

# Olympia Affordable Homeownership Project

## Council Brief

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January 23, 2024

### **BACKGROUND AND CONTEXT**

In July 2023, the City contracted with KnoxWorks consulting and their partner the Northwest Cooperative Development Center, to research and evaluate strategic action options the City of Olympia can pursue to support access to homeownership for low to moderate-income households. Key project elements and timeline are below.

#### **Background Research and Analysis (June-October 2023)**

Review research, policy reports, and promising activities around strategies to support homeownership for low and moderate income (LMI) households and initiatives to overcome disparities in homeownership for BIPOC households. This research will include, but is not limited to:

- A review of existing strategies for effectiveness in Olympia: homeownership preparation counseling (such as credit counseling, debt repair, financial literacy), downpayment assistance, secondary loan funds, and individual development accounts;
- Sample policies that have been successful in other jurisdictions comparable to City of Olympia, to include Tenant Opportunity to Purchase, Right of First Refusal, notice of sale of low-income housing, and other relevant policies; and
- Homeownership models that utilize multifamily building types and cooperative and land trust models of homeownership.

#### **Financial Feasibility Research & Engagement (July-November 2023)**

Research regional and national lender best (and promising) practices and activities to spur LMI homeownership, and to lend to groups that have been disenfranchised and experienced historical discrimination. Identify and summarize existing sources of public and private capital, operating funds, and potential revenue sources.

#### **Stakeholder Engagement (July-November 2023)**

Identify, in collaboration with City staff, private partners for potential homeownership initiatives. Stakeholders may include, but are not limited to the following:

- Realtors and realtor associations; and
- Builders, lenders and nonprofit homeownership providers.

#### **Develop model project(s) (September-December 2023)**

Create demonstration project(s) options for homeownership development or activities that incorporate earlier findings from best practices research, financial feasibility analysis, consultation with financial and community partners. Draft prospective financial sources, uses, and operating statements for model project(s). This will lay the groundwork for the City to pursue programming options as a follow-up to this study.

## Findings and Recommendations Report + City Council Briefing(s) (December 2023-January 2024)

Draft conclusions and a written summary of strategies explored that includes recommendations based on best practices research and stakeholder input, including model projects and any additional policy or program options for moving forward, resources required, and other topics as deemed helpful for future City planning, communications, and implementation.

### SUMMARY RESEARCH AND OUTREACH

Over the past three months, we reviewed a wide range of reports and policy materials and conducted interviews with housing and homeownership experts below.

Interviewees	Reports and policy briefs
<ul style="list-style-type: none"><li>✓ Rep Jessica Bateman</li><li>✓ Kim Tosky – NW Community Land Trust/former lender</li><li>✓ Ann Campbell – Commerce Homeownership Director</li><li>✓ David Puszczewicz – Home Ownership Initiative WSECU</li><li>✓ Denise Rodriguez – Washington Homeownership Resource Center ED</li><li>✓ Lisa Vatske – Washington State Housing Finance Commission Executive</li><li>✓ OMB Gov Affairs committee (9 members)</li><li>✓ Sandy Bishop – Lopez CLT ED</li><li>✓ Craft3</li><li>✓ Samya Lutz -- City of Bellingham</li><li>✓ Carl Shroeder – AWC</li><li>✓ Trudy Soucoup - Homes First</li><li>✓ Michael Mirra –past CEO, Tacoma HA</li><li>✓ Christina Daniels – Lender</li><li>✓ Thurston Realtors Gov Affairs committee (8 members)</li><li>✓ Leonard Bauer – City of Olympia</li><li>✓ Tina Narron - Verity Credit Union</li><li>✓ Mike Reid – City of Olympia</li><li>✓ Jennifer Quiroz – Financial Empowerment Network</li><li>✓ Black Home Initiative workshop and follow up discussions</li><li>✓ Melissa Kirkeby, Mortgage Loan Officer Manager OlyFed</li></ul>	<ol style="list-style-type: none"><li>1. <a href="#">Affordable Homeownership   Urban Institute</a></li><li>2. <a href="#">Paths to Homeownership for Low-Income and Minority Households   HUD USER</a></li><li>3. <a href="#">Seven Innovative Affordable Housing Strategies in Higher Cost Markets: Lessons from Around the U.S. - Housing Association of Nonprofit Developers (HAND) (handhousing.org)</a></li><li>4. <a href="#">Deed-restricted homeownership - Local Housing Solutions</a></li><li>5. <a href="#">5 Local Housing Affordability Strategies that Work - National League of Cities (nlc.org)</a></li><li>6. <a href="#">Affordable Housing for Low to Moderate Income Buyers - Precinct Reporter Group News</a></li><li>7. <a href="#">Social Housing: How a New Generation of Activists Is Reinventing Housing — Shelterforce</a></li><li>8. <a href="#">The Procedure Fetish - Niskanen Center</a></li><li>9. Infrastructure support<ol style="list-style-type: none"><li>a. <a href="#">Connecting Housing to Infrastructure Program (CHIP) - Washington State Department of Commerce</a></li></ol></li><li>10. Zoning/density<ol style="list-style-type: none"><li>a. <a href="#">Density bonuses for affordable homeownership (wacities.org)</a></li></ol></li><li>11. <a href="#">Homeownership assistance for those affected by racially restrictive covenants (wacities.org)</a></li><li>12. <a href="#">How It's Working: Laws That Help Tenants and Nonprofits Buy Buildings — Shelterforce</a></li><li>13. <a href="#">Tenant and Community Opportunity to Purchase Policies are Gaining Traction   PolicyLink</a></li></ol>

