



# COB - BOSAIR FORM

06/23/2026 11:11 AM (MST)

## BOARD OF SUPERVISORS AGENDA ITEM REPORT (BOSAIR)

**\*All fields are required. Enter N/A if not applicable. For number fields, enter 0 if not applicable.\***

Record Number:

Amplifund Grant Record Number: 75075

**Award Type:** Grant

**BOSAIR Activity:** Board Meeting Request

**Requested Board Meeting Date:** 07/14/2026

**Supplier / Customer / Grantor / Subrecipient:** City of Tucson

**Project Title / Description:** Tucson-Pima PRO Housing Initiative INTERGOVERNMENTAL AGREEMENT (IGA)

**Purpose:** The purpose of this grant is to identify and remove regulatory and land use barriers to affordable housing. Implementation will increase the feasibility and production of affordable housing in unincorporated Pima County and support development in low-poverty, high-opportunity areas, which will contribute to measurable increases in housing supply and affordability.

**Procurement Method:** IGAs: This IGA is a non Procurement contract and not subject to Procurement rules.

**Procurement Method Additional Info:** N/A

**Program Goals/Predicted Outcomes:** The County will hire one Lead Planner, fully funded by this award, to staff and support program activities outlined in this agreement. Specifically, this Lead Planner will assist with the implementation of a new transportation development impact fee subsidy program and conduct outreach to developers, neighborhoods, and low-income families. Additionally, they will provide technical support to middle and affordable housing developers, create and distribute informational materials, track development metrics, and assist in implementing zoning reforms.

**Public Benefit and Impact:** The activities of this grant will increase the supply of both affordable and market rate housing in Pima County in alignment with its Board adopted Ten-Year Housing Strategy and Funding Plan.

**Strategic Plan Pillar** • Quality of Life

**Support of Prosperity Initiative:**

- 1. Increase Housing Mobility and Opportunity
- 2. Improve Quality of Life and Opportunity in High Poverty Areas

**Provide information that explains** Remove regulatory and land use barriers to affordable housing and increase

**How this activity supports the selected Prosperity Initiatives**

production of housing in unincorporated Pima.  
Support development in low-poverty, high-opportunity areas.

**Metrics Available to Measure Performance:**

The County will receive independent evaluation of grant activities led by Arizona Research Center for Housing Equity and Sustainability (ARCHES). ARCHES researchers will evaluate the City and County’s regulatory reforms and development support through early program consultation, process monitoring throughout implementation, and a summative evaluation.

**Retroactive:**

YES

**Retroactive Description:**

Retroactive back to January 22, 2025. Release of grant funding was delayed post award due to federal changes being enacted in 2025. This disruption caused delays in starting activities. The work of this grant cannot continue without this IGA in place.

**Grant / Amendment Information (for grants acceptance and awards)**

**Record Number:**

Euna Grant Record Number: 75075

**Type:** Award

**Department Code:** CWD

**Euna Grant Record Number:** 75075

**Amendment Number:** N/A

**Commencement Date:** 01/22/2025

**Termination Date:** 09/30/2030

**Advantage Initial GTAW# (If Applicable):** N/A

**Total Revenue Amount:**

\$1,732,500.00

**Total Match Amount**

\$0.00

**Advantage Grant ID # (If Applicable):** N/A

**All Funding Source(s) required:**

U.S. Housing and Urban Development Department- Pass through City of Tucson - Grant is a cost reimbursement

**Does PCAO need to review the grant award (or grant amendment)?**

YES

**Does PCAO need to sign the grant award (or grant amendment)?**

YES

**Match funding from General Fund?**

NO

**Match funding from other sources?**

NO

**Are Federal Funds Involved?**

YES

**If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)?**

U.S. Housing and Urban Development Department- Pass through City of Tucson - Grant is a cost reimbursement

**CFDA#**

14.023

**FAIN#**

B-24-PH-04-0002

**Department:**

Community and Workforce Development

**Name:**

Sofia Blue

**Telephone:**

5207247312

GMI Director: *KB Walk* Date: 6/25/2026 | 12:36 PM MST

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Department Director Signature: Terry Galligan for Dan Sullivan Date: 6/23/2026 | 12:51 PM MST

Deputy County Administrator Signature: *S Holmes* Date: 6/26/2026 | 12:30 PM MST

County Administrator Signature: *Four* Date: 6/28/2026 | 10:13 AM MST


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MEMORANDUM

Date: June 23, 2026

To: Ken Walker, Director  
Grants Management & Innovation

From: Dan Sullivan, Director   
Community & Workforce Development

**Re: Indirect Cost Calculation for PRO Housing Subaward**

The City of Tucson recently received a \$7 million Pathways to Removing Obstacles (PRO) to Housing grant from the United States Department of Housing and Urban Development (HUD). Pima County was included in the City’s application as a subrecipient partner in the amount of \$1,732,500 to design and implement an impact-fee subsidy program for affordable-housing developments. The program will provide a direct subsidy to qualifying developments, subsidizing all or part of their impact fees due to Pima County, up to \$100,000 per project.

