantial commitment to the CLT is consistent with the City of Ellensburg's Comprehensive Plan, recently adopted Land Development Code, and policy commitment to affordable housing. The City has agreed to contribute 2.86 acres of land to the Community Land Trust, apply for funding to build the street needed for the Water Street development, and clear the acreage preparing it for affordable housing. The City has also placed language in their municipal code that will enable the land trust to defer fees that further the affordability of our projects. A side sewer agreement with the CLT decreased cost on the 609 and 611 S. Ruby Street houses by nearly \$15,000. This partnership enables us to build fifteen houses in a very short period of time.

A private investor has stepped forward to provide the agency capital to build our first homes. This loan is at a very low interest rate and gives us the ability to not lose money in the construction process. It also gives us the ability to search out property and potential rehabilitation projects.

Community Frameworks' Self-Help Homeownership Opportunity Program (SHOP) provides zero-interest, forgivable loans to nonprofit organizations and public agencies sponsoring sweat equity homeownership programs in Oregon, Washington, Idaho, and Montana. SHOP loan funds, at up to \$15,000 per lot, may be used for land acquisition or infrastructure development to create affordable housing. The KYVCLT is an affiliate of Community Frameworks. The partnership that we have created has allowed us to bring \$30,000 into the Ruby Street Short Plat and will enable us to bring \$195,000 to the Water Street Build Out.



### **Part D – Funding Questions**

Please respond to the questions in this section about the specific project to be funded.

- 1. Homeless Assistance Funds:** (Specify how you will use the Homeless Assistance funds. (Do not describe the project again; rather specify where you will use the funds received from this grant application))

These funds will combine with our other grants and investments to support three functions of the CLT:

1. Locating and building affordable housing
2. Stewarding home owners
3. Providing education and resources for low income persons in Kittitas County

Funds will be utilized to leverage dollars from other funders and contributors and support program functions of the CLT.

- 2. Other Funds:** (What funding for this project have you already secured? What in-kind donations have been received? What other grants are you applying for?)

**Secured:**

Private investment funds = \$170,000

*(Ruby Street property purchased and house #1 being built)*

Land Contribution by City of Ellensburg = \$200,000

Membership Dues = \$25,000

Community Frameworks SHOP funds= \$30,000

**Total: \$425,000**

**Applied For/In Progress:**

Community Development Block Grant = \$325,000

City of Ellensburg Match CDBG = \$225,000

Community Frameworks SHOP = \$195,000

Legends Community Impact Fund = \$5,000

Safeway Foundation = \$10,000

“Foundations” fundraising Campaign = \$180,000

**Total: \$914,000**

**In Kind:**

Elmview support = \$14,280

Board/Volunteer Professional Services = \$10,000

**Total: \$ 24,280**

**Total Secured/Potential Funds: \$1,363,280**

**3. Sustainability:** (Discuss how this project will be sustained after the Homeless Assistance funds are exhausted.)

The Community Land Trust generates income as property is acquired and developed or rehabilitated. CLT staff act as property developers. The development fees generated by the construction of affordable housing build sustainability into the KYVCLT model. The CLT then is sustainable through a combination of public and private grants and fees generated by operations.

**4. Timeline:** (Provide a very specific calendar for the expenditure of the Homeless Assistance funds, including important project milestones). *(Please see Exhibit D)*

**5. Partial Funding:** (If this project were to receive only partial funding from the Homeless Assistance Grant Program, how would the funds be used? How would the project be impacted?)

The development projects would slow down immensely and the ability to move forward to rapidly address affordable housing would be immediately impacted. Without county funding we would be stalled as a program and unable to provide any direct services, outreach or movement within the CLT.

**6. What are your administrative costs for this grant?** 6.8%

**7. Submit a copy of the grant budget.** *(Exhibit E includes: grant budget, operations budget, prior grant budget, housing development budget, Water Street build out budget)*

**8. What percent of the total project budget does this request represent?** 10%

**9. What percent of your total agency budget does this request represent?** 10%

### **Part E – Agencies Reapplying for Program Funds**

Please provide a one page summary of your previous programs' successes over the past year.  
(Exhibit F)

### **Part F – Additional Information**

If you have not addressed any of the grant elements please indicate in this section why you have not included that information.

There are some really exciting economic aspects of the proposed development project. This project has the potential to create thirty full time jobs over the next three years. The construction of fifteen affordable single family homes will take one to three years and will employ an estimated twenty four full time employees. The street build out will be contracted out by the City and will create six full time positions for two months. We can anticipate that eighteen to twenty local businesses will benefit from the project. The building/development industry will benefit from the project as well as local contractor services. Local small businesses provide the materials needed for construction. Other local businesses will provide HVAC systems. The project developer will sub-contract construction—plumbing, electrical, drywall, heating and a/c contractors will directly benefit from the project.

The City benefits from the building and impact fees, we estimate around \$100,000. 00. Kittitas County annual property taxes for both the Ruby Street Short plat and the Water Street 2.86 acre parcel will increase dramatically. The Ruby Street property will increase from \$556 to an estimated \$2,000 and the Water Street property will increase from \$2,200 to an estimated \$30,000. The recording of closing documents on each house will also contribute monies back to the Homeless and Affordable Housing funds.

This project creates immediate and sustained employment for the construction and building trades. Jobs begin with the street improvements and City infrastructure, continue through the on-site sewer, water, and utility work and complete with the construction of the homes.

Home ownership provides a secure and stable environment for families and our communities. Children thrive and learn better in stable environments, such as when they are able to have regular meals and a home in which rent is not increased regularly. Families have better control of their finances and can contribute back to their communities when their rent is not consuming over 30 percent of their income and they are not working two jobs just to make ends meet. Children learn what it takes to manage a home and their finances. Pride and responsibility of homeownership creates investment in neighborhoods and communities. Everyone's overall quality of life increases. A sense of community increases. Communities become safer.

## Section 5 – Certification of Consistency with Local Plans

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I certify that the proposed activities/projects in the application are consistent with the jurisdiction's local plans and policies.

Project Title: Ruby Street Short Plat and Water Street Build Out

Applicant/Agency Name: Kittitas Yakima Valley Community Land Trust

Address of Project: 518 N. Pine St., Suite 102, Ellensburg, WA 98926

Name of Certifying Jurisdiction (Kittitas County or incorporated city/town in Kittitas County): City of Ellensburg

### Certifying Official of the Local Jurisdiction

If the application involves a housing project, it is the applicant's responsibility to ensure that the project is consistent with all building and zoning codes and the comprehensive plan of the relevant local jurisdiction (either an incorporated city/town, or Kittitas County for projects in the unincorporated county). The applicant must have the relevant City Manager or Community Development Director complete the following section and sign below as the Certifying Official.

Name: Mike Smith

Title: Community Development Director

Signature: 

Date: April 7th, 2014

## Section 6 – Acknowledgement of Application Receipt

Enter the applicant's name and full address in the box below.

Sarah Bedsaul/Executive Director  
Kittitas Yakima Valley Community Land Trust  
518 N. Pine St, Suite 102  
Ellensburg, WA 98926

\_\_\_\_\_ Kittitas County Homeless Assistance Grant Program received your application by the deadline and will consider it for funding. No further information will be released concerning the relative standing of any applicant until funding announcements are made. However, you may be contacted after initial screening if more information is needed by the Review Committee.

\_\_\_\_\_ Kittitas County Homeless Assistance Grant Program did not receive your application by the deadline; therefore, your application will not receive further consideration. Your application is enclosed.

Processor's Name: \_\_\_\_\_

Date and Time of Receipt: \_\_\_\_\_



# KITTITAS YAKIMA VALLEY COMMUNITY LAND TRUST

## EXHIBIT APPENDIX

- EXHIBIT A - MOU between KYVCLT and Elmview
- EXHIBIT B - Agency engagement
- EXHIBIT C - Keys to Homeownership curriculum
- EXHIBIT D - Timeline
- EXHIBIT E - Budget documents
- EXHIBIT F - Program success in past year
- EXHIBIT G - Letters of Support
- EXHIBIT H - Required agency documents for grant
- EXHIBIT I - Supporting documents

## Memorandum of Understanding

Between

**Elmview and the Yakima Valley Community Land Trust DBA Kittitas Yakima Valley  
Community Land Trust**

The following outlines the understanding of responsibilities between Elmview, a non-profit corporation, and the Kittitas Yakima Valley Community Land Trust (KYVCLT).

For the duration of this agreement. Elmview agrees to the following.

- Collect funds-membership dues, grant monies, and other such revenues as are received in support of the mission and operations.
- Deposit funds as directed by the KYVCLT.
- Write checks for review and signature of KYVCLT designee
- Disburse funds as directed—KYVCLT payables.
- Provide monthly financial statements to include, at a minimum, a balance sheet and income to expense statement
- Contingent upon receipt of timely information from the KYVCLT, ensure that reports needed to maintain KYVCLT's good standing with Federal, State, and Local governments are submitted.
- To the extent possible, provide a vehicle for use in the conduct of KYVCLT business.
- Maintain the KYVCLT Director on Elmview's payroll commensurate with Elmview's benefits per the letter of hire, at a pay rate to be stipulated by the KYVCLT Board of Directors.
- At the direction of the KYVCLT Director place employees on Elmview's payroll
- Access to copy machine and related supplies (in-kind contribution)
- Provide weekly janitorial service as an in-kind contribution to the KYVCLT
- Provide office space at less than market rent (in-kind contribution)
- Provide utilities for office space (in-kind contribution)

Elmview will provide the administrative and support services outlined above for a fee of 8% of the total operating budget of KYVCLT.

For the duration of this agreement, KYVCLT agrees to the following.

- Reimburse Elmview for the administrative and support services outlined above at the agreed upon fee.

- Reimburse Elmview for all payroll costs associated with KYVCLT's ED and any employees added to payroll services
- Reimburse Elmview for use of vehicle per Elmview's Vehicle Use Policy.
- Provide oversight of financial activities, to include, at a minimum, review and authorization of receivables and payables and verification of information to be submitted in the name of KYVCLT.
- Ensure that KYVCLT operates in a manner consistent with Federal, State, and Local guidelines.
- Maintains appropriate tax and legal status consistent with its mission.

This Memorandum of Understanding shall be in effect upon signing and renew annually at the first of January of each subsequent year unless either party has provided the other written notice of intent to terminate. The terms and conditions shall carry forward unless modified by agreement in writing of both parties.

Written notice shall be delivered to,

For Elmview,

Elmview

PO Box 66

204 East 6<sup>th</sup> Street

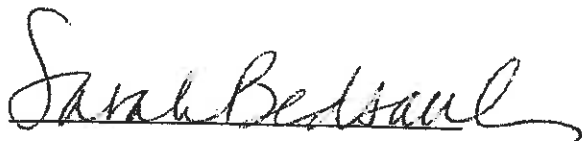
Ellensburg, WA 98926

For KYVCLT,

Kittitas Yakima Valley Community Land Trust

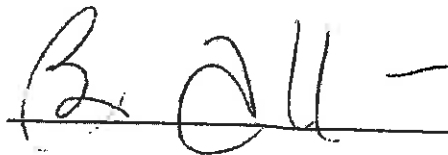
518 North Pine Street, Suite 102

Ellensburg, WA 98926



Sarah Bedsaul, Director

Kittitas Yakima Valley Community Land Trust



Bruce Tabb, Executive Director

Elmview

Date:

12/31/13





## KITTITAS YAKIMA VALLEY COMMUNITY LAND TRUST

### **KYVCLT involvement in Homelessness and Affordable Housing in Kittitas County**

We are actively engaged in partnering with other community organizations. The **CLT Executive Director** participates in the following groups:

- ✓ Homelessness & Affordable Housing Network – Executive Board Member
- ✓ Community Connect Day Planning Committee – Chair
- ✓ Homeless Network of Yakima County – participate in monthly network meetings and affordable housing sub-committee meetings
- ✓ Habitat for Humanity – participate in quarterly board meetings to maintain communication on activities, funding and potential home owners for both programs
- ✓ Hope Source – Chair of the media committee for their annual fundraiser “The Five Days of Christmas”
- ✓ Northwest CLT Coalition – position on Board of Directors

The **AmeriCorps VISTA** placement has benefited other organizations in Kittitas County by volunteering for:

- ✓ Kittitas County Chamber of Commerce
- ✓ Ellensburg Downtown Association
- ✓ Ellensburg Adult Activity Center
- ✓ FISH Community Connect Day



# KITTITAS YAKIMA VALLEY COMMUNITY LAND TRUST

## Homebuyer Education:

- **"Key Steps to Homeownership" curriculum:**
  - ✓ "Are we the Missing Piece in Your Homeownership Puzzle? This is a free informational session about the CLT where you also receive your home ownership application packet.
  - ✓ Step Two: Make an appointment with the Executive Director and go over your home owner packet, forms and needed information.  
***The homebuyer application packet is completed and available online on our website.***
  - ✓ Step Three: Start working on your educational component with 10 credit hours including:
    - Basic savings, debt and credit class (2 hrs)** – this class will be offered to the general public as well as CLT home buyers, is being done in coordination with Hope University and will cover the basics about understanding your credit, eliminating your debt and saving money.
    - 1<sup>st</sup> time homeowner class (5 hrs)** - We have certified instructors to teach this Washington State Housing Finance Commission class.
    - Shared equity and resale course (1.5 hrs)** - This class is specific to CLT home buyers and will go over the ground lease and resale formula in detail.
    - Welcome Home (1.5 hrs)**- this is our exit class designed to be taken after closing and gives information on what to expect as a homeowner and things you will want to remember.
  - ✓ Step Four: Stewardship of the homeowner – we maintain contact with our home owners and encourage them to continue to participate in the CLT as a member with potential for board placement and voting rights. We will also help support them through being a new homeowner and be a resource and helpful voice for them.