## How we developed and prioritized our strategies matrix

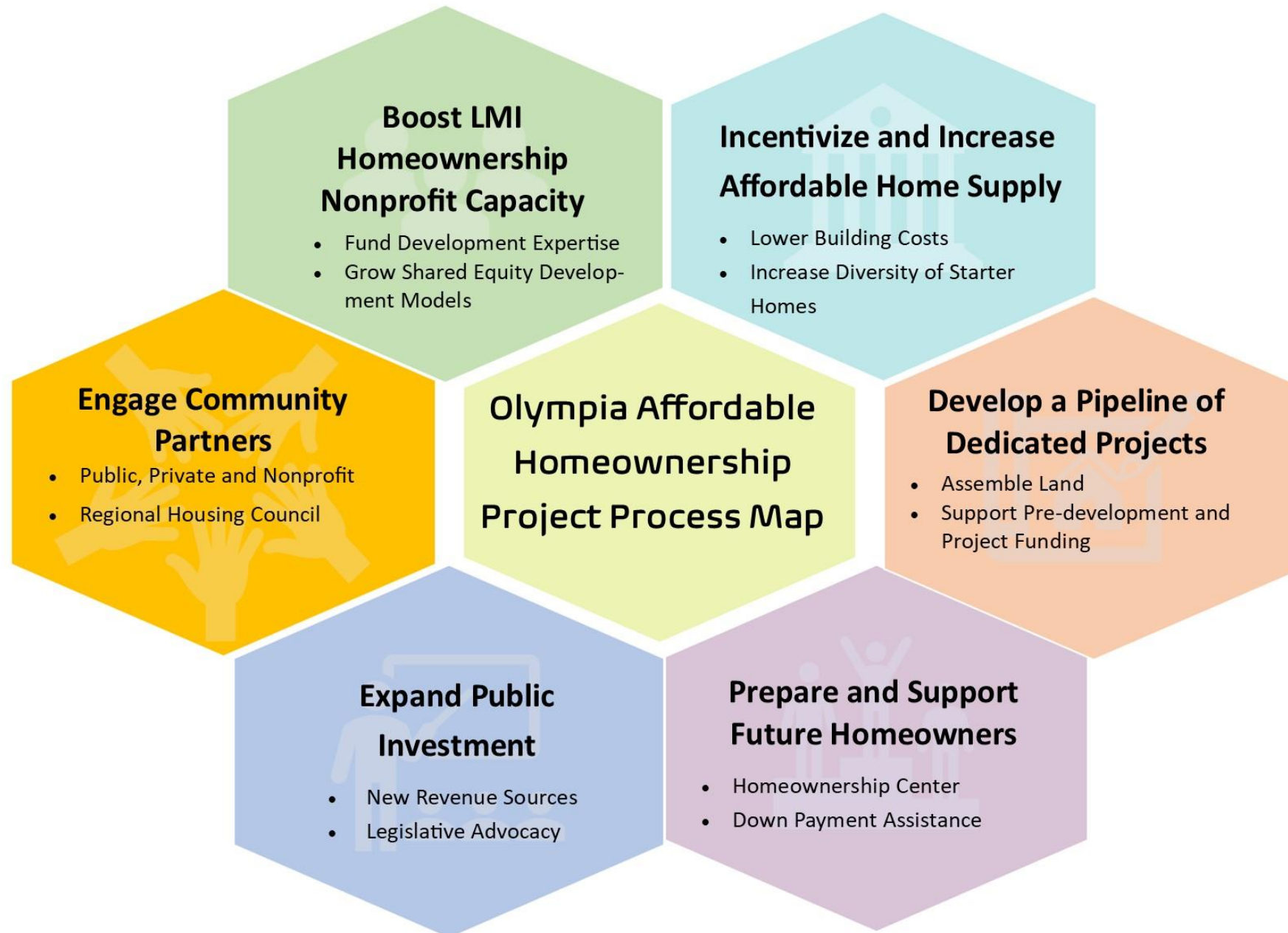
This was an iterative process of collecting policies, potential strategies, and actions the City could take to support and spur affordable homeownership for low- and moderate-income residents. Initially we garnered ideas from the myriad reports and policy briefs that we reviewed. Many of the listed ideas were found and repeated in multiple documents. We continued to collect and refine possible policies and strategies as we interviewed affordable housing experts and practitioners. They provided comments and additions to our growing list. In the recent months, we began sharing our draft list of actions to garner more specific input and feedback. Possible actions were tightened and clarified and sometimes removed.