The City provided a draft Intergovernmental Agreement (IGA), which included a budget broken down as follows:

Budget Line	Budget Amount
Lead Planner (Wages; Payroll Taxes; and Fringe Benefits)	\$500,000.00
Impact Fee Subsidies	\$1,000,000.00
Indirect Costs (15%)	\$232,500.00
<b>TOTAL</b>	<b>\$1,732,500.00</b>

In reviewing the budget, Grants Management & Innovation commented that the Impact Fee Subsidies should be excluded from the indirect-cost calculation because they are comparable to direct participant support. Community & Workforce Development (CWD) agreed with that assessment, and prepared a revised budget that breaks out Direct Administration and then correctly calculates the Indirect Cost off of Modified Total Direct Cost:

Budget Line		Budget Amount
Impact Fee Subsidies		\$1,000,000.00
Lead Planner (Wages; Payroll Taxes; and Fringe Benefits)		\$500,000.00
Administration		
Personnel	Salary	\$63,011.97
	Fringe	\$23,944.55
Operating	Training	\$10,000.00

Ken Walker, GMI Director

**Re: Indirect Cost Calculation for PRO Housing Subaward**

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	Travel	\$10,000.00
	Supplies	\$10,000.00
	Software	\$15,000.00
	Equipment	\$5,000.00
Modified Total Direct Cost (excludes Impact Fee Subsidies)		\$636,956.52
Indirect Cost (15% of MTDC )		\$95,543.48
<b>TOTAL</b>		<b>\$1,732,500.00</b>

Modified Total Direct Cost (MTDC) is the basis for calculating the Indirect Cost. Excluded from the definition of MTDC, among other costs, are “participant support costs.” 2 C.F.R. 200.1. Because the Impact Fee Subsidies go directly to subsidize payments that are the responsibility of the developer of a qualifying project, they are direct support to an enrolled program participant and therefore are excluded from the calculation of indirect cost included in the County’s revised budget.

**CITY OF TUCSON HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT  
Tucson-Pima PRO Housing Initiative INTERGOVERNMENTAL AGREEMENT (IGA)**

This Intergovernmental Agreement is made and entered into by and  
between **City of Tucson Housing and Community Development  
Department Planning and Community Development Division**  
*hereafter referred to as "City"*

and  
**PIMA COUNTY**  
*hereafter referred to as "County"*

<b>FUNDING PROGRAM</b>	Pathways to Removing Obstacles to Housing (PRO Housing)
<b>FUNDING SOURCE</b>	US Department of Housing and Urban Development
<b>ASSISTANCE LISTING NUMBER</b>	14.023
<b>CITY FISCAL YEAR GRANT</b>	FY 2025
<b>PROJECT NAME</b>	Tucson-Pima PRO Housing Initiative
<b>CITY CONTRACT NUMBER</b>	
<b>PERFORMANCE/BUDGET PERIOD START DATE</b>	1/22/2025
<b>PERFORMANCE/BUDGET PERIOD END DATE</b>	9/30/2030
<b>GRANT AMOUNT</b>	\$1,732,500.00

**RECITALS**

**WHEREAS**, the City was awarded U.S. Department of Housing and Urban Development Fiscal Year 2024 PRO Housing Grant in the amount of \$7,000,000.00; and

**WHEREAS**, the City included the County as a subrecipient partner in its proposal for the above referenced project, and

**WHEREAS**, the City has determined that the activities and proposed costs of the County meet program eligibility requirements as defined by its Agreement with the U.S. Department of Housing and Urban Development; and

**WHEREAS**, it has been determined that the activities of the County are in the public interest, and are such as to improve and promote the public welfare of the City; and

**NOW THEREFORE**, in consideration of the mutual promises and considerations set forth below, the parties agree to the following:

**AGREEMENT**

**SCOPE OF SERVICES:** The County shall provide the services and activities described in Exhibit C, Scope of Services.

**INDIRECT COSTS:** Indirect cost recovery is eligible for reimbursement under this IGA at a de minimis rate of up to 15% of Modified Total Direct Costs (MTDC), subject to County's continued compliance with 2 CFR § 200.414(f) eligibility requirements.

**GRANT ACKNOWLEDGMENT:** County shall acknowledge the City's financial support for the County's

services as provided through this agreement and shall include the City's logo on materials that market, announce, or describe the programs and services that are supported by the City's financial participation

**AGREEMENT DOCUMENTS:** The following list constitutes the Contract Documents incorporated as a part of this Agreement:

Exhibit A—Information required by 2 CFR § 200.332(a)(1)

Exhibit B—General Conditions

Exhibit C – Scope and Schedule of Work

Exhibit D – Project Budget

Exhibit E – Indirect Cost Affidavit

Exhibit F – Progress Reporting

**COUNTERPARTS.** This IGA may be executed in counterparts, each of which, when taken together, will constitute one original contract.