<b>Ruby Street Short Plat and Water Street Build Out</b>	
<b>Development of 2 Houses on Ruby St</b>	
Construction of Homes	\$ 274,000.00
Land Cost	\$ 36,000.00
Program Costs	\$ 63,625.00
<b>Project Total</b>	<b>\$ 373,625.00</b>
<b>Development of Water Street Build Out</b>	
Construction of 13 Houses	\$ 1,950,000.00
Land Infrastructure and Improvements	
Plat	\$ 10,000.00
Street Buildout-street, curb, gutter, sidewalk	\$ 550,000.00
Infrastructure to homes	\$ 195,000.00
Program Costs	\$ 572,625.00
<b>Project Total</b>	<b>\$ 3,277,625.00</b>
<b>Total Project</b>	<b>\$ 3,651,250.00</b>

#### **Section IV. Financial Information**

1. What percent of your total agency budget does this request represent?  
30.25%
2. What percent of the total project budget does this request represent?  
30.25%
3. Please provide project budget with line items for expenses and income. Be as specific as possible, itemizing where appropriate.

<b>Income</b>	
Homeless Grant Funds	90,000
Memberships	12,000
Grants	195,540
<b>Total Income</b>	<b>297,540</b>

<b>Expenses</b>	
Program Director	56,160
Support Staff	5,200
AmeriCorps	8,000
Staff Benefits	17,794
Office	1,000
Program	3,200
Development Costs	167,600
Rent	1,200
Utilities	600
Gas	500
Vehicle Licensing	60
Professional Services	16,000
Fees & Licensing	500
Conference Travel	5,000
Mileage Reimbursement	1,800
Advertising Materials	5,100
Communication	2,400
General Insurance	3,600
Misc Expenses	1,825
<b>Total Expenses</b>	<b>297,540</b>

4. How much administrative cost is included in this application?

7.39%

Unit Construction Cost Breakdown - Typical Unit					Square Feet	Garage 1 or 2
Only place data representing a single unit on this page	House Plan >	3BR, 2 BA, Carport			1200	
	Sub contractors (\$)	Materials (\$)	Homebuyer & Volunteer Labor (\$)	Donated Materials or Services (\$)	INSTRUCTIONS: PLEASE READ ALL OF THE INSTRUCTIONS BELOW BEFORE COMPLETING THIS WORKSHEET	
Permits	7,000				Include only homebuyer and volunteer labor costs that will provide Sweat Equity Value at homebuyer's closing (See 'Definitions' Tab: 'Sweat Equity Value')	
Mobilization & Site Work	2,380					
Demolition		3,200				
Septic						
Foundation	8,458	2,200				
Interior Flatwork		500			Provide const. budget (separately) or fill in the cells to the left, for the most commonly used or most representative floor plan. Either way provide the totals in rows 29, 30, and all applicable cells below C32, and complete line 2 above.	
Framing	17,349					
Roofing	3,900	500				
Windows & Exterior Doors	6,900	3,100				
Insulation	3,500	500				
Plumbing	7,300	1,000			Complete yellow cells just below	
Electric rough, finish, fixtures, appliances	9,200	3,100				
HVAC						
Drywall	5,060					
Interior Trim & Doors	1,500	1,100				
Cabinets	6,500	500			Smallest Floor Plan (sqft) 1,200	
Painting - Interior & Exterior	3,500				Largest Floor Plan (sqft)	
Floor Finish	500	2,900			Market Value smallest FP 185,000	
Siding & Exterior Trim	3,800				Market Value largest FP	
Decking					Market Value: Provide Fee Simple Appraised Value or Leasehold Appraised Value as applicable (see 'Definitions' Tab for appraisal definitions)	
Exterior Flatwork	100					
Gutters		400				
Landscaping			1,000			
Cleanup	800					
Other (specify)						
Construction Hard Costs - Will calculate with formulas if budget line items provided above, or override formulas by entering hard totals if const. budget provided separately	37,747	19,000	1,000	0		
Contingency (Cell C30)						
Subtotal		107,747				
Soft Costs and Seller Reimbursements not included above					If family is buying a contractor built house place the total price in cell C30, while B29 + C29 must = 0	
Prog & Const Oversight Admin costs not included in Acq Tab		26,837				
Design / Blueprint costs per unit		1,800				
Tool and/or Equipment Costs attributed to each unit						
Insurance costs not included in other tab (not Homeowner's ins)						
Seller's Costs to close if not included in lot price						
Other (specify) sales tax		8,809				
Other (specify)						
Subtotal of other costs		37,446				
Lot Cost		17,613				
Total Affiliate Cost (lot, construction, other)		162,806				
SHOP Unit Sale Price* (CLT Subsidy addressed on RevExp Tab)		145,000			*See 'Definitions' Tab: "SHOP Unit Sale Price"; "Appraised Value" (Fee Simple & Leasehold); "SE Credit"	
Applicable Appraised Value* for most commonly used or most representative floor plan		185,000				
SE Credit by method (a) or (b)*		1,000				
SqFt cost less lot	121		Grg Size>	0		

Utilities Hookup	\$6,510
Excavation/Backfill	\$2,380
Foundation/Slab/Insulation	\$8458
Carport/Driveway Slab	\$2,200
Curbcut	\$3,200
Framing	\$17349
Windows	\$4,100
Insulation	\$3,500
Doors/Hardware	\$2,800
Air Sealing	\$500
Drywall	\$5,060
Exterior 8" Siding	\$3,200
Window Trim	\$450
Door Trim	\$1,100
Paint (Interior/Exterior)	\$3,500
Exterior Trim	\$600
Roofing	\$3,900
Skylight	\$300
Roof Trim	\$500
Bath Fans	\$600
Electrical (Includes heat)	\$9,200
Lighting	\$500
Stair rail, trim	\$900
Carpeting/Vinyl	\$2,000
Floor Sealing	\$500
Plumbing	\$7300
Cabinets/Countertops	\$6,500
Microwave	\$400
Stove	\$500
Dishwasher	\$500
Clean-up/Grading	\$800
Site Supervision	\$9,000
Engineering	\$1800
Subtotal	\$110107
Sales Tax	\$8,808.56
15% Profit/Overhead	\$17837.33
Total	\$136752.89

PROJECT BUDGET					
Funding Status	Source 1	Source 2	Source 3	Source 4	Totals
Are the sources committed? If not, give a date when commitment expected.	CDBG	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
City of Ellensburg					
Activity Costs					
General Administration	20,000				20,000
Project Administration	32,500				32,500
Environmental Review	20,000				20,000
Architectural Fees					
Engineering Fees	30,000				30,000
Acquisition		225,000			225,000
Relocation					
Sewer Improvements	53,600				53,600
Water Improvements	35,320				35,320
Private Water/Sewer Side Connections					
Street and Sidewalk Improvements	133,580				133,580
Community Facility					
Fire Protection Facility					
Housing Rehabilitation					
Architectural Barrier Removal					
Commercial/Industrial Facility					
ED Revolving Loan Fund					
Other:					
Other:					
<b>Totals</b>	325,000	225,000			550,000

*Use a second copy of this form if you have more than 4 funding sources*

## **PROJECT BUDGET ASSUMPTIONS**

### **General Administration: \$20,000**

Due to limited staff availability, the applicant anticipates hiring a consultant to perform the general administration responsibilities at an estimated cost of \$75.00 per hour. Understanding that some months will be more labor intensive, an average of 9 hours per month for the estimated length of the project (30 months) has been allocated for these services.

### **Project Administration: \$32,500**

Due to limited staff availability, the applicant anticipates hiring a consulting to perform the project administration responsibilities at an estimated cost of \$75.00 per hour. The proposed construction time is 30 working days. To insure construction standards are met, an on sight inspector will be required during construction at an estimated cost of \$12,000. In addition, the project administrator responsibilities implementing and carrying out the CDBG project has been estimated at 273 hours.

### **Environment Review: \$20,000**

The services of a qualified consulting firm, selected in accordance with CDBG guidelines, will be required to complete the environmental analysis for this project. During the preliminary review of the project, there have been no sensitive environmental concerns identified. Therefore, it is assumed that the environmental consultant will complete the SEPA, NEPA and additional documentation required during the design phase of the project. It is estimated this work can be completed in 200 hours.

### **Engineering Fees: \$30,000**

The City plans to leave the option available for city staff to design the project under the City Engineer's supervision, providing they have the staff available. Should staff not be available due to work loads, the City will hire a consultant to perform the design, including bid package with WSDOT specifications and be available during construction. This firm would be selected in accordance with CDBG guidelines. It is estimated this work will require 300 hours.

### **Sewer Improvements: \$53,600**

Based on historic construction costs for similar conditions, it is estimated the sewer improvements will \$67.00 per linear foot. There preliminary estimated length of improvements is 800 feet. This includes all labor, equipment and materials necessary to complete the work.

### **Water Improvements: \$35,320**

Based on historic construction costs for similar conditions, it is estimated the water improvements will \$44.15 per linear foot. There preliminary estimated length of improvements is 800 feet. This includes all labor, equipment and materials necessary to complete the work.



**Street and Sidewalk Improvements: \$133,580**

Based on historic construction costs for similar conditions, it is estimated the road, sidewalk and stormwater improvements will \$166.98 per linear foot. There preliminary estimated length of improvements is 800 feet. This includes all labor, equipment and materials necessary to complete the work.

**Sub Total \$325,000**

**Obtain Site Control: \$225,000**

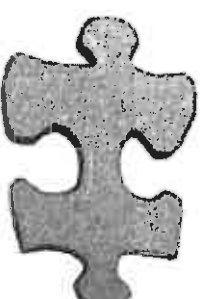
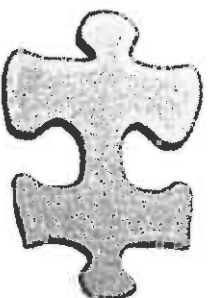
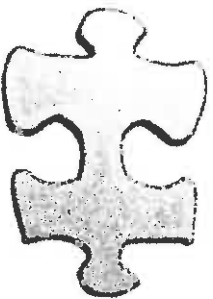
The City of Ellensburg purchased a three acre parcel of land for \$225,000 on September 1, 2011. The intent was for public right of way. With the LMI housing needed, the City is transferring the remaining parcel to KYVCLT for potential housing sites. The pro-rated value of the right of way is \$10,500, the value of the LMI housing parcel is \$214,500.

**Total Budget \$550,000**

Notes: Construction labor will be in accordance with the Davis-Bacon Act for prevailing wages.  
Materials will meet federal requirements.  
Consultants will be hired under CDBG regulations.



# KYVCLT is a Piece of the Kittitas County Affordable Homeownership Puzzle



## YEAR 1

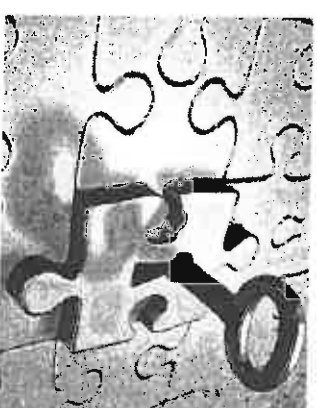
- Recruited/trained Board of Directors
- Designed and implemented marketing materials
- Developed relationships with municipalities and other housing agencies
- Received contribution of land from City of Ellensburg
- Applied for CDBG Grant

## YEAR 2

- Doubled staff with a VISTA placement
- Implemented the Homeowner Education curriculum
- Secured mortgage lenders
- Purchased land and built 1<sup>st</sup> CLT home
- Established independence from Elmview
- Secured \$25,000 in donations
- Interviewed potential homebuyers
- Applied for grant funding
- 1<sup>st</sup> CLT Home built with 1<sup>st</sup> KYVCLT homeowner

## Year 3

- 14 Homes in Pipeline
- Securing 2 new plots of land
- Implementation of \$180,00 fundraising campaign



*We unlock the doors to Affordable Homeownership*

## **LAST YEAR'S ACCOMPLISHMENTS:**

### **Funding Opportunities and Sustainability Efforts:**

- We have secured two years of funding from the Kittitas County Homeless Funds. These funds run through May 31<sup>st</sup>, 2014. Grants totaled \$170,000.
- We have obtained a VISTA AmeriCorps volunteer. Crystal Dawn is working with the land trust 40 hours a week for two years.
- The CLT established a membership guidelines and tiers. The CLT membership total is \$25,000 and is made up of twenty-five individuals and six businesses.
- We have a private investor that has committed \$170,000 in low interest loans for land and construction of our first two homes.
- A project application has been submitted and approved to Community Frameworks for SHOP funds totaling \$30,000 to reimburse acquisition of the Ruby Street Property. We have earmarked \$195,000 for the Water Street project.
- We have secured a lender, Guild Mortgage, for future home owner mortgages.

### **Outreach & Promotion/Home Owner Recruitment:**

- Information presentations were made to over 20 local community groups.
- The AmeriCorps VISTA approached 75 local businesses with information on upcoming classes and program basics. Places included large employers, downtown local businesses, the hospitality industry, and the City of Kittitas.
- We have designed and distributed two issues of a quarterly newsletter.
- Staff worked with 19 potential CLT Homeowners. Two introductory classes were held to recruit potential home owners.
- Signage was created and purchased and is displayed at 609 S. Ruby, the site of our first CLT home.