On October 26, 2023, we presented and discussed our initial strategies and suggested priority actions with the Council’s Land Use and Environment Committee (LUEC). Following that discussion and working with City staff, we have refined and prioritized our initial 36 recommended strategic actions to the 17 proposed below. The matrix below contains these recommended actions that can be taken in phases over the coming three years. Each suggested action includes our rationale for recommending them, based on likely impact, realistic implementation and a good fit for Olympia and our region. Often, Phase 1 actions relate to and lead to Phase 2 implementation. Following comments and discussion with the full Council on January 23, 2024, we propose a final discussion work session with the LUEC in February along with our final report and supporting materials for City staff to move forward.

As with affordable rental housing, the City needs to aggressively pursue a range of actions to be successful. Our housing supply and cost crisis requires an “all hands on deck” framework into the foreseeable future. The City will need to select actions that can be sustained and aligned with other work in the affordable housing/homelessness space. Below are the proposed goals and objectives our work suggests, followed by a visual depiction and our strategies matrix. Broadly, these strategies will work together to meet these critical goals to expand homeownership for low- and moderate-income (LMI) households in Olympia.

- **Increase access to LMI homeownership to overcome inequities and build intergenerational wealth for families and create stronger neighborhoods.**
  - Educate and prepare LMI home buyers’ preparation and help provide lending supports.
- **Increase the supply and diversity of homes beyond the typical single-family homes of the last 75 years:** affordability and cost realities mean we need townhouses, multiplexes, cottages and ADUs available for homeownership using innovative models like shared equity and land trusts, cooperatives and condominiums.
  - Organize and support a pipeline of projects using all the tools available to the city.
  - Expand public revenue options for housing.
- **Engage all sectors to generate a network of action** including all public entities, nonprofit organizations and the range of private entities necessary to design, build, fund and support the success of LMI homeowners.
  - Boost capacity and incentivize nonprofit homeownership organizations to increase production.
  - Actively engage the private sector in overcoming affordable homeownership challenges and boosting supply.
  - Engage aggressively in State Legislative advocacy.
- **Promote the enactment of these goals and strategies by your Regional Housing Council partners.**

- Most of these recommendations are better done regionally (but don't let that slow down leadership action by the City).
- Set stretch metrics marking the number of new LMI homeowners and available new homes over the next five-ten years.