**SIGNATURE PAGE TO FOLLOW**

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

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

CITY OF TUCSON:

PIMA COUNTY:

\_\_\_\_\_  
Regina Romero, Mayor

\_\_\_\_\_  
Jennifer Allen, Chair, Pima County Board of Supervisors

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

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

ATTEST

ATTEST

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
County Clerk

**Intergovernmental Agreement Determination**

The foregoing Intergovernmental Agreement between Arizona Board of Regents and the City of Tucson has been reviewed by the undersigned, each of whom has determined that it is in proper form and is within the powers and author, granted under the laws of the State of Arizona to the party they represent.

\_\_\_\_\_  
City Attorney

  
\_\_\_\_\_  
County Attorney

Date: \_\_\_\_\_  
CITY OF TUCSON:

Date: 6/22/2026  
PIMA COUNTY:

**EXHIBIT A TO FEDERAL SUBAWARD AGREEMENT  
INFORMATION REQUIRED BY 2 CFR § 200.332(a)(1)**

1. Subrecipient name (name associated with its unique entity identifier): Pima County
2. Subrecipient's unique entity identifier: EB6GYYJCZD48
3. Federal Award Identification Number B-24-PH-04-0002
4. Date of Federal Award to City (see the definition of Federal award date in 2 CFR § 200.1): 1/22/2025
5. Subaward Period of Performance Start and End Dates: 1/22/2026 to 9/30/2030
6. Subaward Budget Period Start and End Dates: 1/1222026 to 9/30/2030
7. Amount of Federal Funds Obligated under this Agreement to the subrecipient: \$1,732,500.00
8. Total Amount of Federal Funds Obligated to Subrecipient by City, including the current financial obligation: \$1,732,500.
9. Total Amount of the Federal Award committed to the subrecipient by the pass-through entity: \$1,732,500.
10. Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA): See **Exhibit C**.
11. Contact information for awarding official of the Pass-through entity:  
  
Johanna Hernandez, Deputy Director  
City of Tucson Housing and Community Development Department  
310 N. Commerce Park Loop, Tucson, AZ 85745  
(520) 403-1795  
[johanna.hernandez@tucsonaz.gov](mailto:johanna.hernandez@tucsonaz.gov)
12. Assistance Listings Number and Title: 14.023
13. The award is not R&D.
14. Indirect cost rate for the Federal award (including if the de minimis rate is charged) per 2 CFR § 200.414:  
See Exhibit E

## **EXHIBIT B GENERAL CONDITIONS**

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1. **TERM:** The term of this Agreement will begin on the start date of the subaward period of performance set forth in the forepart of this Agreement and end on the end date of the subaward period of performance or the date that the last report or invoice is due, whichever is later, except that this Agreement will remain in effect during any additional period that County has control of federal funds provided under this Agreement, including program income.
2. **SCOPE OF SERVICES:** County will provide the services (the "**Services**") described in Exhibit C, Scope of Work. County will perform the Services in a manner reasonably satisfactory to City and in accordance with the terms and conditions of this Agreement and applicable federal, state, and local laws and regulations.
3. **SUBAWARD.** The County acknowledges that the funds being provided under this Agreement are a subaward of PRO Housing grant funds awarded by the U.S. Department of Housing and Urban Development (the "**Granting Agency**"), as described in this Agreement. County will comply with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as modified by 24 CFR § 570.02; with all the federal laws and regulations described in 24 CFR Part 570, Subpart K (24 CFR §§ 570.600 through 570.615), as modified by 24 CFR § 570.503(b)(5); and with all other laws or regulations listed in any Exhibit to this Agreement.
4. **CITY FUNDING:**
  - 4.1. **Draw Requests/Invoices.** County will submit to City a report itemizing the eligible expenses of providing the Services no more often than monthly but at least quarterly (a "**Draw Request**"). At a minimum, this will include a copy of County's general ledger to support all labor and personnel charges,

including fringe benefits, and invoice and payment documentation for non-payroll items. The Expenditure Report must contain a summary of expenses on the Payment Request form and spreadsheet provided by City.