### **Land Acquisition and Development:**

- Ruby Street Property: The CLT purchased a lot on South Ruby in October. After the passing of City of Ellensburg New Code the lot was split into two lots. Two new homes will be built on the lots. The first lot has been contracted for construction with Arbor Designs, LTD. Construction will begin in January of 2014 with completion expected in late spring of 2014.
- Wapato Property: A piece of land located in the City of Wapato was acquired by Elmview through another affordable housing non-profit prior to the CLT being staffed. Elmview's board voted to transfer the property to the CLT. The property was transferred and researched by staff. The lot was deemed unbuildable. Communication with an adjacent property owner allowed for the CLT to gain back all administrative fees, back taxes and any other monetary costs while transferring the property out of CLT ownership.

- **Water Street Property:** Plans for this project continue with the City of Ellensburg. They will proceed with placing the project on the six year transportation plan and removing the structures from the property. This will be done prior to a CDBG application to the WA State Department of Commerce in April in 2014 and final recording of documents transferring the property to the CLT. The City and CLT have approved drafts of: Development Agreement, Deed of Restriction, and Statutory Warranty Deed.
- **CWU:** A meeting was held between the CWU President, the Human Resources Director and the Chief Financial Officer to discuss how the CLT model can ensure affordable housing opportunities for civil service staff and incoming faculty. The President strongly supports the idea and the CFO and HR Director are conducting research on how the University can partner with the CLT in the future.
- **Yakima County Expansion:** The Executive Director has met with the City of Yakima and is actively working with several local affordable housing agencies and advocates to determine the best way to implement the CLT model in Yakima County. Research has been done on potential land acquisitions and it will be further discussed in the upcoming year.
- **Suncadia:** The CLT and another housing agency have been in contact with Suncadia and continue to explore the idea of a project that provides affordable housing opportunities for their employees as well as the Upper County community.

#### **Homebuyer Education:**

Our “Key Steps to Homeownership” curriculum has been developed. There are four parts:

**Basic savings, debt and credit class (2 hrs)** – this class will be offered to the general public as well as CLT home buyers, is being done in coordination with Hope University and will cover the basics about understanding your credit, eliminating your debt and saving money.

**1<sup>st</sup> time homeowner class (5 hrs)** - We have certified instructors to teach this Washington State Housing Finance Commission class.

**Shared equity and resale course (1.5 hrs)** - This class is specific to CLT home buyers and will go over the ground lease and resale formula in detail.

**Welcome Home (1.5 hrs)**- this is our exit class designed to be taken after closing and gives information on what to expect as a homeowner and things you will want to remember.

The CLT is approved and can now conduct credit checks for potential home owners. The application packet is complete.



*Now More Than Ever.*  
**Help Build It!**

Homeless Assistance Grant Program Committee  
Kittitas County Commissioners  
205 W 5th Avenue, Suite 108  
Ellensburg, WA 98926

**RE: Kittitas Yakima Valley Community Land Trust**

To Whom It May Concern:

Kittitas County Habitat for Humanity has been working in collaboration with Kittitas Yakima Valley Community Land Trust to meet affordable housing needs in our community for over one year. It is our hope that by working together with KYVCLT, a greater number of qualified families will be given the opportunity to live in affordable, safe and decent homes in Kittitas County. A few of the benefits of our work together are:

- The sharing of homeowner education resources. Homeownership education is a key to the success of our programs. When possible, we have shared resources to create the best possible outcome for the families we serve.
- The ability to refer families between the organizations. Habitat for Humanity generally serves families who fall within 30% - 60% of the area median income range for Kittitas County. Families who fall within 61% - 80% of the area median income are served by KYVCLT. Families which do not qualify for Habitat's program but who fall within the CLT income guidelines can be referred to the CLT and vice-versa.
- The possibility of working together with the CLT acquiring land and Habitat building on it. Affordable land in Kittitas County is hard to find and by working in partnership, our hope is combine our programs using a workable model which will make affordable housing more available to families in need in our community.

Kittitas County Habitat for Humanity is excited by the relationship we have with our local CLT and are looking forward to working together in the future to meet the affordable housing needs in Kittitas County. Our affiliate supports Kittitas Yakima Valley Community Land Trust and the work that they do in our community.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sherri Ott", is written over a horizontal line.

Sherri Ott  
Executive Director

P.O. Box 873, Ellensburg, WA 98926

Phone: (509) 962-5058 Fax: (509) 962-5066 [www.kchabitat.org](http://www.kchabitat.org)



Motivated by Christ's love  
We bring hope to life  
Especially for those most in need

Motivados por el amor de Cristo  
Llevamos esperanza a la vida  
Especialmente a los más necesitados

March 19, 2013

Sarah Bedsaul  
Kittitas Yakima Valley Community Land Trust  
518 N. Pine St. Suite 102  
Ellensburg, WA 98926

Dear Ms. Bedsaul.

RE: Kittitas County Funding Proposal

It is a great privilege to provide you with a letter supporting your efforts to move forward with a Community Land Trust model for permanent affordability for single family homes in Kittitas County. Your organization will provide new and vital opportunities for hard working families to purchase their own home and begin building assets. We are encouraged by the progress you have made in getting off the ground and into construction in just 18 months.

As you well know, homeownership is the cornerstone of living the American Dream. Providing opportunities for low-income families to access the greatest wealth building asset in America not only benefits the individual family, but also the entire community as well. Studies show time and again that children who grow up in stable, healthy homes are more successful in school and in life. The homeowners themselves are more active and engaged in the community as a result of "putting down roots". This program is at once both creating wealth and building community.

CCHS is supportive of this new model to help families become successful homeowners and we look forward to supporting the Kittitas Yakima Valley Community Land Trust and their efforts to provide additional opportunities to our valleys' residents.

Sincerely,

Bryan Ketcham  
Director  
Catholic Charities Housing Services



Correspondence\Tr of Support for KYV-CLT - 031914.doc

5301 Tieton Drive, Suite G Yakima, WA 98908-3479 • P: 509.853.2800 F: 509.853.2805 • [www.cchsyakima.org](http://www.cchsyakima.org)



**Meg Ludlum**  
**307 1/2 S Pine St.**  
**Ellensburg, WA 98926**

March 17, 2014

Homeless Assistance Grant Program  
205 W 5th AVE Suite 108  
Ellensburg WA 98926

RE: Kittitas Yakima Valley Community Land Trust

Dear Committee Members and County Commissioners:

As secretary and treasurer of the board of Kittitas Yakima Valley Community Land Trust, I want to urge you to provide further funding for this fine organization. While it has taken us longer than originally anticipated to become independent, we no doubt underestimated the work required and we have already accomplished a great deal. With the state legislature deciding to retain through 2019 the recording fees that support your Homeless Assistance Grant program, this is an opportune time for us to hope for your multi-year support – in diminishing amounts each year. This would greatly help us to fully implement the community land trust model in our area.

Community land trusts' greatest strengths are in providing housing that remains permanently affordable and in continuing relationships with homeowners once they're in their homes. CLTs will always seek some government and private support for building houses and for operations, but we will soon have ongoing operating revenue from our homeowners (lease or rental payments, member dues and assessments) and capital funds from development fees (on the houses we build). We are approaching this kind of sustained operation, but we aren't there yet.

What we have done, besides creating a viable organization, is acquire land for two houses on South Ruby Street and for a development of 13 houses on North Water Street. We are constructing our first house, recruiting buyers, applying for construction grants, and developing a fundraising campaign to help cover future operating and capital costs.

This summer we will have our first family in their new home, with many others to follow. We need more affordable housing in our area, and the opportunities we provide can only strengthen both the families served and the local economy.

Your past funding has been invaluable to us. Please continue to support us in getting this important affordable housing program functioning in our community!

Sincerely,



Meg Ludlum  
Secretary/Treasurer of KYVCLT



700 E. Mountain View Ave. Suite 501 Ellensburg, WA 98926 (P) 509.925.1448 110 Pennsylvania Ave. Cle Elum, WA 98922 (P) 509.674.2375 (F) 509.674.5187

**March 18<sup>th</sup>, 2014**

**Homeless Assistance Grant Program  
205 W 5<sup>th</sup> Avenue, Suite 108  
Ellensburg, WA 98926**

**RE: Kittitas Yakima Valley Community Land Trust**

**To Whom It May Concern:**

This letter is intended to illustrate HopeSource's support of the Kittitas Yakima County Community Land Trust. We share a common goal of expanding affordable housing opportunities for Kittitas County families looking to stand on their own and move to permanent self-sufficiency.

Homeownership provides stability and security, the building blocks which allow families to move from surviving to thriving. Safe and healthy housing removes a critical barrier to becoming successful, contributing members of the community. With the ability to focus on their futures, families can be empowered to take the final steps to self-sufficiency.

Community Land Trusts strengthen the community not only by providing affordable housing stock to deserving families but also the educational foundation to make them successful long term.

We are excited to work in partnership with the Kittitas Yakima Valley Community Land Trust to make a lasting difference in the community.

Sincerely,

**Susan Grindle  
CEO**





Motivated by Christ's love  
We bring hope to life  
Especially for those most in need

Motivados por el amor de Cristo  
Llevamos esperanza a la vida  
Especialmente a los más necesitados

March 19, 2013

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Kittitas Yakima Valley Community Land Trust  
518 N. Pine St. Suite 102  
Ellensburg, WA 98926

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Sincerely,

Bryan Ketcham  
Director  
Catholic Charities Housing Services



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5301 Tieton Drive, Suite G Yakima, WA 98908-2479 • P: 509.853.2800 F: 509.853.2805 • [www.cchsyakima.org](http://www.cchsyakima.org)





Office of the City Manager  
501 North Anderson Street  
Ellensburg WA 98926  
Phone (509) 962-7221 FAX (509) 962-7143  
email: akersj@ci.ellensburg.wa.us

March 24, 2014

Homeless Assistance Grant Program  
205 W. 5<sup>th</sup> Avenue, Suite 108  
Ellensburg, WA 98926

Dear Committee Members and County Commissioners:

The City of Ellensburg strongly supports the Kittitas Yakima Valley Community Land Trust and urges the County to favorably consider their Homeless Assistance Grant application.

As you know, KYVCLT received funding from the Kittitas County Homeless and Affordable Housing Grant Program in both of the last two offerings. As a result of this funding, and the resulting effort, the City of Ellensburg has entered into a partnership with the KYVCLT. The City Council has committed to contribute land and significant in-kind services for a 13 unit owner occupied affordable housing project. The City will also be submitting a CDBG grant application for infrastructure to support the project and the partnership.

As identified in the City of Ellensburg's Comprehensive Plan, the need for affordable housing is large. The City of Ellensburg and Kittitas County as a whole suffer from housing prices that are too high for low and median income residents.

To be sure, there are other programs that seek to meet the need, but few that offer the goal of home ownership. Affordable, owner occupied housing can provide stability and security for individuals, families, and neighborhoods

We appreciate Kittitas County's leadership in this policy area. It has already leveraged a partnership with the City of Ellensburg. We urge you to continue your commitment.

Thank you in advance for consideration of the award of grant funding to KYVCLT. If you have any questions or concerns, please don't hesitate to contact me at your convenience.

Yours truly,

  
John Akers  
Interim City Manager

Mar 13, 2014

4:31 pm

# Kittitas Yakima Community Land Trust

## Statement of Revenue & Expenditures

	1 Month Ended February 28, 2014		2 Months Ended February 28, 2014	
<b>Revenue</b>				
Contributions	\$0.00	0.0%	\$100.00	0.6%
Grants	6,607.41	99.4%	16,101.41	98.9%
Interest Income	39.51	0.6%	86.91	0.5%
<b>TOTAL Revenue</b>	<b>6,646.92</b>	<b>100.0%</b>	<b>16,288.32</b>	<b>100.0%</b>
	<b>6,646.92</b>	<b>100.0%</b>	<b>16,288.32</b>	<b>100.0%</b>
<b>Expenditures</b>				
Salaries	4,320.00	65.0%	10,800.00	66.3%
Payroll Taxes	330.48	5.0%	873.31	5.4%
Employee Benefits	543.66	8.2%	1,087.32	6.7%
Utilities	13.44	0.2%	13.44	0.1%
Development	0.00	0.0%	270.00	1.7%
Liability Insurance	31.33	0.5%	31.33	0.2%
Program	142.20	2.1%	584.16	3.6%
Furn., Fixt., Equip. Rental	100.00	1.5%	200.00	1.2%
Office Supplies	137.48	2.1%	405.76	2.5%
Advertising, Printing	31.37	0.5%	265.73	1.6%
Postage	0.00	0.0%	46.00	0.3%
Telephone	41.93	0.6%	83.86	0.5%
Travel	0.00	0.0%	50.00	0.3%
Gas	11.68	0.2%	21.79	0.1%
Mileage	21.84	0.3%	44.52	0.3%
Licenses & Fees	250.00	3.8%	250.00	1.5%
Legal & Accounting	482.00	7.3%	482.00	3.0%
Professional	150.00	2.3%	853.26	5.2%
<b>TOTAL Expenditures</b>	<b>6,607.41</b>	<b>99.4%</b>	<b>16,362.48</b>	<b>100.5%</b>
<b>Program Revenue over Expenditures</b>	<b>39.51</b>	<b>0.6%</b>	<b>(74.16)</b>	<b>-0.5%</b>
	<b>39.51</b>	<b>0.6%</b>	<b>(74.16)</b>	<b>-0.5%</b>
<b>Excess of Revenue over Expenditures</b>	<b>\$39.51</b>	<b>0.6%</b>	<b>(\$74.16)</b>	<b>-0.5%</b>

4:36 pm

## February 2014

**Current Assets:**

General Account	\$13,259.95
General Account House 1	123,574.84
Petty Cash	100.00
Due from Grants	16,101.94
Prepaid Other	100.00

