



City of Olympia

City Hall
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Olympia, WA 98501

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Meeting Minutes City Council

Friday, July 26, 2013

1:00 PM

Room 112

Ad Hoc Community Renewal Area Committee

1. ROLL CALL

Present: 3 - Mayor Stephen H. Buxbaum, Mayor Pro Tem Nathaniel Jones and Councilmember Steve Langer

OTHERS PRESENT

City Manager Steve Hall
Community Planning & Development Director Keith Stahley
National Development Council Representative Michelle Morlan

2. BUSINESS ITEMS

- 2.A** [13-0592](#) Approval of April 26, 2013 Ad Hoc Community Renewal Area Committee Meeting Minutes

The minutes were approved.

- 2.B** [13-0593](#) Approval of July 8, 2013 Ad Hoc Community Renewal Area Committee Meeting Minutes

The minutes were approved.

- 2.C** [13-0594](#) Approval of July 12, 2013 Ad Hoc Community Renewal Area Committee Meeting Minutes

The minutes were approved.

- 2.D** [13-0589](#) ORAL REPORT - Discussion of Section 108 Loan Program

National Development Council Representative Michelle Morlan presented information to the CRA Committee regarding the City of Olympia Section 108 loan fund administration. Ms. Morlan announced the Section 108 loan fund has been approved in the amount of \$1,765,000, which is five times the current CDBG allocation. The City has up to five years to allocate the money for specific projects. However, HUD requires the first project to be submitted, approved, and the loan closed by May 1, 2014.

Ms. Morlan reviewed the eligible uses for the 108 loan fund. The advantages to using

this fund include more broad and flexible project requirements and the timeline for review and approval is shortened. Loan terms and the required security for the loans were discussed. Ms. Morlan stated a study of financial feasibility and underwriting are important to successful loans because the City of Olympia is responsible to pay HUD if the third party fails to do so. She recommended underwriting for all activities.

Ms. Morlan reviewed the steps required to process a project from screening of applications to closing the loan with HUD and the third party. She reviewed the days required for each step and emphasized the need to move quickly in order to meet the May 1, 2014 date for the first loan. Mayor Buxbaum suggested the CRA make a recommendation to City Council to use Section 108 funds for a blight remediation project. Additionally, if the City uses the funds for infrastructure, we must provide full general obligation pledges for payment.

The Committee asked what the best practice is to inform the community of the Section 108 fund purpose and availability. Ms. Morlan did not recommend a request for proposals to initiate loan requests. Instead, she suggested training City staff to recognize potential projects when talking with community members and proactively approaching them with the information.

Mr. Stahley asked Ms. Morlan what other programs work well with the Section 108 fund. Ms. Morlan reviewed two programs. First, the Grow America fund is a seed loan fund established by the community. There is a 4:1 ratio in determining the amount available to be loaned. The loan criteria are more flexible than the Section 108 fund and can be up to 100 percent financed. The interest on the loans is based on the seed capital. Right now the rate is prime minus 1. This option would require an agreement between the National Development Council and the City of Olympia and seed money.

Secondly, she reviewed New Market tax credits. This program finds projects in the community with developers who can use the tax credits and structures loans for this purpose.

In conclusion, Mayor Buxbaum suggested the CRA Ad Hoc Committee recommend to City Council:

1. Approve the contract with National Development Council to provide support in administering Section 108 fund outreach and loans;
2. Focus on blight in our community and the City of Olympia apply for the first loan;
3. Investigate the Grow America fund and New Market tax credits programs;
4. Staff research on cost analysis toward additional projects.

The discussion was completed.

2.E [13-0591](#) ORAL REPORT - Discussion of Scope of Community Development Improvement Process

Mr. Hall distributed *Change the Culture of Community Development - Goals and*

Scope of Work handouts. He announced the Land Use and Environment Committee met and supported the "best practices" study. On May 21, 2013 a draft RFQ was provided to City Council to acquire a consultant to do this work. The Council reviewed the RFQ at the retreat in June and asked the CRA Ad Hoc Committee to refine the scope of the "best practices" analysis.

The Committee reviewed the scope of work handout. Councilmember Langer suggested changing the word in the "Intent" from "growth" to "development" as the word "growth" has a negative connotation to some. He went on to say the Land Use and Environment Committee is seeking to create a collaborative environment with neighborhoods, the City, and developers through citizen involvement. At the Land Use and Environment Committee meeting Associate Planner Jennifer Kenny presented three examples of sub-area plans from other communities. Mr. Stahley stated implementing form-based codes in Olympia would segue smoothly into sub-area planning. Sub-area planning provides cohesion with the master plans, construction expectations, and neighborhood engagement.

Mayor Buxbaum stated he would like to know what skills and expertise are required for proactive community development that includes early neighborhood and stakeholder involvement. Does the City need to realign knowledge, skills, and abilities in the staff to better serve City Council and increase capacity to move toward change, gather feedback from the community, and build towards agreement? Mr. Hall stated he would investigate the need of having staff with community development skills.

Councilmember Langer suggested tasks #2 and #3 be removed from the RFQ. He suggested that rather than review processes we know are not functioning well, change the task to look at what successful communities have done to achieve early neighborhood and stakeholder involvement. After discussion, the CRA Ad Hoc Committee decided to remove tasks #2 and #3.

Mayor Buxbaum suggested adding to task #5 that the consultant also make recommendations in systems that will assist in action plans to achieve quality development.

Mayor Pro Tem Jones suggested the lists of stakeholders be removed from this RFQ as we do not need the consultant to identify stakeholders. The stakeholders should be identified and brought into the discussion regarding form-based codes and sub-area market conditions. The CRA Ad Hoc Committee agreed the lists should be removed from the RFQ.

Lastly, Mayor Buxbaum asked that the product be clarified to state the report should include information gathering, research and analysis, and action plans to achieve the City's goal.

Mr. Hall stated he would make the edits to the RFQ and present it again to the CRA Ad Hoc Committee before submitting it to the City Council.

The discussion was completed.

2.F [13-0590](#) ORAL REPORT - Initial Discussion on the Process to Develop a Charter for the Ad Hoc Community Renewal Area Committee

The Committee discussed possible content for the charter. It was decided the charter would contain the same basic information as the RFQ. It would include language to include long-term functional approach to community development by:

- 1) Develop action plan for community renewal
- 2) Outreach / screening community for Section 108 fund activity
- 3) Exploring tools needed for community renewal

Mr. Stahley offered to draft the Committee charter.

The discussion was completed.

3. ADJOURNMENT

The meeting adjourned at 3:30 p.m.