- 4.2. **Amount.** City will reimburse County for its Allowable Costs incurred in providing the Services up to the amount of "Federal Funds Obligated by this Agreement" (the "**Subaward Amount**") in accordance with the budget in Exhibit D (the "**Budget**").
  - 4.3. **Allowable Costs.** "Allowable Costs" means the actual costs incurred by the County in providing the Services, as detailed in the Budget. Allowable Costs do not include costs of CDBG-ineligible activities, including those described at 24 CFR 570.207, and costs incurred to conduct political activities, inherently religious activities, or lobbying.
  - 4.4. **Indirect costs are allowable only to the extent they:** (1) comply with 2 CFR Part 200, Subpart (2) are properly calculated using the Modified Total Direct Cost base as defined in 2 CFR 200.68; (3) do not exceed 15% of MTDC; (4) are not duplicative of costs charged as direct costs; and (5) are supported by adequate documentation maintained by County in accordance with Section 9.
5. **BUDGET:** County may not deviate from the approved Budget.
- 5.1. **Budget Adjustment Requests.** To request a Budget adjustment, the County must submit a written request with an explanation of why the change is necessary and how the Services and the metrics and outcomes in the Scope of Work will continue to be provided.
  - 5.2. **Approvals Necessary.** Changes between Budget line items of up to 15% may be made by the County with the prior written consent of the authorized representative of City's Housing and Community Development Department, provided that no budget modification may increase the total amount of indirect costs without a formal amendment to this Agreement Any change that increases or decreases the Subaward Amount or that materially changes the Scope of Work must be implemented through a formal amendment of this Agreement. Any budget modification that would result in indirect costs exceeding 15% of Modified Total Direct Costs is prohibited.
6. **INVOICES:** County will submit to City a monthly invoice for reimbursement of Allowable Costs ("**Reimbursement Request**"), including a summary report of expenditures by Budget line item, in a form provided by or approved by City.
- 6.1. **Expenditure Detail.** County must attach a detailed itemized list of expenditures, along with supporting documentation, to each Reimbursement Request.
  - 6.2. **Personnel Costs.** For personnel costs, County must provide time sheets or other records, signed by the employee and the employee's immediate supervisor with direct knowledge of the employee's work, specifying the days, hours per day, and total hours worked providing the funded Services, as well as accounting system reports showing the employee's rate of pay and cost of employer-paid benefits.
  - 6.3. **Timing.** Each Reimbursement Request must be submitted to City by the 20<sup>th</sup> calendar day of the month following the month in which the expenditures were made. In the event that the 20<sup>th</sup> calendar day falls on a weekend or City holiday, County will submit the reimbursement request on or before the next business day. The final Reimbursement Request must be submitted by the 20<sup>th</sup> day of the month following the end of the performance period.
  - 6.4. **Unexpended Funds.** County will monitor its monthly expenditures to ensure that the entire Subaward

Amount is expended in a timely manner. City may reduce the Subaward Amount during the performance period if County's Reimbursement Requests show that it is not expending the Subaward Amount as anticipated – meaning one quarter of the Subaward Amount each calendar quarter or the expenditure timeline set forth in Exhibit A if that shows a different schedule. Before reducing the Subaward Amount, City will provide County written notice of its intent to do so, and County will have 30 days from the date of notice to correct the issue. If the Allowable Costs incurred are less than set forth in the Budget, County must provide a letter stating why there were funds left at the end of the grant year.

- 6.5. **Payment and Set-Off.** City will pay County its Allowable Costs within 30 days of receipt of an eligible and complete Reimbursement Request. City may withhold from any payment amounts to compensate City for any damages sustained by City as a result of any default by County under this Agreement, including any Granting Agency disqualification of activities funded because of County's failure to properly administer audit or report activities, services and/or expenditures.
- 6.6. **Availability.** City's obligation to reimburse County for Allowable Costs under this Agreement is conditioned on the City's receipt of the federal grant money that is being used to fund this Agreement. If the Granting Agency for any reason reduces or eliminates City's funding, City and County may agree to reduce the funding and Scope of Work under this Agreement, or City may terminate this Agreement.
- 6.7. **Refunds.** If City determines that payments it has made under this Agreement exceeded actual Allowable Costs for satisfactorily completed Services, County will promptly refund the excess amount to City.

**7. RECORDS:**

- 7.1. **Records Required.** County will maintain thorough records of all transactions and activities funded under this Agreement.
- 7.2. **Retention Period.** County will retain those records, at a minimum, until the date that is three years after (i) this Agreement expires or is terminated, or (ii) City submits its final annual performance report for the PRO Housing grant award, whichever is later.
- 7.3. **Record Inspections.** County will give City and the Granting Agency access to and the right to examine and copy all records, books, papers, or documents relating to or arising from all County operations funded in whole or in part under this Agreement, during the term of this Agreement and during the retention period set forth above.

8. **REPORTS:** County will submit to City on a monthly, quarterly, and/or annual basis, as appropriate to comply with the reporting requirements of the Granting Agency, written reports regarding the activities funded in whole or in part under this Agreement. If the format, content, and timing of reports is not set forth in Exhibit A or elsewhere in this Agreement, City will separately specify the reports that County must supply.

**9. MONITORING:**

- 9.1. **Cooperation.** City will monitor County's performance under this Agreement to ensure compliance with applicable federal, state, and local requirements and achievement of program performance goals. County will fully cooperate with City and with the Granting Agency with respect to these monitoring efforts.
- 9.2. **Suspension.** City may suspend County's performance of Services and payments under this

Agreement with written notice to County in order to investigate County's activities and compliance with this Agreement. County will cooperate fully with the investigation. City will notify County in writing at the conclusion of the investigation whether work under this Agreement can be resumed, or the Agreement is being terminated under Section 18 below.