**TOTAL Current Assets**

**\$153,136.73**

**Land, Building and Equipment Fund:**

Land	35,669.52
Building House 1 Development	24,711.23

**TOTAL Land, Building and Equipment Fund**

60,380.75

**TOTAL Assets**

**\$213,517.48**

**Current Liabilities:**

Trade Payables	\$36,825.09
Notes Payable	35,000.00
Notes Payable House 1	135,000.00

**TOTAL Current Liabilities**

**\$206,825.09**

**TOTAL Liabilities**

206,825.09

**General Fund-Unrestricted  
Excess of Revenue over Expenditures**

**TOTAL Fund Balance**

6,692.39

**TOTAL Liabilities & Fund Balance**

**\$213,517.48**

Form **990-EZ****Short Form****Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-1150

**2013****Open to Public Inspection**Department of the Treasury  
Internal Revenue Service

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990-EZ and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**A For the 2013 calendar year, or tax year beginning**

, 2013, and ending

, 20

**B Check if applicable:**

- ☐ Address change  
☐ Name change  
☐ Initial return  
☐ Terminated  
☐ Amended return  
☐ Application pending

**C Name of organization****Yakima Valley Community Land Trust**

Number and street (or P.O. box, if mail is not delivered to street address)

Room/suite

**PO Box 66**

City or town, state or province, country, and ZIP or foreign postal code

**Ellensburg, WA 98926****D Employer identification number****26-3194579****E Telephone number****509-925-6688****F Group Exemption Number ▶****G Accounting Method:** ☐ Cash ☒ Accrual Other (specify) ▶**I Website:** ▶ **kylandtrust.org****J Tax-exempt status (check only one) —** ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527**H Check** ▶ ☒ if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).**K Form of organization:** ☒ Corporation ☐ Trust ☐ Association ☐ Other**L Add lines 5b, 6c, and 7b, to line 9 to determine gross receipts. If gross receipts are \$200,000 or more, or if total assets (Part II, column (B) below) are \$500,000 or more, file Form 990 instead of Form 990-EZ . . . . . ▶ \$****Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (see the instructions for Part I)**Check if the organization used Schedule O to respond to any question in this Part I . . . . . ☒

Revenue	<b>1</b>	Contributions, gifts, grants, and similar amounts received . . . . .	<b>1</b>	<b>71,286</b>
	<b>2</b>	Program service revenue including government fees and contracts . . . . .	<b>2</b>	
	<b>3</b>	Membership dues and assessments . . . . .	<b>3</b>	
	<b>4</b>	Investment income . . . . .	<b>4</b>	<b>36</b>
	<b>5a</b>	Gross amount from sale of assets other than inventory . . . . .	<b>5a</b>	<b>1240</b>
	<b>b</b>	Less: cost or other basis and sales expenses . . . . .	<b>5b</b>	<b>0</b>
	<b>c</b>	Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a) . . . . .	<b>5c</b>	<b>1240</b>
	<b>6</b>	Gaming and fundraising events . . . . .		
	<b>a</b>	Gross income from gaming (attach Schedule G if greater than \$15,000) . . . . .	<b>6a</b>	
	<b>b</b>	Gross income from fundraising events (not including \$ of contributions from fundraising events reported on line 1) (attach Schedule G if the sum of such gross income and contributions exceeds \$15,000) . . . . .	<b>6b</b>	
<b>c</b>	Less: direct expenses from gaming and fundraising events . . . . .	<b>6c</b>		
<b>d</b>	Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c) . . . . .	<b>6d</b>		
Expenses	<b>7a</b>	Gross sales of inventory, less returns and allowances . . . . .	<b>7a</b>	
	<b>b</b>	Less: cost of goods sold . . . . .	<b>7b</b>	
	<b>c</b>	Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a) . . . . .	<b>7c</b>	
	<b>8</b>	Other revenue (describe in Schedule O) . . . . .	<b>8</b>	
	<b>9</b>	<b>Total revenue.</b> Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8 . . . . . ▶	<b>9</b>	<b>72,562</b>
	<b>10</b>	Grants and similar amounts paid (list in Schedule O) . . . . .	<b>10</b>	
	<b>11</b>	Benefits paid to or for members . . . . .	<b>11</b>	
	<b>12</b>	Salaries, other compensation, and employee benefits . . . . .	<b>12</b>	
Net Assets	<b>13</b>	Professional fees and other payments to independent contractors . . . . .	<b>13</b>	<b>52,830</b>
	<b>14</b>	Occupancy, rent, utilities, and maintenance . . . . .	<b>14</b>	<b>700</b>
	<b>15</b>	Printing, publications, postage, and shipping . . . . .	<b>15</b>	<b>1,146</b>
	<b>16</b>	Other expenses (describe in Schedule O) . . . . .	<b>16</b>	<b>11,121</b>
	<b>17</b>	<b>Total expenses.</b> Add lines 10 through 16 . . . . . ▶	<b>17</b>	<b>65,797</b>
	<b>18</b>	Excess or (deficit) for the year (Subtract line 17 from line 9) . . . . .	<b>18</b>	<b>6,767</b>
Net Assets	<b>19</b>	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return) . . . . .	<b>19</b>	<b>0</b>
	<b>20</b>	Other changes in net assets or fund balances (explain in Schedule O) . . . . .	<b>20</b>	
	<b>21</b>	Net assets or fund balances at end of year. Combine lines 18 through 20 . . . . . ▶	<b>21</b>	<b>6,767</b>

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 10642I

Form **990-EZ** (2013)

## Page 2

Check if the organization used 2014 data: ☐

		(A) Beginning of year	(B) End of year
22	Cash, savings, and investments . . . . .	0 22	141,082.49
23	Land and buildings . . . . .	0 23	47,063.35
24	Other assets (describe in Schedule O) . . . . .	0 24	13,864.56
25	<b>Total assets</b> . . . . .	0 25	202,010.40
26	<b>Total liabilities</b> (describe in Schedule O) . . . . .	0 26	195,243.85
27	<b>Net assets or fund balances</b> (line 27 of column (B) must agree with line 21) . . . . .	0 27	6,766.55

<b>Part III</b>	<b>Statement of Program Service Accomplishments</b> (see the instructions for Part III)	0/27	6,766.55
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Check if the organization used Subchapter S: ☐ Yes ☐ No

What is the organization's primary exempt purpose? maintains land for the benefit of first time home buyers (Required for section 501(c)(3) and 501(c)(4))

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program title.

**Expenses**  
(Required for section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts; optional for others.)

28	<u>acquires and maintains land for the benefit of first time home buyers below the Area Median Income</u>		
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with preference given to those at the lower end of the scale. It provides secure, affordable access to land and housing for those unable to qualify for home ownership in the current market.

(Grants \$ ) If this amount includes foreign grants, check here ☐ 28a

29

(Grants \$ ) If this amount includes foreign grants, check here ☐ 29a

30

(Grants \$ ) If this amount includes foreign grants, check here ☐ 30a

[illegible]

(Grants \$ ) If this amount includes foreign grants, check here ☐ 312

32	Total program service expenses (add lines 28a through 31a)	32
----	--	----

**Part IV** **List of Officers, Directors, Trustees, and Key Employees** (list each one even if not compensated—see the instructions for Part IV)

Check if the organization used: ☐ Salaries ☐ Bonuses ☐ and Pay Employees (list each one even if not compensated—see the instructions for Part IV)

[illegible]



**Part V Other Information** (Note the Schedule A and personal benefit contract statement requirements in the instructions for Part V) Check if the organization used Schedule O to respond to any question in this Part V ☐

	Yes	No
<b>33</b> Did the organization engage in any significant activity not previously reported to the IRS? If "Yes," provide a detailed description of each activity in Schedule O		<input checked="" type="checkbox"/>
<b>34</b> Were any significant changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the amended documents if they reflect a change to the organization's name. Otherwise, explain the change on Schedule O (see instructions)		<input checked="" type="checkbox"/>
<b>35a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year from business activities (such as those reported on lines 2, 6a, and 7a, among others)?		<input checked="" type="checkbox"/>
<b>b</b> If "Yes," to line 35a, has the organization filed a Form 990-T for the year? If "No," provide an explanation in Schedule O		<input checked="" type="checkbox"/>
<b>c</b> Was the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization subject to section 6033(e) notice, reporting, and proxy tax requirements during the year? If "Yes," complete Schedule C, Part III		
<b>36</b> Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule N		<input checked="" type="checkbox"/>
<b>37a</b> Enter amount of political expenditures, direct or indirect, as described in the instructions <b>37a</b>		
<b>b</b> Did the organization file Form 1120-POL for this year?		<input checked="" type="checkbox"/>
<b>38a</b> Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the tax year covered by this return?	<input checked="" type="checkbox"/>	
<b>b</b> If "Yes," complete Schedule L, Part II and enter the total amount involved <b>38b</b> 170,000		
<b>39</b> Section 501(c)(7) organizations. Enter:		
<b>a</b> Initiation fees and capital contributions included on line 9 <b>39a</b>		
<b>b</b> Gross receipts, included on line 9, for public use of club facilities <b>39b</b>		
<b>40a</b> Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 <b>40a</b> ; section 4912 <b>40a</b> ; section 4955 <b>40a</b>		
<b>b</b> Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year, or did it engage in an excess benefit transaction in a prior year that has not been reported on any of its prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		<input checked="" type="checkbox"/>
<b>c</b> Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <b>40c</b>		
<b>d</b> Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax on line 40c reimbursed by the organization <b>40d</b>		
<b>e</b> All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T <b>40e</b>		<input checked="" type="checkbox"/>
<b>41</b> List the states with which a copy of this return is filed <b>Washington</b>		
<b>42a</b> The organization's books are in care of <b>Rick Richards</b> Telephone no. <b>509-925-6688</b> Located at <b>Elmview PO Box 66 Ellensburg WA</b> ZIP + 4 <b>98926</b>		
<b>b</b> At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country: <b>See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.</b>	<input checked="" type="checkbox"/>	
<b>c</b> At any time during the calendar year, did the organization maintain an office outside the U.S.? If "Yes," enter the name of the foreign country: <b>42c</b>		<input checked="" type="checkbox"/>
<b>43</b> Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the tax year <b>43</b>		<input type="checkbox"/>
<b>44a</b> Did the organization maintain any donor advised funds during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ <b>44a</b>		<input checked="" type="checkbox"/>
<b>b</b> Did the organization operate one or more hospital facilities during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ <b>44b</b>		<input checked="" type="checkbox"/>
<b>c</b> Did the organization receive any payments for indoor tanning services during the year? <b>44c</b>		<input checked="" type="checkbox"/>
<b>d</b> If "Yes" to line 44c, has the organization filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O <b>44d</b>		
<b>45a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? <b>45a</b>		<input checked="" type="checkbox"/>
<b>45b</b> Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," Form 990 and Schedule R may need to be completed instead of Form 990-EZ (see instructions) <b>45b</b>		<input checked="" type="checkbox"/>

- 46** Did the organization engage, directly or indirectly, in political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I . . . . .

	Yes	No
<b>46</b>		✓

**Part VI Section 501(c)(3) organizations only**

All section 501(c)(3) organizations must answer questions 47–49b and 52, and complete the tables for lines 50 and 51.

Check if the organization used Schedule O to respond to any question in this Part VI . . . . . ☐

- 47** Did the organization engage in lobbying activities or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II . . . . .

	Yes	No
<b>47</b>		✓
<b>48</b>		✓
<b>49a</b>		✓
<b>49b</b>		

- 48** Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E . . . . .

- 49a** Did the organization make any transfers to an exempt non-charitable related organization? . . . . .

- b** If "Yes," was the related organization a section 527 organization? . . . . .

- 50** Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and title of each employee	(b) Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation
none				

- f** Total number of other employees paid over \$100,000 . . . . . ▶

- 51** Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and business address of each independent contractor	(b) Type of service	(c) Compensation
none		

- d** Total number of other independent contractors each receiving over \$100,000 . . . . . ▶

- 52** Did the organization complete Schedule A? **Note.** All section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A . . . . .

▶ ☐ Yes ☐ No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature of officer

Date

Type or print name and title

**Paid Preparer Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no. ▶

May the IRS discuss this return with the preparer shown above? See instructions . . . . .

▶ ☐ Yes ☐ No



**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Public Charity Status and Public Support**

OMB No. 1545-0047

**2013**

Department of the Treasury  
Internal Revenue Service

▶ **Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.**  
▶ **Attach to Form 990 or Form 990-EZ.**  
▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

**Open to Public Inspection**

Name of the organization

**Yakima Valley Community Land Trust**

Employer identification number

**26-3194579**

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: \_\_\_\_\_
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vii).** (Complete Part II.)
- 9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.
  - a ☐ Type I    b ☐ Type II    c ☐ Type III—Functionally integrated    d ☐ Type III—Non-functionally integrated
  - e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).**
  - f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐
  - g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
    - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? 

	Yes	No
11g(i)		
    - (ii) A family member of a person described in (i) above? 

	Yes	No
11g(ii)		
    - (iii) A 35% controlled entity of a person described in (i) or (ii) above? 

