

RESOLUTION NO. M-2432

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON,  
APPROVING A PARTIAL IMPACT FEE EXEMPTION AGREEMENT BETWEEN THE CITY OF  
OLYMPIA AND HOUSING AUTHORITY OF THURSTON COUNTY FOR 204 LILLY ROAD NE,  
OLYMPIA WASHINGTON**

**WHEREAS**, Olympia Municipal Code Section (OMC) 15.04.060 allows for certain exemptions for payment of impact fees; and

**WHEREAS**, OMC 15.04.060(C) permits exemption of impact fees for any form of low-income housing occupied by households whose income, when adjusted for size, is at or below eighty percent (80%) of the area median income, as annually adjusted by the U.S. Department of Housing and Urban Development; and

**WHEREAS**, OMC 15.04.060(C) states that upon application by a property owner, a partial exemption of not more than eighty percent (80%) of park, transportation, and school impact fees, with no explicit requirement to pay the exempted portion of the fee from public funds, may be granted to a low-income housing development; and

**WHEREAS**, the Olympia Municipal Code requires that an applicant enter into a contract with the City approved by the City Council, under which the City agrees to grant the applicant a partial exemption of park, transportation, and school impact fees, so long as the property is used solely for low-income housing, and under which the applicant agrees to execute a form of restrictive covenant in favor of the City to be recorded with the Thurston County Auditor, which limits use of the property to low-income housing as provided in OMC 15.04.060(C) and as defined in OMC 15.04.060(F) and which further requires that the property owner or successor must pay applicable impact fees in effect at the time of any conversion of the property to a use other than for low income housing; and

**WHEREAS**, Housing Authority of Thurston County (Applicant) has applied to the City of Olympia for a partial exemption of not more than eighty percent (80%) of park, transportation, and school impact fees for its property located at 204 Lilly Rd. NE., also known as Olympia Crest III (the Property); and

**WHEREAS**, the North Thurston School District has agreed to Applicant's application for a partial exemption of not more than eighty percent (80%) of school impact fees due to Applicant's use of the property for low-income housing that meets the statutory requirements of the Olympia Municipal Code for households whose income adjusted for size is at or below eighty percent (80%) of the area median income, as annually adjusted by the U.S. Department of Housing and Urban Development; and

**WHEREAS**, the Director of Community Planning and Development, in consultation with the Directors of Parks, Arts and Recreation and Public Works Transportation, has granted Applicant's request for a partial exemption of parks, transportation, and school impact fees;


**NOW, THEREFORE, THE OLYMPIA CITY COUNCIL DOES HEREBY RESOLVE** as follows:

1. The Olympia City Council hereby approves the form of the Partial Impact Fee Exemption Agreement between the City of Olympia and Housing Authority of Thurston County for 204 Lilly Rd NE, and the terms and conditions contained therein.
2. The City Manager is authorized and directed to execute on behalf of the City of Olympia the Partial Impact Fee Exemption Agreement and any other documents necessary to execute said Agreement, and to make any amendments or minor modifications as may be required and are consistent with the intent of the Agreement, or to correct any scrivener's errors.
3. The City Manager is authorized and directed to approve and accept the Restrictive Covenant required by OMC 15.04.060(F), which prohibits using the property for any purpose other than for low-income housing.

**PASSED BY THE OLYMPIA CITY COUNCIL** this 9th day of May 2023.

  
MAYOR

ATTEST:

  
CITY CLERK

APPROVED AS TO FORM:

**Mark Barber**  
CITY ATTORNEY