10. **INFORMATION:** Subject to any applicable rules and regulations regarding confidentiality, City and the Granting Agency have unrestricted authority to publish, disclose, distribute, and otherwise use, in whole or in part, any reports, data, materials, or other information prepared by County or any contractor or subrecipient of County under or in conjunction with this Agreement.
11. **AUDITS:** County will conduct annual audits in compliance with 2 CFR Part 200, subpart F, covering the performance period under this agreement. County will provide a copy of the resulting audit reports to City, along with County's response to any audit finding, no later than the date that is the earlier of (i) 30 calendar days after receipt of the auditor's report(s), or (ii) nine months after the end of the audit period. County will also conduct any additional audits required by City or the Granting Agency.
12. **CONFLICTS OF INTEREST:** County will comply with all applicable conflict-of-interest requirements applicable to the grant from which funds are being provided under this Agreement, including 24 CFR §§ 84.42 and 570.611.
13. **INDEPENDENT CONTRACTOR:** Neither party is the agent, employee, partner, joint venturer, or associate of the other. No employee or agent of one party will be deemed or construed to be the employee or agent of the other party for any purpose. Neither party will be liable for any debts, accounts, obligations, or other liabilities whatsoever of the other, including (without limitation) the other party's obligation to withhold Social Security and income taxes for itself or any of its employees.
14. **INDEMNIFICATION:** To the fullest extent permitted by law, County, its successors, assigns, and guarantors, will indemnify, defend, and hold harmless the City and its officials, employees, volunteers, and agents, from and against all allegations, demands, proceedings, suits, actions, claims (including but not limited to claims of patent, trademark, or copyright infringement), liability, damages, losses, expenses (including but not limited to attorneys' fees and court costs, including the cost of appellate proceedings, and all claim-adjusting-and-handling expenses), or disbursements of any kind or nature, that may be asserted against, imposed on, or incurred by any of them, in any way relating to or arising from any actions, errors, mistakes, or omissions of County or any employee, officer, agent, or subcontractor of County or anyone for whose acts any of them may be liable relating to work, services, and/or products provided under this Agreement. County is responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. County agrees to waive all rights of subrogation against City, its agents, officials, employees, and volunteers for losses arising from the work performed by County under this Agreement.
15. **INSURANCE:**
  - 15.1. **Required Insurance Policies.** County will obtain and maintain during the entire term of this Agreement and for two years after the term of this Agreement ends, the insurance coverage set forth below from insurers that have an "A.M. Best" rating of not less than A-VII.
  - 15.2. **Additional Insured.** The Commercial General Liability Insurance and Commercial Automobile Liability Insurance policies will include City as an additional insured with respect to liability arising out of the performance of this Agreement. City must be covered to the full policy limits, even if those limits of liability are in excess of those required by this Agreement. The coverage must be primary, and any

insurance carried by City is excess and not contributing.

15.3. **Additional Requirements.** Each insurance policy required by this Agreement must include or be endorsed to provide the following:

- 15.3.1. A waiver of subrogation endorsement in favor of City, for losses arising from work performed by or on behalf of County (including Workers' Compensation).
- 15.3.2. The policy is primary, and any insurance carried by City is excess and not contributing.
- 15.3.3. The coverage provided by the policy is not limited to the liability assumed under the indemnification provisions of this Agreement.
- 15.3.4. The insurer will provide written notice to City at least 10 calendar days before the policy is terminated or cancelled or the coverage is reduced.

15.4. **Verification of Coverage.**

- 15.4.1. County will give City certificates of insurance (ACORD form or equivalent approved by City), signed by an authorized representative of the insurer, showing that County has all the insurance required by this Agreement.
- 15.4.2. County must deliver the certificates directly to City's Housing and Community Development Department before County commences work under this Agreement.
- 15.4.3. The certificates must contain City project/subaward numbers.
- 15.4.4. City reserves the right to require complete copies of all insurance policies required by this Agreement at any time.

15.5. **Subcontractors.** County's insurance certificate(s) must include all subcontractors as insured under its policies or County must give City separate certificates and endorsements for each subcontractor showing that each subcontractor has the insurance coverage described above.

15.6. **Public Entities.** If County or any subcontractor is a public entity that self-insures as permitted by law, then the insurance requirements in this Section 15 will not apply to that entity and that entity must instead provide a Certificate of Self-Insurance.

15.7. **Sufficiency of Coverage.** City in no way warrants that the required minimum insurer rating in this Agreement is sufficient to protect County from potential insurer insolvency, nor that the required liability limits are sufficient to protect County.

<b>COVERAGE</b>	<b>LIMITS OF LIABILITY</b>
<b>I. Commercial General Liability:</b>	
<i>Policy shall include Bodily Injury, Property Damage, Personal Injury, and Broad Form Contractual Liability</i>	
<i>Each Occurrence</i>	<i>\$2000,000</i>
<i>General Aggregate</i>	<i>\$4000,000</i>
<i>Products &amp; Completed Operations Aggregate</i>	<i>\$4000,000</i>
<i>Personal and Advertising Injury</i>	<i>\$2000,000</i>
<i>Blanket Contractual Liability</i>	<i>\$2000,000</i>
<b>II. Commercial Automobile Liability</b>	
<i>Policy shall include Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the operation, installation, and maintenance of facilities under this Agreement.</i>	
<i>Combined Single Limit</i>	<i>\$2,000,000</i>
<b>III. Workers' Compensation (applicable to the State of Arizona)*1</b>	
<i>Per Occurrence</i>	<i>Statutory</i>
<i>Employer's Liability</i>	<i>\$1,000,000</i>
<i>Disease Each Employee</i>	<i>\$1,000,000</i>
<i>Disease Policy Limit</i>	<i>\$1,000,000</i>
<b>IV. Pollution - Legal Liability</b>	
<i>Each Claim</i>	<i>\$1,000,000</i>
<i>Annual Aggregate</i>	<i>\$1,000,000</i>
<b>COVERAGE</b>	<b>LIMITS OF LIABILITY</b>
<b>V. Fidelity Bonding</b>	