	Yes	No
11g(iii)		
  - h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
<b>Total</b>									

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**  
 (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .	0	0	0	0	71,286	71,286
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .	0	0	0	0	0	0
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .	0	0	0	0	0	0
<b>4 Total.</b> Add lines 1 through 3 . . . . .	0	0	0	0	71,286	71,286
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) . . . . .						
<b>6 Public support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>7</b> Amounts from line 4 . . . . .	0	0	0	0	71,286	71,286
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .	0	0	0	0	36	36
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on . . . . .	0	0	0	0	0	0
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .	0	0	0	0	0	0
<b>11 Total support.</b> Add lines 7 through 10						71,322
<b>12</b> Gross receipts from related activities, etc. (see instructions) . . . . .					12	71,322
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> . . . . .						<input checked="" type="checkbox"/>

**Section C. Computation of Public Support Percentage**

- 14** Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) . . . . . **14** %
- 15** Public support percentage from 2012 Schedule A, Part II, line 14 . . . . . **15** %
- 16a 33<sup>1</sup>/<sub>3</sub>% support test—2013.** If the organization did not check the box on line 13, and line 14 is 33<sup>1</sup>/<sub>3</sub>% or more, check this box and **stop here**. The organization qualifies as a publicly supported organization . . . . . ☐
- b 33<sup>1</sup>/<sub>3</sub>% support test—2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33<sup>1</sup>/<sub>3</sub>% or more, check this box and **stop here**. The organization qualifies as a publicly supported organization . . . . . ☐
- 17a 10%-facts-and-circumstances test—2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here**. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ☐
- b 10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here**. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ☐
- 18 Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ☐

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II.  
If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose . . . . .						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
<b>6 Total.</b> Add lines 1 through 5 . . . . .						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons . . . . .						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year . . . . .						
<b>c</b> Add lines 7a and 7b . . . . .						
<b>8 Public support.</b> (Subtract line 7c from line 6.) . . . . .						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>9</b> Amounts from line 6 . . . . .						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . . .						
<b>c</b> Add lines 10a and 10b . . . . .						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on . . . . .						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.) . . . . .						
<b>14 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> . . . . . <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f)) . . . . .	<b>15</b>	%
<b>16</b> Public support percentage from 2012 Schedule A, Part III, line 15 . . . . .	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f)) . . . . .	<b>17</b>	%
<b>18</b> Investment income percentage from 2012 Schedule A, Part III, line 17 . . . . .	<b>18</b>	%
<b>19a 33 1/3% support tests—2013.</b> If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization . . . . . <input type="checkbox"/>		
<b>b 33 1/3% support tests—2012.</b> If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization . . . . . <input type="checkbox"/>		
<b>20 Private foundation.</b> If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions . . . . . <input type="checkbox"/>		

**Part IV**

**Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Lined area for supplemental information.

**SCHEDULE L**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Transactions With Interested Persons**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.  
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.  
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

Open To Public Inspection

Name of the organization

**Yakima Valley Community Land Trust**

Employer identification number

**26-3194579**

**Part I Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) organizations only).  
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ \$

**Part II Loans to and/or From Interested Persons.**

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
(1) Meg Ludlum	Sec/Treas	developme	✓		170,000	170,000		✓	✓		✓	
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												
(8)												
(9)												
(10)												
<b>Total</b>						▶ \$						

**Part III Grants or Assistance Benefiting Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

**Part IV Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

**Part V Supplemental Information**

Provide additional information for responses to questions on Schedule L (see instructions).

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

Open to Public  
Inspection

Name of the organization

**Yakima Valley Community Land Trust**

Employer identification number

**26-3194579**

**Form 990, Line 16**

**Insurance** 2,094.00

**Program** 1,176.48

**Supplies** 2,466.35

**Bank Charges** 22.00

**Communication** 521.43

**Travel** 3,997.87

**Licenses and fees** 842.99

Name of the organization

Employer identification number



## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Schedule O (Form 990 or 990-EZ), such as legislation enacted after the schedule and its instructions were published, go to [www.irs.gov/form990](http://www.irs.gov/form990).

### Purpose of Schedule

An organization should use Schedule O (Form 990 or 990-EZ), rather than separate attachments, to provide the IRS with narrative information required for responses to specific questions on Form 990 or 990-EZ, and to explain the organization's operations or responses to various questions. It allows organizations to supplement information reported on Form 990 or 990-EZ.

Do not use Schedule O to supplement responses to questions in other schedules of the Form 990 or 990-EZ. Each of the other schedules includes a separate part for supplemental information.

### Who Must File

All organizations that file Form 990 and certain organizations that file Form 990-EZ must file Schedule O (Form 990 or 990-EZ). At a minimum, the schedule must be used to answer Form 990, Part VI, lines 11b and 19. If an organization is not required to file Form 990 or 990-EZ but chooses to do so, it must file a complete return and provide all of the information requested, including the required schedules.

## Specific Instructions

Use as many continuation sheets of Schedule O (Form 990 or 990-EZ) as needed.

Complete the required information on the appropriate line of Form 990 or 990-EZ prior to using Schedule O (Form 990 or 990-EZ).

Identify clearly the specific part and line(s) of Form 990 or 990-EZ to which each response relates. Follow the part and line sequence of Form 990 or 990-EZ.

**Late return.** If the return is not filed by the due date (including any extension granted), attach a separate statement giving the reasons for not filing on time. **Do not use** this schedule to provide the late-filing statement.

**Amended return.** If the organization checked the *Amended return* box on Form 990, *Heading*, item B, or Form 990-EZ, *Heading*, item B, use Schedule O (Form 990 or 990-EZ) to list each part or schedule and line item of the Form 990 or 990-EZ that was amended.

**Group return.** If the organization answered "Yes" to Form 990, line H(a), but "No" to line H(b), use a separate

attachment to list the name, address, and EIN of each affiliated organization included in the group return. **Do not use** this schedule. See the instructions for Form 990, *I. Group Return*.

**Form 990, Parts III, V, VI, VII, IX, XI, and XII.** Use Schedule O (Form 990 or 990-EZ) to provide any narrative information required for the following questions in the Form 990.

#### 1. Part III, *Statement of Program Service Accomplishments*.

- a. "Yes" response to line 2.
- b. "Yes" response to line 3.
- c. Other program services on line 4d.

#### 2. Part V, *Statements Regarding Other IRS Filings and Tax Compliance*.

- a. "No" response to line 3b.
- b. "Yes" or "No" response to line 13a.
- c. "No" response to line 14b.

#### 3. Part VI, *Governance, Management, and Disclosure*.

- a. Material differences in voting rights among members of the governing body in line 1a.
- b. Delegation of governing board's authority to executive committee.
- c. "Yes" responses to lines 2 through 7b.
- d. "No" responses to lines 8a, 8b, and 10b.
- e. "Yes" response to line 9.
- f. Description of process for review of Form 990, if any, in response to line 11b.
- g. "Yes" response to line 12c.
- h. Description of process for determining **compensation** in response to lines 15a and 15b.
- i. If applicable, in response to line 18, an explanation as to why the organization checked the "Other" box or did not make any of Forms 1023, 1024, 990, or 990-T publicly available.
- j. Description of public disclosure of documents in response to line 19.

#### 4. Part VII, *Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors*.

- a. Explain if reporting of compensation paid by a related organization is provided only for the period during which the related organization was related, not the entire calendar year ending with or within the tax year, and state the period during which the related organization was related.
- b. Description of reasonable efforts undertaken to obtain information on compensation paid by related organizations, if the organization is unable to obtain such information to report in column (E).

#### 5. Explanation for Part IX, *Statement of Functional Expenses*, line 11g (other fees

for services), including the type and amount of each expense included in line 11g, if the amount in Part IX, line 11g, exceeds 10% of the amount in Part IX, line 25 (total functional expenses).

6. Explanation for Part IX, *Statement of Functional Expenses*, line 24e (all other expenses), including the type and amount of each expense included in line 24e, if the amount on line 24e exceeds 10% of the amount in Part IX, line 25 (total functional expenses).

7. Part XI, *Reconciliation of Net Assets*. Explain any other changes in net assets or fund balances reported on line 9.

#### 8. Part XII, *Financial Statements and Reporting*.

a. Change in accounting method or description of other accounting method used on line 1.

b. Change in committee oversight review from prior year on line 2c.

c. "No" response to line 3b.

**Form 990-EZ, Parts I, II, III, and V.** Use Schedule O (Form 990 or 990-EZ) to provide any narrative information required for the following questions:

#### 1. Part I, *Revenue, Expenses, and Changes in Net Assets or Fund Balances*.

- a. Description of other revenue, in response to line 8.
- b. List of grants and similar amounts paid, in response to line 10.
- c. Description of other expenses, in response to line 16.
- d. Explanation of other changes in net assets or fund balances, in response to line 20.

#### 2. Part II, *Balance Sheets*.

- a. Description of other assets, in response to line 24.
- b. Description of total liabilities, in response to line 26.
- 3. Description of other program services in response to Part III, *Statement of Program Service Accomplishments*, line 31.

#### 4. Part V, *Other Information*.

- a. "Yes" response to line 33.
- b. "Yes" response to line 34.
- c. Explanation of why organization did not report unrelated business gross income of \$1,000 or more to the IRS on Form 990-T, in response to line 35b.

**Other.** Use Schedule O (Form 990 or 990-EZ) to provide narrative explanations and descriptions in response to other specific questions. The narrative provided should refer and relate to a particular line and response on the form.



**Do not include on Schedule O (Form 990 or 990-EZ) any social security number(s), because this schedule will be made available for public inspection.**

10/04/2013 04:14:49 PM  
\$73.00  
Warranty Deed AMT  
Kittitas County Auditor

201310040059  
Page 1 of 2

AFTER RECORDING RETURN TO:

Yakima Valley Community Land Trust, a Washington non-profit corporation  
518 North Pine Street Suite 102  
Ellensburg, WA 98926

Filed for at the request of:  
AMERITITLE

Escrow No. EA-119012  
WASWDE

RE EXCISE TAX PAID

Amount \$ 540.50  
Date Oct 4, 2013  
Affidavit No. 2013-1777  
KITTITAS COUNTY TREASURER

By Kathy Maxwell

**STATUTORY WARRANTY DEED**

\$73

THE GRANTOR V Marlene Meyers, as her separate estate and Stan May, an unmarried man, each as to an undivided one half interest for and in consideration of Ten and no/100 Dollars (\$10.00) and other valuable consideration in hand paid, conveys and warrants to Yakima Valley Community Land Trust, a Washington non-profit corporation the following described real estate, situated in the County of KITTITAS, State of Washington:

Lot 2, of MEYERS SHORT PLAT PART OF BLOCK 48, MURRAY ADDITION, City of Ellensburg Short Plat No. P-08-05, as recorded March 9, 2009, in Book K of Short Plats, pages 57 and 58, under Auditor's File No. 200903090058, records of Kittitas County, State of Washington; being a portion of Lots 5 and 6, Block 48, and that portion of vacated Jackson Street adjacent to said Block 48, MURRAY ADDITION TO THE CITY OF ELLENSBURG, in the County of Kittitas, State of Washington, as per plat thereof recorded in Book 1 of Plats, Page 15, records of said county.

This conveyance is subject to all those items of record, if any, as of the date of this deed and those shown below, if any:

Assessor's Tax Parcel Number(s): 17-18-02084-0002 (955679)

DATED: 10-4-13

V Marlene Meyers  
V Marlene Meyers

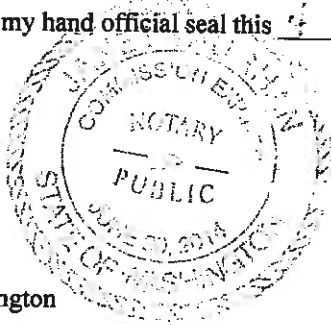
Stan May  
Stan May

State of Washington

County of KITTITAS

On this day personally appeared before me V Marlene Meyers and to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that signed the same as free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand official seal this 4 day of October, 2013.



Janet Vaughan  
Printed Name: Janet Vaughan  
Notary Public in and for the State of  
Washington residing at Ellensburg  
My appointment expires June 30 2014

State of Washington

County of KITTITAS

On this day personally appeared before me Stan May and to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that signed the same as free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand official seal this 4 day of October, 2013.



Janet Vaughan  
Printed Name: Janet Vaughan  
Notary Public in and for the State of  
Washington residing at Ellensburg  
My appointment expires June 30 2014

**After Recording, Return To:**

Name: City of Ellensburg  
City Clerk  
Address: 501 N. Anderson Street  
Ellensburg, WA 98926

**STATUTORY WARRANTY DEED**

GRANTOR: City of Ellensburg, a political subdivision of the State of Washington

GRANTEE: The Yakima Valley Community Land Trust dba the Kittitas Yakima Valley Community Land Trust, a non-profit organization

Legal Description: A portion of the West Half of the Southwest Quarter of the Northeast Quarter of Section 26, Township 18 North, Range 18 East, W.M. (Additional legal on Exhibit A)

Assessor's Tax  
Parcel 1D#: 18-18-26010-0006 (541133)

Related Document(s): Deed Restriction Purchase and Sale Agreement AF# \_\_\_\_\_

Consideration: For good and valuable consideration the sufficiency and receipt of which are hereby acknowledged.

Conveyance of Grantor's  
Interest: For the above-mentioned consideration, the Grantor, hereby warrants, sells and conveys, all of Grantor's right, title, and interest in the Described Property to Grantee, together with the improvements thereon, subject to liens, encumbrances, easements, restrictions and reservations of record, and together with all after-acquired title of the Grantor.

Property Restriction: It is the intent of the parties hereto that the Property is used to develop, construct, promote, support, and operate low and moderate income ("LMI") housing for families in Kittitas County. In conjunction with this intent, Grantor and Grantee agree to include the following "Use Restriction" in the Deed to Grantee: "If: 1) the Purchaser fails to complete construction of the Project by receiving a certificate of occupancy for each of the ten (10) homes in the Project within five (5) years from the date of this Agreement; or 2) the Purchaser fails to use the Property as provided in this Agreement for a period of five (5) years from the date hereof, then subject to the terms of the Deed Restriction Purchase and Sale Agreement dated the same date as this deed, the Grantor shall have the right to re-

The Grantor's right to re-enter and repossess the Property shall be referred to herein as "Power of Termination."

## **EXHIBIT A**

### **Legal Description**

That portion of the West Half of the Southwest Quarter of the Northeast Quarter of Section 26, Township 18 North, Range 18 East, W.M., in the County of Kittitas, State of Washington, which is described as follows:

Beginning at a point on the West boundary line of said subdivision, which is on the centerline of the right of way of the County Road, running along the South boundary line of said subdivision, and running thence North along said West boundary line of said subdivision, 626.13 feet; thence East, at right angles thereto, 208.71 feet; thence South; parallel with the West boundary line of said subdivision, 626.13 feet; and thence West, along the center line of the County road, 208.71 feet, more or less, to the point of beginning.

EXCEPTING THEREFROM, the westerly 40 feet of said property which is reserved as the public road right of way of said County Road.

## PROMISSORY NOTE

1. Date. December 9, 2013

2. Borrower.

Yakima Valley Community Land Trust  
DBA/Kittitas Yakima Valley Community Land Trust  
518 N Pine St. Suite 102  
Ellensburg, WA 98926

3. Lender. The Lender is Margaret D. Ludlum. The Borrower understands that the Lender may transfer this Promissory Note. The Lender or anyone who takes this Promissory Note by transfer and who is entitled to receive payments under this Promissory Note is called the Note Holder. Lender agrees to subordinate to construction loan on security if requested.

4. Borrower's Promise to Pay. In return for One Hundred Thirty Five Thousand Dollars (\$135,000) that the Borrower has received from the Lender, the Borrower promises to pay the Principal plus Interest to the order of the Lender.

5. Interest. The Borrower will pay Interest after December 9, 2013 at the rate of Three Percent (3%) per annum. Interest will be charged on unpaid Principal until the full amount of the Principal has been paid.

6. Amount, Time and Place of Payments. The Borrower shall repay the Principal together with accrued interest when the homes on the property identified in Section 7 are sold. It is anticipated that the Principal will be repaid with interest in full within twelve (12) months. At that time, the note may be renewed with a possible change in the interest rate.

Until other notice shall be given, payments and notices shall be delivered to:

Margaret D. Ludlum  
307 ½ S Pine St  
Ellensburg, WA 98926

7. Security. This note is to be secured by the following property:  
6 S Ruby St.  
Ellensburg, WA 98926

A deed of trust has been recorded for Lot 2 of Meyers Short Plat.

8. Late Charges for Overdue Payments. If the Note Holder has not received the full amount of any payment by the end of five calendar days after the date it is due, the Borrower will pay a late charge to the Note Holder. The amount of the charge will be five percent (5%) of the Borrower's overdue payment. The Borrower will pay this late charge promptly.

9. Default. If the Borrower does not pay the full amount of the loan when it is due, the Borrower will be in Default. If the Borrower is in Default, the Note Holder may send the Borrower a written notice telling the Borrower that if the Borrower does not pay the overdue amount by a certain date, the Note Holder may require the Borrower to pay immediately the full amount of Principal that has not been paid and all the Interest that the Borrower owes on that amount. That date must be at least thirty days after the date on which the notice is delivered or mailed to the Borrower. If the Note Holder has required the Borrower to pay immediately in full as described above, the Note Holder will have the right to be paid back by the Borrower for all of its costs and expenses in enforcing this Promissory Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

Even if at a time when the Borrower is in Default the Note Holder does not require the Borrower to pay in full as described above, the Note Holder still will have the right to do so if the Borrower is in Default at a later time.

10. Notices. Unless applicable law requires a different method, any notice that must be given to the Borrower under this Promissory Note will be given by delivering it or by mailing it by first class to the Borrower at the Property Address above or at a different address if the Borrower gives the Note Holder a written notice of the Borrower's different address. Any notice that the Borrower must give to the Note Holder under this Promissory Note will be given by mailing it by first class mail to the Note Holder at the address stated above or at a different address if the Borrower is given a notice of that different address.

11. Waivers. The Borrower, and any person who has obligations under this Promissory Note, waives the rights of Presentment and Notice of Dishonor. Presentment means the right to require the Note Holder to demand payment of amounts due. Notice of Dishonor means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

12. Venue and Choice of Law. Parties agree that this note is made within reference to and is to be construed in accordance with the laws of the State of Washington, and that venue lies for any such action in Kittitas County, Washington.

Signed:



## PROMISSORY NOTE

1. Date. September 27, 2013

2. Borrower.

Yakima Valley Community Land Trust  
DBA/Kittitas Yakima Valley Community Land Trust  
518 N Pine St. Suite 102  
Ellensburg, WA 98926

3. Lender. The Lender is Margaret D. Ludlum. The Borrower understands that the Lender may transfer this Promissory Note. The Lender or anyone who takes this Promissory Note by transfer and who is entitled to receive payments under this Promissory Note is called the Note Holder. Lender agrees to subordinate to construction loan on security if requested.

4. Borrower's Promise to Pay. In return for Thirty Five Thousand Dollars (\$35,000) that the Borrower has received from the Lender, the Borrower promises to pay the Principal plus Interest to the order of the Lender.

5. Interest. The Borrower will pay Interest after September 27<sup>th</sup>, 2013 at the rate of Three Percent (3%) per annum. Interest will be charged on unpaid Principal until the full amount of the Principal has been paid.

6. Amount, Time and Place of Payments. The Borrower shall repay the Principal together with accrued interest when the homes on the property identified in Section 7 are sold. It is anticipated that the Principal will be repaid with interest in full within twelve (12) months. At that time, the note may be renewed with a possible change in the interest rate.

Until other notice shall be given, payments and notices shall be delivered to:

Margaret D. Ludlum  
307 ½ S Pine St  
Ellensburg, WA 98926

7. Security. This note is to be secured by the following property:  
6 S Ruby St.  
Ellensburg, WA 98926

A deed of trust will be presented to Lender within 60 days of funding.

8. Late Charges for Overdue Payments. If the Note Holder has not received the full amount of any payment by the end of five calendar days after the date it is due, the Borrower will pay a late charge to the Note Holder. The amount of the charge will be five percent (5%) of the Borrower's overdue payment. The Borrower will pay this late charge promptly.

9. Default. If the Borrower does not pay the full amount of the loan when it is due, the Borrower will be in Default. If the Borrower is in Default, the Note Holder may send the Borrower a written notice telling the Borrower that if the Borrower does not pay the overdue amount by a certain date, the Note Holder may require the Borrower to pay immediately the full amount of Principal that has not been paid and all the Interest that the Borrower owes on that amount. That date must be at least thirty days after the date on which the notice is delivered or mailed to the Borrower. If the Note Holder has required the Borrower to pay immediately in full as described above, the Note Holder will have the right to be paid back by the Borrower for all of its costs and expenses in enforcing this Promissory Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

Even if at a time when the Borrower is in Default the Note Holder does not require the Borrower to pay in full as described above, the Note Holder still will have the right to do so if the Borrower is in Default at a later time.

10. Notices. Unless applicable law requires a different method, any notice that must be given to the Borrower under this Promissory Note will be given by delivering it or by mailing it by first class to the Borrower at the Property Address above or at a different address if the Borrower gives the Note Holder a written notice of the Borrower's different address. Any notice that the Borrower must give to the Note Holder under this Promissory Note will be given by mailing it by first class mail to the Note Holder at the address stated above or at a different address if the Borrower is given a notice of that different address.

11. Waivers. The Borrower, and any person who has obligations under this Promissory Note, waives the rights of Presentment and Notice of Dishonor. Presentment means the right to require the Note Holder to demand payment of amounts due. Notice of Dishonor means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

12. Venue and Choice of Law. Parties agree that this note is made within reference to and is to be construed in accordance with the laws of the State of Washington, and that venue lies for any such action in Kittitas County, Washington.

Signed:

**COMMUNITY FRAMEWORKS  
SELF-HELP HOMEOWNERSHIP OPPORTUNITY PROGRAM  
AFFILIATE AGREEMENT**

This Affiliate Agreement (the “**Agreement**”) is made by and between COMMUNITY FRAMEWORKS (“**Community Frameworks**”), a nonprofit corporation organized and existing under the laws of the State of Washington with offices at 315 W. Mission Ave., Suite 100, Spokane, WA 99201 and Yakima Valley Community Land Trust dba Kittitas Yakima Valley Community Land Trust, a 501(c)(3) with offices at 518 N. Pine Street, Suite 102 Ellensburg, WA 98926 (“**Affiliate**”) pursuant to the authority of section 11 of the Housing Opportunity Program Extension Act of 1996 (Public Law 104-120, as amended, 42 U.S. C. 12805 note) (the “**Act**”).

**RECITALS**

WHEREAS Affiliate submitted a survey (the “**Affiliate Survey**”) to Community Frameworks during Community Frameworks’ application process for a SHOP grant from HUD, setting forth Affiliate’s intention to develop 2 dwelling units for “Homeownership”, employing the self-help construction method in **Ellensburg, Washington**, all in compliance with the Act (as amended, the “**Project**”); and

WHEREAS Community Frameworks included the information supplied in the Affiliate Survey in its application for Self-Help Housing Opportunity Program (“**SHOP**”) grant funds from the U.S. Department of Housing and Urban Development (“**HUD**”); and

WHEREAS Community Frameworks has received notice from HUD that Community Frameworks has been awarded SHOP grant No. SH12007 in the amount of \$1,905,750 (the “**Community Frameworks SHOP Grant**”); and

WHEREAS Community Frameworks now wishes conditionally to commit SHOP Funds (defined below) for use by Affiliate in connection with the Project, subject to the execution and delivery of this Agreement by Affiliate and, at all times thereafter, to Affiliate’s compliance with the terms and conditions of this Agreement; provided, however that the amount of the SHOP Funds being committed to Affiliate may be less than the amount originally requested in the Affiliate Survey.

WHEREAS Affiliate has commenced initial planning for the Project and has or will seek leveraged resources which, when combined with the SHOP Funds will be sufficient to proceed without undue delay to build the Project; and

NOW THEREFORE, in reliance upon and in consideration of the mutual representations and obligations hereunder, Community Frameworks and Affiliate agree as follows:

**AGREEMENT**

1. **Conditional Commitment of SHOP Funds.** Conditional upon Affiliate’s execution and

delivery of this Agreement and continuing compliance with all provisions of this Agreement, Community Frameworks agrees to set aside **Thirty Thousand Dollars (\$30,000)** (the "**SHOP Funds**") to fund Eligible Expenses relating to Affiliate's Project(s). Actual disbursement of SHOP Funds from Community Frameworks to Affiliate will be conditional upon Affiliate's subsequent submission of a site-specific Project application(s) (each a "**Project Application**"), and fulfillment by Affiliate of any other preconditions to receipt of funds set forth in this Agreement, including execution of Loan Documents in accordance with Section 2.A(ii).

2. **Obligations of Affiliate.** Affiliate's execution of this Agreement constitutes Affiliate's express statement of intention to participate in the Community Frameworks SHOP Program (the "**Program**") and acknowledgement of and agreement with each of the following.

A. **Community Frameworks Requirements.** Affiliate's execution of this Agreement constitutes Affiliate's express acknowledgement of and agreement to comply with the following requirements of Community Frameworks:

(i) Site-Specific Application. Affiliate shall submit its Project Application, which must include evidence of Affiliate's right to acquire the Land for the Project (including without limitation an option to purchase, purchase and sale agreement or HUD-1 settlement), at least two months prior to the date Affiliate wishes to draw upon the SHOP Funds. Approval of the Project Application shall be subject to approval by Community Frameworks at Community Frameworks' sole discretion.

(ii) Loan. Affiliate acknowledges and agrees that SHOP Funds advanced to Affiliate pursuant to the Program shall be in the form of a 10-year, zero interest, forgivable loan. In order to gain access to the SHOP Funds, Affiliate must execute and deliver Community Frameworks' standard forms of Loan and Security Agreement and Deed of Trust and such other agreements and documents requested by Community Frameworks (collectively, the "**Loan Documents**"). All funds so advanced shall be and remain at all times subject to the terms and conditions of this Agreement.

(iii) If SHOP Funds will be used for Infrastructure improvements, then conditional, and subsequently, unconditional construction lien waivers will be required by Community Frameworks.

(iv) Affiliate Account.

(a) Affiliate shall open and maintain a segregated bank account (the "**Affiliate Account**") solely for holding proceeds from the sale of Land or homes constructed on Land acquired with SHOP Funds received from Community Frameworks pursuant to this Agreement or any other agreement with Community Frameworks, including interest, fees and earnings thereon, if any (collectively, "**Revolved Funds**"). Affiliate shall maintain the Affiliate Account throughout the term of the loan as defined in the Loan Documents.

(b) Revolved Funds shall be subject to the following restrictions on use:

1. Prior to the Community Frameworks SHOP Grant closeout date, the Revolved Funds may be used for the acquisition

and/or improvement of additional Land for use in the Affiliate's sweat equity homeownership program for the benefit of Qualified Homebuyers. Affiliate may elect to convert Revolved Funds from Land acquisition or Infrastructure financing to mortgages;

2. Following receipt of written notice from Community Frameworks of the closeout of the Community Frameworks SHOP Grant, Affiliate may also use Revolved Funds for the construction of Project homes;
3. Following receipt of written notice from Community Frameworks of the closeout of the Community Frameworks SHOP Grant and after meeting specific criteria, Affiliate may request a loan modification to: convert 1/3 of the loan amount to unrestricted; convert 2/3 of the loan amount into a Restricted Capital Revolving Grant; and expand the use of Revolved Funds to include all sweat equity program activities; and
4. All disbursements from the Affiliate Account must be approved in writing by Community Frameworks.