<p><i>Fidelity Bonding, Employee Dishonesty, Faithful Performance, or applicable crime insurance policy</i></p>	<p>\$1,000,000</p>
<p><b>VI. Builders Risk (Applies to Construction/Rehabilitation Projects Only)</b></p>	
<p><i>Builder's "All Risk" Property Insurance</i></p> <p><i>Coverage to include personal property of others in the care, custody, and control of the County. Coverage should be written for 100% of the completed value.</i></p> <p><i>For additions or repairs of existing building structures, coverage to include County's interest in improvements, repairs, additions, and alterations to completed buildings and subject to items described in "a." Coverage to Name the City of Tucson as a Loss Payee</i></p>	<p>Not Applicable</p>
<p><b>VII. Employment Practice Liability Insurance including Third-Party Liability</b></p>	
	<p>\$1,000,000</p>
<p><b>VIII. Network Security (Cyber) and Privacy Liability</b></p>	
<p><i>Each Claim</i></p>	<p>\$2,000,000</p>
<p><i>Annual Aggregate</i></p>	<p>\$4,000,000</p>
<p><i>Such insurance shall include, but not be limited to, coverage for third-party claims and losses with respect to network risks (such as data breaches, unauthorized access or use, ID theft, and theft of data), invasion of privacy (regardless of the type of media involved in the loss of private information), crisis management, and identity theft response costs. This should also include loss of use, breach notification costs, credit remediation and credit monitoring, defense and claims expenses, regulatory defense costs plus fines and penalties, cyber extortion, computer program and electronic data restoration expenses coverage (data asset protection), network business interruption, computer fraud coverage, and funds transfer loss.</i></p> <p><i>In the event that the Network Security and Privacy Liability insurance required by this Agreement is written on a claims-made basis, County warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two years beginning at the time work under this Agreement is completed.</i></p>	

**16. TERMINATION:**

**16.1. For Cause.**

16.1.1. City may terminate this Agreement for cause if County fails to fulfill in a timely and satisfactory manner any of its obligations under this Agreement or violates any provision of this Agreement and fails to cure the default within seven days after receipt of written notice from the City describing the default.

16.1.2. If City terminates this Agreement for cause, City will provide County with a written invoice for any sums paid by City for any Services that were not performed by County in a timely and satisfactory manner. County will pay the invoice within 10 days of receipt. Any sum not paid in a timely manner will accrue interest at the rate of 10% per annum from the date due until paid and County will also be responsible for the cost of any collection efforts by the City, including attorneys' fees and costs.

**16.2. For Convenience:**

16.2.1. City may terminate this Agreement at any time by sending County a written termination notice stating the effective date of the termination, which cannot be earlier than 30 days after the date of the notice.

16.2.2. County may appeal a termination without cause by requesting reconsideration by the Mayor and Council. The request must be in writing, must explain the basis for the appeal, and must be filed with the City Clerk and the Housing and Community Development Department Director no later than 30 days after County receives the termination notice. The appeal hearing will be scheduled as soon as reasonably possible and City will inform County in writing of the date and time of the hearing, at which County may supplement its written appeal. Termination will be suspended until the effective date of the Mayor and Council ruling on County's appeal.

16.3. **Conflict of Interest.** This Agreement is subject to termination for a conflict of interest under A.R.S. § 38-511, which is incorporated into this Agreement.

16.4. **Non-appropriation:** This Agreement may be terminated if, for any reason, there are not sufficient appropriated and available monies for the purpose of maintaining City's obligations under this Agreement.

16.5. **Payment for Services.** In the event that this Agreement is terminated, City will have no further obligation to County other than payment for Services satisfactorily completed prior to the effective date of the termination.

**17. INTEGRATED DOCUMENT:** This Agreement and the exhibits attached and referenced herein embody the entire Agreement between City and County with respect to the Services. No verbal agreements or conversation with any officer, agent, or employee of City prior to or after the execution of this Agreement will be deemed to affect or modify any of the terms or obligations contained in any documents comprising this Agreement.

**18. AMENDMENTS:** This Agreement may be amended only by a written agreement signed by a duly authorized representative of each party.

**19. SEVERABILITY:** The provisions of this Agreement are severable. If any provision or application of a provision of this Agreement is held to be invalid, that will not affect the validity of any other provision or

application of a provision that can remain meaningfully effective without the invalidated provision or application.