(c) Affiliate acknowledges and agrees that upon issuance of the Loan Forgiveness Letter as set forth in Section 3 of this Agreement, the SHOP Funds shall cease to be a liability of Affiliate and shall be revenue of the Affiliate in the year in which the Loan Forgiveness Letter is issued, which Affiliate must report in its financial statements.

(v) Deadlines. The deadline for receipt of project applications shall be **December 1, 2014**. The deadline for drawing down and expending SHOP Funds for acquisition shall be **February 1, 2015**; the deadline for drawing down and expending SHOP Funds for infrastructure improvements shall be **March 1, 2015**. All homes must be completed and occupied no later than **June 1, 2016**.

(vi) Required Publicity. In addition to satisfying the requirements of Section 2.B(xiii) and Section 2.C(iii), Affiliate shall list HUD SHOP and Community Frameworks on any sign or press release. If an Affiliate should issue a press release to media outlets in its area upon the initial drawdown of SHOP Funds, Affiliate shall forward a copy of this press release to Community Frameworks prior to publication, and copies of any press coverage resulting from it.

**B. 2012 HUD Requirements.** Affiliate's execution of this Agreement constitutes Affiliate's express acknowledgement of and agreement to comply with all requirements of the Act and the 2012 HUD NOFA including, without limitation, each of the following:

(i) Carrying out of Activities; Use Solely for Eligible Expenses. Affiliate shall only use SHOP funds for eligible activities and costs in accordance with this Agreement and all SHOP requirements. The SHOP Funds, together with any interest, fees, or other earnings received by Affiliate pursuant to Section B(xv) below, may be used solely for Eligible Expenses. Any earnings on SHOP Funds are subject to the same requirements as are applicable to the SHOP Funds.

(ii) Pre-Agreement Costs. SHOP expenses of Affiliate that were incurred after the February 27, 2012 publication date of the NOFA, and clearly identified in Community Frameworks' application to HUD may be charged to the SHOP Funds provided the costs are Eligible Expenses and comply with the requirements of this Agreement (including relocation and environmental review requirements).

(iii) Per Unit Limitation on SHOP Funds. Affiliate's investment of 2012 SHOP Funds shall not exceed an average of \$15,000 per unit for Land acquisition and Infrastructure Improvements. This maximum does not extend to the Revolved Funds, therefore Revolved Funds may be used in conjunction with and in excess of the maximum \$15,000 per unit SHOP Funds.

(iv) Quality Dwellings below Market Prices. All residential dwellings constructed or rehabilitated with the assistance of the SHOP Funds must be quality dwellings that comply with local building and safety codes and standards and must be available to Qualified Homebuyers at prices below prevailing Market Prices (Appraised Value).

(v) Energy Efficiency and Water Savings. Affiliate must incorporate energy-efficiency and Water Saving measures in the design and construction of self-help housing units as follows:

- All SHOP units in newly constructed buildings must be certified as meeting the guidelines for either ENERGY STAR New Homes or ENERGY STAR Multifamily High Rise (MFHR), as determined by the U.S. Environmental Protection Agency and the U.S. Department of Energy.
- All SHOP units in gut rehabilitation buildings that qualify for either ENERGY STAR New Homes or ENERGY STAR Multifamily High Rise (MFHR) must be certified as meeting these guidelines, as determined by the U.S. Environmental Protection Agency and the U.S. Department of Energy.
- For SHOP units that are not certified as meeting the guidelines for ENERGY STAR New Homes or ENERGY STAR Multifamily High Rise (MFHR), all features, appliances and products that are installed or replaced must have an ENERGY STAR label (when such ENERGY STAR features, appliances and products exist) and be installed in accordance with the ENERGY STAR requirements. ENERGY STAR features, appliances and products must be used that are appropriate for achieving energy-efficiency for the Climate Zone in which the unit is located, in accordance with ENERGY STAR requirements. For lighting, ENERGY STAR labeled CFLs, LEDs, or pin-based lighting fixtures or light bulbs must be used.
- All SHOP homebuyers must be provided guidance on the proper use and maintenance of the energy-saving features, appliances and products that have been installed in their units.
- Water Conservation. For all SHOP units, Affiliates must incorporate specific water-conservation measures in the construction and/or rehabilitation. All water-usage products that are installed or replaced in SHOP units, including toilets, showers, and faucets must bear the "Watersense" label, when such "Watersense" products exist.

- All SHOP homebuyers must be provided guidance on the proper use and maintenance of the water conservation products that have been installed in their units.

(vi) Indoor Air Quality. Affiliates are encouraged to comply with the Environmental Protection Agency's (EPA) Indoor airPLUS specifications so that all SHOP units provide improved air quality.

(vii) Qualified Homebuyers. Homebuyers must be determined to be Low-income Families using the definition of annual income identified in the Program Summary of Community Frameworks' FY 2012 SHOP application ("**Qualified Homebuyers**"). To determine homebuyer income eligibility, Affiliate will use "annual income" as defined by: **IRS Form 1040**, and clearly document verification procedures.

(viii) Sweat Equity Requirements. Each homebuyer, including persons with disabilities, shall be required to contribute a minimum of 100 hours of sweat equity on the construction of their own homes and/or the homes of other homebuyers participating in Affiliate's SHOP program. However, in the case of a family with only one adult, the requirement is 50 hours of sweat equity. Sweat equity includes training for construction on the dwelling units, but excludes homebuyer counseling and home maintenance training. All Qualified Homebuyers must meet these minimum hourly sweat equity requirements. Reasonable accommodations must be permitted for persons with disabilities who are unable to perform construction tasks by allowing them to perform administrative tasks or the designation of a volunteer(s) under a written agreement between the Affiliate, the volunteer, and the Qualified Homebuyer to meet these requirements.

(ix) Requirement to Use Volunteer Labor. Affiliate's program must involve community participation in which volunteers assist in the construction of dwellings. "**Volunteer Labor**" is work performed by an individual without compensation or promise or expectation of compensation for the work rendered. For mutual self-help housing programs that are assisted by USDA Rural Development under section 523 of the Housing Act of 1949 (7 CFR Part 1944, Subpart I) or which have a program design similar to the section 523 program, the work by each participating family on other participating families' homes may count as Volunteer Labor. A mutual self-help housing program generally involves 4 to 10 participating families organized in a group to use their own labor to reduce the total construction cost of their homes and complete construction work on their homes by an exchange of labor with one another.

(x) All Homebuyers must receive at or before closing, unit-specific information all costs and carrying charges for the homebuyers' SHOP unit. The homebuyer must receive the full value of their sweat equity contribution as an equity contribution towards the purchase of the homebuyers SHOP unit. Affiliate program may not mortgage or otherwise restrict the homebuyers' sweat equity contribution upon future sale of the SHOP unit..

(xi) No Up-Front Financial Contributions. Affiliate's program cannot require a Qualified Homebuyer to make up-front financial contributions to a unit other than cash contributed for down payment or closing costs at the time of acquisition.

(xii) Leveraging of Funds. SHOP Funds must be used in a manner that

leverages other sources of funding (exclusive of the SHOP Funds, homebuyer sweat equity, and Volunteer Labor), including private or public funds, for construction or rehabilitation of the dwellings.

(xiii) Single Source. Affiliate may not have received SHOP 2012 funds from any grantee other than Community Frameworks.

(xiv) Signage. If any signage is displayed on the property of the units to be constructed or rehabilitated that indicates project sponsors or financiers, the use of HUD SHOP funds in the project must also be indicated with an equivalent font size in a position of equivalent prominence.

(xv) Return of Grant Funds in the Event of Default. Unless 24 CFR 84.22(k), 1, 2, or 3 applies, in the event that an Affiliate Project becomes ineligible for SHOP Funds under the Program, Affiliate expressly agrees that (A) it shall notify Community Frameworks immediately, but in any event prior to the sale of any property to a non-Qualified Homebuyer; and (B) it shall open an interest bearing account (distinct from the Affiliate Account) solely for holding any proceeds received by the Affiliate in respect of the ineligible Project, together with any interest, fees and earnings thereon. Any funds held in such segregated account shall remain subject to all requirements applicable to SHOP Funds, including but not limited to the requirements of Section B(i). Any disbursement of SHOP Funds from the segregated account must be approved in writing by Community Frameworks.

**C. Other Statutory Requirements.** Affiliate agrees to comply with the following additional requirements for which HUD has enforcement responsibility:

(i) Housing Visitability. Affiliate agrees that it will use its best efforts to ensure that any residential dwellings developed with the assistance of SHOP Funds shall include barrier free housing design features, referred to as "housing visitability."

(ii) Equal Opportunity Requirements. SHOP Funds must be made available in accordance with the following:

(a) The requirements of the Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR Part 100; and the regulations at 24 CFR Part 107 (Equal Opportunity in Housing);

(b) The requirements of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000(d)) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR Part 1;

(c) The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR Part 146, and the prohibitions against discrimination of handicapped individuals under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8; and

(d) The requirements and the regulations at 41 CFR Chapter 60 (Equal Employment Opportunity).



Note: Section 508 of the Rehabilitation Act is not applicable to Affiliate; however, CF encourages the Affiliate to ensure that when electronic and information technology is used, procured, or developed, persons with disabilities have access to and use of the information and data on a basis comparable to access and use by persons without disabilities.

(iii) Affirmatively Furthering Fair Housing. Affiliate agrees to further fair housing by adopting and following procedures to affirmatively market the Program. Affirmative marketing consists of taking actions to provide information and otherwise attract Qualified Homebuyers in the housing market to the Program without regard to race, color, national origin, sex, religion, familial status or disability. The requirements and procedures include: methods for informing the public and potential homebuyers about Federal fair housing laws; use of the Equal Housing Opportunity logo; and procedures to inform and solicit applications from persons in the housing market area who are not likely to apply for the program without special outreach. The plan must encourage racial and ethnic diversity in site selection.

(iv) NEPA. The National Environmental Policy Act of 1969 and related federal environmental authorities and regulations at 24 CFR part 58 are applicable to the SHOP Funds. No federal or nonfederal funds or assistance which limits reasonable choices or could produce a significant adverse environmental impact may be committed to a SHOP project until all required environmental reviews and notifications have been completed by a unit of general local government, Indian tribe, or state and until Affiliate's request for release of SHOP Funds has been approved by HUD in accordance with Part 58. Notwithstanding the preceding sentence, in accordance with section 11(d)(2)(A) of the Act and HUD Notice CPD-01-09, Affiliate may advance non-SHOP Funds to acquire Land before completion of an environmental review and HUD's approval of a request for release of funds and environmental certification. Any advances to acquire Land prior to such approval are made at the risk of the Affiliate and reimbursement from SHOP Funds for such advances will depend on the result of the environmental review. Affiliate assumes all of the responsibilities for compliance with this paragraph.

(v) Occupational Safety and Health. All work conducted must be in accordance with the Occupational Safety and Health Administration regulations and, for houses built before 1978, with applicable lead safe work practices requirements of HUD's Lead Safe Housing Rule (24 CFR part 35) and EPA's Renovation, Repair and Painting Rule (40 CFR Part 745).

(vi) The regulations at 24 CFR Part 84. This includes the regulations at 24 CFR 84.22, payment method, 24 CFR 84.24, program income and 24 CFR 84.42 and 85.36(b)(3), Code of Conduct. Additionally, the regulations at 24 CFR 84.44(b) to take all necessary affirmative steps in contracting for the purchase of goods or services to assure that minority firms, women's business enterprises, and labor surplus area firms are used wherever possible.

(vii) The regulations at 24 CFR 84.51-84.53. Affiliate shall keep such records and adopt such administrative practices as CF requires for compliance with this Agreement and with the Act. Affiliate agrees to cooperate with management and monitoring requirements for affiliates, if any, pursuant to 24 CFR §§84.51-84.53. Affiliate shall allow CF to conduct at least one on-site monitoring visit during the grant term, unless an alternative monitoring plan has been

approved by HUD.

(viii) The regulations at 24 CFR Part 87, imposing certain restrictions and requirements related to lobbying, including the requirement that the Affiliate obtain certifications and disclosures from all covered persons.

(ix) The regulations at 24 CFR Part 24, restricting participation by ineligible, debarred or suspended persons or entities at 24 CFR Part 24.

(x) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended and implemented by regulations at 49 CFR Part 24. The Project is subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended (“URA”) (42 U.S.C. 4601) and the government-wide implementing regulations issued by the U.S. Department of Transportation at 49 CFR Part 24. Evidence of compliance with these requirements must be maintained by the affiliate and submitted to the Affiliate.

The URA is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The URA’s protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects. The URA was enacted by Congress to ensure that people whose real property is acquired, or who move as a direct result of projects receiving Federal funds, are treated fairly and equitably and receive assistance in moving from the property they occupy.

Affiliate must comply with all URA requirements in order to use SHOP Funds for its Project and non-compliance could jeopardize Community Frameworks’ access to the SHOP Funds. Real property acquisitions for a SHOP program or project conducted before completion of an environmental review and HUD’s approval of a request for release of funds and environmental certification are also subject to the URA. Affiliate must ensure that all real property acquisitions comply with applicable URA requirements.

Generally, real property acquisitions conducted without the threat or use of eminent domain, commonly referred to as “voluntary acquisitions,” must satisfy the applicable requirements and criteria of 49 CFR 24.101(b)(1) through (5). Tenants who occupy property, which may be acquired through voluntary means, must be fully informed as to their eligibility for relocation assistance. This includes notifying such tenants of their potential eligibility when negotiations are initiated, notifying them if they become fully eligible, and, in the event the purchase of the property will not occur, notifying them that they are no longer eligible for relocation benefits.