20. **ASSIGNMENT:** County may not assign any of its rights or obligations under this Agreement without the prior written consent of City.
21. **GOVERNING LAW AND VENUE:** This Agreement is governed by the laws of the State of Arizona. Any lawsuits regarding this Agreement must be brought in a court of competent jurisdiction in Pima County, Arizona.
22. **NONDISCRIMINATION:** County, in its employment policies and practices, in its public accommodations, and in its provision of Services, will comply with all relevant and applicable federal, state, and local laws, regulations, and standards relating to nondiscrimination including but not limited to Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990, the Arizona Civil Rights Act, Arizona Executive Order 2009-09, and the Human Relations provisions of the Tucson Code.
23. **PROGRAM PARTICIPANT RIGHTS, SAFEGUARDING PARTICIPANT INFORMATION:**
  - 23.1. **Grievances.** County will establish a system through which applicants for, and recipients of Services ("**Participants**") may present grievances about the Services or the project of which the Services are a part. County will advise recipients of this right. County will provide to City, within 30 days following the filing of such a grievance, a copy of the grievance and an explanation of how the County responded to it.
  - 23.2. **Participant Information.** County will not use any information concerning a Participant that is obtained by County in the performance of its obligations under this Agreement for any purpose other than carrying out this Agreement. County will not release any such information to any person or entity other than City without City's express written consent. County will forward all requests for such information to City for appropriate action. County will return all such information to City at the expiration of this Agreement.

## Exhibit C - Scope and Schedule of Work

Case Id:

Name: Tucson-Pima PRO Housing Initiative

Address: \*No Address Assigned

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### Exhibit C - Scope and Schedule of Work

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Performance Period: April 1, 2026 – September 30, 2030

Activities under this Exhibit are intended to:

- Remove regulatory and land use barriers to affordable housing.
- Increase the feasibility and production of affordable housing in unincorporated Pima County.
- Support development in low-poverty, high-opportunity areas.
- Contribute to measurable increases in housing supply and affordability.

All activities must comply with:

- 2 CFR Part 200
- 24 CFR Part 570 (as applicable to PRO Housing)
- The approved PRO Housing grant application
- The Budget in Exhibit D

#### Program Activities

##### 1. Staffing

###### a. Grant Funded Staff

The County will hire one Lead Planner, fully funded by this award, to staff and support program activities outlined in this agreement. Specifically, this Lead Planner will assist with the implementation of the new transportation development impact fee subsidy program and conduct outreach to developers, neighborhoods, and low-income families. Additionally, they will provide technical support to middle and affordable housing developers, create and distribute informational materials, track development metrics, and assist in implementing zoning reforms.

###### b. Non-federal Leverage Funded Staff

Division Manager Pima County CWD, Sofia Blue, will coordinate with Planner position and ensure alignment of implementation activities with Pima County programs such as HOME, gap financing program and CDBG.

Division Manager Pima County CWD, Sofia Blue, will provide administrative coordination of PRO Housing reports to Pima County Regional Affordable Housing Commission and additional public meetings as needed.

Director Pima County DSD, Lauren Ortega, will provide direct supervision of Planner position to align with County development codes and plans.

2. Impact Fee Subsidies and Gap Funds

- a. County shall administer \$1,000,000 in PRO Housing grant funds to provide transportation development impact fee subsidies for qualifying affordable housing projects in unincorporated Pima County.
- b. The County shall provide \$1,187,500.00 in non-federal leverage funds for gap financing to reduce overall development costs for affordable housing in low-poverty/high-opportunity areas with under-representation of minority populations.

3. Research and reform

- a. The County shall continue to enact reforms to remove land use and zoning barriers to affordable housing.
- b. The County shall conduct research to better understand barriers to the development and preservation of affordable housing.
- c. The County shall develop new strategies to incentivize affordable housing development and assist low-income families that want to move to low poverty/high opportunity neighborhoods.

4. Program Evaluation

- a. The County shall participate in an independent evaluation of grant activities led by Arizona Research Center for Housing Equity and Sustainability (ARCHES). ARCHES researchers will evaluate the City and County's regulatory reforms and development support through early program consultation, process monitoring throughout implementation, and a summative evaluation.

5. PRO Housing Grantee Meetings

- a. The County shall ensure appropriate program staff attend and participate fully in PRO Housing partner meetings convened by the City of Tucson during the period of performance.

## Exhibit D - Project Budget

Name: Tucson-Pima PRO Housing Initiative

Address: \*No Address Assigned

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### Exhibit D - Project Budget

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#### 1. Grant Budget

Budget Line	Budget Amount
Lead Planner (Wages; Payroll Taxes; and Fringe Benefits)	\$500,000.00
Impact Fee Subsidies	\$1,000,000.00
Administration	\$136,956.52
Indirect Costs (15%)	\$95,543.48

#### 2. Match Budget

Budget Line	Budget Amount
Gap Funding	\$1,187,500.00

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**Exhibit E - Indirect Cost Affidavit**

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**INDIRECT COSTS TO BE RECOVERED THROUGH PROJECT**

Select only one option and enter the rate to be charged under this agreement, if applicable.

- Organization has a current federally negotiated indirect cost rate agreement and intends to charge the full authorized amount under this agreement.
- Organization has a current federally negotiated indirect cost rate agreement and intends to charge a lesser indirect cost rate under this agreement. The proposed rate may not exceed the federally negotiated rate and is binding for the duration of the project agreement.
- Organization does not have a current federally negotiated indirect cost rate agreement and intends to charge the full de minimis indirect cost rate under this agreement (15% of Modified Total Direct Costs).
- Organization does not have a current federally negotiated indirect cost rate agreement and intends to charge less than the full de minimis indirect cost rate under this agreement. The proposed rate may not exceed the 15% de minimis rate and is binding for the duration of the project agreement.
- Organization does not have a current federally negotiated indirect cost rate agreement and is ineligible to recover indirect costs using the de minimis indirect cost rate. Organization will not charge indirect costs to this agreement.

\*Per 2 CFR 200.414(f), state and local government departments or agency units that receive more than \$35 million in direct federal funding are ineligible to use the de minimis rate.

- Organization declines to recover indirect costs under this agreement even if it possesses a federally negotiated indirect cost rate agreement or is eligible to use the 15% de minimis rate. This selection is binding for the duration of the project agreement and the organization will not be reimbursed for indirect costs.

**SECTION B: FEDERALLY NEGOTIATED RATE CERTIFICATION**

By signing this affidavit, organizations which elected to recover indirect costs using the de minimis rate above, including organizations which elected to recover less than the approved rate identified in the organization's federally negotiated indirect cost rate agreement, certify the following:

1. The federally negotiated indirect cost rate agreement provided is current and duly authorized by the organization's federal cognizant agency.
2. The indirect cost base does not include any costs that are not eligible for reimbursement under federal awards.

3. The indirect cost base does not include significant expenses that will not benefit this program equitably to other programs. If a considerable portion of the indirect cost base (15% or more of indirect cost base) reflects indirect costs that will not benefit this project, a reduced rate must be used that removes those costs (e.g., if 20% of indirect cost base is associated with management of electronic health records not required for this project, those costs must be removed to calculate a reduced indirect cost rate).

4. Indirect cost payments will reduce to the de minimis rate immediately if a new indirect cost agreement authorizing a continuing provisional or final indirect cost rate is not received prior to the expiration of the indirect cost rate agreement attached to this affidavit.

### **SECTION C: DE MINIMIS RATE CERTIFICATION**

By signing this affidavit, organizations which elected to recover indirect costs using the de minimis rate above, including organizations which elected to recover less than the allowable 15% of modified total direct costs, certify that the organization is eligible to use the 15% de minimis rate for indirect cost reimbursement and certifies that it meets each of the following eligibility criteria:

1. The subrecipient does not have a current provisional or final Federally-negotiated indirect cost rate for any federal awards.
2. The subrecipient has received less than \$35 million in direct federal funding for the fiscal year requested.
3. The de minimis rate approved will be applied to Modified Total Direct Cost (MTDC). This base includes all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$50,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patientcare, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$50,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs.
4. The project costs will be consistently charged as either indirect or direct and will not be double charged or inconsistently charged as both.

The proper use and application of the de Minimis rate is the responsibility of the subrecipient and subject to monitoring by the City of Tucson and/or the awarding federal agency. If financial monitoring results in the determination of non-compliance with 2 CFR 200 and/or other applicable federal guidelines, funds must be returned to the City of Tucson.

### **SECTION D: CERTIFICATION**

By signing this document, I certify that the information provided above is true and complete. I also certify that I am authorized to submit this document and enter into the above binding commitments for the organization.

**AUTHORIZED ORGANIZATIONAL REPRESENTATIVE:**

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## **Exhibit F - Progress Reporting**

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### **OUTCOME TARGETS**

Outcome 1: Number of staff hired under this award: 1

Outcome 2: Number of community programs supported: 2 (Impact fee subsidy program, Gap financing program)

Outcome 3: Number of organizations served: 5

Outcome 4: Number of zoning studies completed: 1

Outcome 5: Number of zoning code amendments adopted: To be determined during implementation.

Outcome 6: Number of parcels with expanded by-right zoning: To be determined during implementation.

### **PROGRAMMATIC REPORTING**

The program shall be evaluated based on the stated outcomes which are reflected in this Exhibit C to the Agreement. The County shall submit quarterly performance reports which include the following information according to the schedule defined in this Agreement.

- Number of staff hired under this award
- Number of community programs supported
- Number of organizations served by the Impact Fee Waiver program
- Number of organizations served by the gap financing program in low-poverty/high-opportunity areas
- Number of zoning studies completed
- Number of zoning code amendments adopted
- Number of parcels with expanded by-right zoning
- Narrative description of program performance, accomplishments, and challenges
- Brief participant testimonial or program impact story which can be used in community impact reporting activities conducted by the City of Tucson

### **FINANCIAL REPORTING**

- Non-federal leverage in support of this award including gap funds and staff time

### **PERFORMANCE MONITORING**

The County shall participate fully in and comply with any and all subaward monitoring activities conducted by the City of Tucson and/or the U.S. Department of Housing and Urban Development related to this Agreement whether such activities occur during or after the performance period.