(xi) The Drug-Free Workplace Act of 1988 (41 U.S.C. 701 et seq.) as implemented at 24 CFR Part 21.

(xii) 24 CFR Part 135. If the SHOP Funds will be used for Infrastructure Improvements, the requirements of 24 CFR Part 135 (implementing Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u) are applicable to the use of SHOP Funds for Infrastructure for a Project exceeding \$200,000. Affiliate will provide Section 3 data annually to Community Frameworks for Community Frameworks’ submission to HUD’s Office

of Fair Housing and Equal Opportunity. This requirement will apply until all SHOP Funds are expended.

(xiii) Sections 708 and 709 of the Transportation, Housing and Urban Development, the Judiciary, and Independent Agencies Appropriations Act, 2006 (Pub. L. 109-115) (Nov. 30, 2005) states that, to the greatest extent practicable, all equipment and products purchased with funds thereunder (which includes SHOP Funds) should be American-made.

(xiv) Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency (LEP)." Affiliate must seek to provide access to program benefits and information to LEP individuals through translation and interpretive services in accordance with LEP guidance published on January 22, 2007 (72 Federal Register 2732) and available at [www.lep.gov/guidance\\_index.html](http://www.lep.gov/guidance_index.html).

(xv) "Equal Protection of the Laws for Faith-Based and Community Organizations." Affiliate shall provide full and equal access to grassroots, faith-based and other community-based organizations in its program, in accordance with the regulation at 24 CFR 5.109.

(xvi) "Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects." As a condition of receiving SHOP Funds, Affiliate shall comply with the regulations at 24 CFR 5.108.

(xvii) Affiliate agrees to assist Community Frameworks in respect of Community Frameworks' obligations to participate with all HUD staff or contractors in HUD-sponsored research or evaluation studies as a condition of receiving SHOP Funds.

(xviii) Observance of State and Local Laws. Affiliate agrees to observe **Washington** and local laws concerning the disclosure of records that pertain to SHOP participants and Affiliate shall adopt and take reasonable measures to ensure that participants' files are safeguarded. This includes when reviewing, printing, or copying client files.

(xix) Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282) (Transparency Act). Affiliate is on notice that the Community Frameworks SHOP Grant and Affiliate's sub-award will be made public on a central website at [www.USAspending.gov](http://www.USAspending.gov). Upon implementation, Community Frameworks will be required to report its sub-award data to HUD or a central federal database and Affiliate agrees to cooperate with Community Frameworks with respect to all such reporting requirements.

(xx) Administrative requirements of OMB Circular A-122 and the requirements of OMB Circular A-133 "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Affiliate shall cooperate with Community Frameworks with respect to all audit reports which Community Frameworks must submit to the Federal clearinghouse.

3. **Forgiveness of Obligations.** Upon the expiration of the 10-year loan period under the Loan Documents, Community Frameworks will issue a letter (the "**Loan Forgiveness Letter**") forgiving the Affiliate's obligation to repay the SHOP Funds (including all interest, fees, and other earnings resulting from the SHOP Funds). Upon issuance of the Forgiveness Letter, all

restrictions respecting use of the SHOP Funds will be lifted, all obligations of Affiliate regarding the SHOP Funds under this Agreement and the Loan Documents will be deemed satisfied, and the security instruments related thereto will be released and withdrawn.

4. **Disbursements.**

A. A request by Affiliate to Community Frameworks to draw down the SHOP Funds constitutes Affiliate's representation by Affiliate that it is in compliance with all of the terms of this Agreement.

B. Affiliate may request disbursement of SHOP Funds at any time following approval by Community Frameworks of Affiliate's Project Application; provided, however, that (1) Affiliate shall have executed and delivered to Community Frameworks the Loan Documents and (2) each disbursement of SHOP Funds is subject to Community Frameworks' prior written approval.

5. **Performance Reports.**

Community Frameworks' reporting period commenced upon execution of the grant agreement between HUD and Community Frameworks (the "**Grant Agreement**") and notification by HUD to Community Frameworks that funds have been set up in a line of credit through HUD's Line of Credit Control System (LOCCS). Affiliate shall cooperate with Community Frameworks in gathering such information as Community Frameworks requires from Affiliate in connection with progress reports in such a manner and form as required by HUD including:

A. **Audit or Review.** Affiliate shall cooperate with any audit or review conducted by Community Frameworks or HUD, including making available records requested by Community Frameworks or HUD and on-site inspections by Community Frameworks or HUD;

B. **Quarterly Reports.** No later than the 10<sup>th</sup> day after the end of each quarter, Affiliate shall submit quarterly reports advising Community Frameworks on the progress of the Project for the preceding quarter including: (1) information on both performance and financial progress conforming with 24 CFR Part 84 in a format requested by Community Frameworks and (2) comparison of planned versus actual accomplishment of objectives indicated in the approved application, the reasons for slippage, if any, and additional pertinent information. At any time during the term of this Agreement, Community Frameworks may require Affiliate to supply additional information or increased frequency of reporting.

6. **Default.**

A. **Events of Default.** Each of the following shall be an event of default under this Agreement: (i) using SHOP Funds or earnings for a purpose other than as authorized by this Agreement; (ii) any noncompliance with statutory, regulatory, or other requirements applicable to this Agreement; (iii) any other material breach of this Agreement; (iv) any material misrepresentation in the Project Application; (v) any breach by Affiliate of the Loan Documents; (vi) the bankruptcy or reorganization of Affiliate under the Bankruptcy Code or the Internal Revenue Code of 1986, as amended; or (vii) the dissolution or liquidation of Affiliate.

B. Remedies. After Community Frameworks notifies Affiliate in writing of a default, and provides Affiliate 30 days to respond, Community Frameworks may take one or more of the following actions: (i) require Affiliate to surrender any and all SHOP Funds in the Affiliate Account to Community Frameworks; (ii) direct Affiliate to submit progress schedules for completing approved activities; (iii) establish a date by which corrective actions must be completed and notify Affiliate that more serious actions will be taken if the default is not corrected or is repeated; (iv) direct Affiliate to stop incurring costs for the affected activity; (v) reduce or withhold further disbursements or recapture previous disbursements, or suspend payments on due notice at any time to the extent Community Frameworks determines suspension is necessary to preclude the further expenditure of funds for costs that do not meet the requirements of this Agreement; (vi) direct Affiliate to reimburse the line of credit for costs inappropriately charged to the program; (vii) take other appropriate action, including any available legal remedy such as affirmative litigation seeking declaratory judgment, specific performance, damages, temporary or permanent injunctions and any other available remedies at law or equity.

7. Miscellaneous. By executing this Agreement, Affiliate agrees to comply with the following:

- A. No Waiver. No delay or omission on the part of Community Frameworks in exercising a right or remedy under this Agreement shall impair any right or remedy or constitute a waiver or acquiescence in any Affiliate default.
- B. Relationship of Parties. Affiliate's relationship with Community Frameworks will be that of an independent contractor, and nothing in this Agreement shall be construed to create a partnership, joint venture, or employer-employee relationship nor a relationship of third-party beneficiary or principal-agent. Affiliate is not an agent of Community Frameworks nor is it authorized to make any representation, contract, or commitment on behalf of Community Frameworks.
- C. Severability. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including such invalid or unenforceable provision, in any other jurisdiction. If any provision of this Agreement is adjudged invalid by a court of competent jurisdiction, then a suitable and equitable provision shall be substituted therefor in order to carry out so far as may be valid or enforceable, the intent and purposes of the invalid and unenforceable provision.
- D. Entire Agreement; Amendment This Agreement, including all legislation, authorities, regulations and other documents referenced in this Agreement, constitutes the entire agreement between Community Frameworks and Affiliate as to the subject matters included in this Agreement and supersedes in their entirety any previous agreements (whether written, or oral) on the same subject matter between the parties. No modification or amendment of any provision of this Agreement shall be effective unless made in writing and signed by the Community Frameworks and Affiliate.

*(Signature page follows)*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates hereinafter written. Affiliate shall return this Agreement within 30 days of receipt of the Agreement.

#### COMMUNITY FRAMEWORKS

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Heather Wegan  
Title: Assistant Program Manager

Yakima Valley Community Land Trust dba  
Kittitas Yakima Valley Community Land Trust

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name:  
Title:

**Exhibit A**  
**Defined Terms.**

**“Act”** has the meaning given in the Preamble.

**“Agreement”** has the meaning given in the Preamble.

**“Affiliate”** has the meaning given in the Preamble.

**“Affiliate Account”** has the meaning given in Section 2.A(iv).

**“Affiliate Survey”** has the meaning given in the first Recital.

**“Community Frameworks”** has the meaning given in the Preamble.

**“Community Frameworks SHOP Grant”** has the meaning given in the third Recital.

**“Eligible Expenses”** shall mean the costs of Affiliate for:

- Land acquisition (including financing and closing costs). Land acquisition may include reimbursing Affiliate upon approval of any required environmental review, for non-SHOP Funds expended by Affiliate to acquire land before completion of the environmental review.
- Infrastructure improvements. Infrastructure Improvements include installing, extending, constructing, rehabilitating, or otherwise improving utilities and other infrastructure including removal of environmental hazards.
- Pre-agreement costs as set forth in the Article 2.B(ii).

**“Grant Agreement”** has the meaning given in Section 5.

**“Homeownership”** shall mean ownership in fee simple title or a 99 year leasehold interest in a one- to four-unit dwelling or in a condominium unit, or equivalent form of ownership approved by HUD. For purposes of the insular areas, homeownership includes leases of 40 years or more. For purposes of housing located on trust or restricted Indian lands, homeownership includes leases of 50 years. The affiliate shall determine whether or not ownership or membership in a cooperative or mutual housing project constitutes homeownership under State law.

**“HUD”** has the meaning given in the second Recital.

**“Infrastructure”** means (1) utility hook-ups and connections, including, but not limited to, water, electric, gas, telephone and sewage lines; (2) wells and waste disposal systems, including, but not limited to, sewer and septic systems; (3) impact fees; (4) streets, streetlights, curbs, roads and sidewalks; (5) surveys; (6) engineering fees; and (7) environmental testing and site preparation, including, but not limited to grading, razing, de-leading of soil and buildings, hazardous waste clean-up and other environmental clean-up costs.

**“Ineligible Expenses”** means costs associated with the rehabilitation, improvement, or construction of dwellings; acquisition of land for land banking; land acquisition undertaken by



Affiliate before the February 1, 2012 publication of the NOFA; land acquisition that does not comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; and lobbying activities. Pre-agreement costs not identified in the application and costs incurred after the grant termination date are also Ineligible Expenses.

**“Land”** shall mean real property purchased by the affiliates pursuant to a deed or leased pursuant to a lease with a term of at least 99 years; except that for the insular areas the lease term shall be 40 years or more, and for trust or restricted Indian lands the lease term shall be 50 years or more. Upon request, HUD may approve other lease terms on a case by case basis for good cause. If the Grantee or its affiliate uses SHOP funds to purchase real property with a building or other improvement affixed to it for purposes of determining which costs are eligible expenses pursuant to this SHOP Grant Agreement, the Grantee or its affiliate shall allocate a portion of the purchase cost to the land and a portion of the purchase cost to the building or other improvements.

**“Loan Documents”** has the meaning given in Section 2.A(iii).

**“Loan Forgiveness Letter”** has the meaning given in Section 4.

**“Low-income Families”** means families whose annual incomes do not exceed 80 percent of the median income for the area in which the residential dwelling being developed with the assistance of the SHOP Funds provided hereunder is located, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

**“Market Price”** means the fair market value of the property, as determined by a qualified appraiser, or if there is no appraisal, the tax value of the property as determined by a tax assessor of a local government entity with the authority to tax such property adjusted to reflect the full market value of the property.

**“Program”** has the meaning given in Section 2.

**“Project”** has the meaning given in the first Recital.

**“Project Application”** has the meaning given in Section 1.

**“Qualified Homebuyers”** has the meaning given in Section 2.B(vi).

**“SHOP”** has the meaning given in the second Recital.

**“SHOP Funds”** has the meaning given in Section 1.

**“URA”** has the meaning given in the Section 2.C(ix).

**“Volunteer Labor”** has the meaning given in Section 2.B(viii).

# FOUNDATIONS

Kittitas Yakima Valley Community Land Trust



We are striving to build stability for single parent families, one income households who are supporting loved ones, grandparents raising their grandchildren, and dual income families who are struggling to survive until their next paycheck.

## Constructing Strong Communities

Home ownership provides a place where:

Children thrive and learn better  
Families build assets  
Pride and Responsibility Grow

Quality of life improves for families  
Health outcomes are better  
Neighborhoods benefit from stability



811 S. Ruby St.

### Framework

The community land trust (CLT) creates home ownership opportunities for first-time home buyers, who earn less than 80% of the area median income. The buyer purchases the home while the CLT maintains ownership of the land underneath the home. The new home owner builds equity and assets, investing in themselves and their community. The CLT controls the resale price, preserving affordability for future generations of first time home buyers.

## BE A FOUNDER!

BUILDING COMMUNITY INTO EACH ONE OF OUR FIRST 15 HOUSES  
@ \$10.00 PER SQ. FT.

Build  
Community

Fund  
Homes

Support  
Education

I AM A FOUNDER

SQ. FT. **X** \$10 SQ. FT. **=** \$

Please enter amount you would like to sponsor

Name

Address

E-Mail

Kindly mail this slip with payment to the address given below. Your gift is tax deductible within the United States. \*Checks should be made payable to Kittitas Yakima Valley Community Land Trust. Automatic withdrawal available upon request.

518 N. Pine St., Suite 102, Ellensburg, WA 98926 • (509) 962-5891 • [www.kyvalandtrust.org](http://www.kyvalandtrust.org)