Below is the matrix of recommended priority strategies with suggested implementation phasing.

Olympia Homeownership Strategies Project  
Recommended Steps Forward – January 23, 2024

**PHASE I ACTIONS -- 2024**

Action steps	Desired Purpose/Key Objectives	Suggested Timing/Notes/Comments	Resources Needed/City Costs
<p>1. Engage willing private sector realtors, builders and lenders to explore/forge innovative starter home project deals – provide incentives such as land, infrastructure funding, tax credits, zoning/permitting enhancements.</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>• The private sector builds housing.</li> <li>• The sector is not deeply engaged and listened to re affordable housing.</li> <li>• Sector members understand the problem, and many want to help forge solutions.</li> </ul>	<ul style="list-style-type: none"> <li>• Educate key stakeholders as to City goals and desired outcomes regarding LMI affordable homeownership.</li> <li>• Identify interested partners in possible projects.</li> <li>• Gain feedback and engagement on the ways and means of these objectives.</li> <li>• Work with willing lenders to modify and improve loan LMI options and boost LMI homebuyer coordination.</li> <li>• Use private industry intel more effectively.</li> <li>• Organize work team around Starter Homes model project.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a multi-sector advisory group to support/guide the development of more equitable and inclusive homeownership via Starter Homes development model. <ul style="list-style-type: none"> <li>○ Spring 2024</li> </ul> </li> <li>• Explore successful, long working Tacoma model of private sector led PDA for housing investments.</li> <li>• Tacoma Community Development &amp; Planning Director reports that having experienced builders, realtors, lending and related professionals as PDA directors has provided incredible benefits.</li> </ul>	<ul style="list-style-type: none"> <li>• Staff time.</li> </ul>
<p>2. Engage other public entities and large employers in affordable housing land acquisition/donation options.</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>• School district has unused property in a period of consolidation; self interest in affordable housing for staff.</li> <li>• Port has the ability to provide/acquire land and fits mission and has existing precedent.</li> </ul>	<ul style="list-style-type: none"> <li>• Share goals and strategies and explore opportunities to identify and target land for affordable housing.</li> <li>• Explore concrete engagement with the Black Home Initiative (BHI), following up on our December meeting their expressed interest in exploring a partnership.</li> <li>• Include OSD, the Port, LOTT, HATC, TESC, and possible other players.</li> </ul>	<ul style="list-style-type: none"> <li>• Convene Spring 2024 meetings with Olympia School District, Port, State, Providence, etc. to discuss property options. <ul style="list-style-type: none"> <li>○ Ports have authorized interest to promote workforce development, of which housing is a current priority need.</li> </ul> </li> <li>• Convene follow up meetings with BHI to gain their resources and help assessing opportunities in Thurston.</li> </ul>	<ul style="list-style-type: none"> <li>• Staff time.</li> </ul>

<p>3. Complete an updated developable, vacant lands inventory across the City.</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>Necessary to better understand and pursue opportunities.</li> <li>Will support affordable housing developers of all stripes.</li> </ul>	<ul style="list-style-type: none"> <li>Create a clear map of available vacant land for further select research and action.</li> <li>Include and identify all public sources such as City, Port, County, State, and School owned along with private lands.</li> <li>Promote expansion of the inventory to RHC partners.</li> </ul>	<ul style="list-style-type: none"> <li>City staff or TRPC contract – early 2024.</li> <li>Vacant lots owned privately – use County GIS/Assessor office or TRPC. <ul style="list-style-type: none"> <li>Narrow down likely property criteria for homeownership</li> </ul> </li> <li>Pursue “friendly condemnation”: no sales or excise if sold for public good.</li> <li>Track lots in foreclosure or with tax liens.</li> <li>County Treasurer lists properties with back taxes <a href="https://www.thurstoncountywa.gov/Real-Property-Foreclosure-Tax-Sale-Information">Real Property Foreclosure Tax Sale Information   Thurston County (thurstoncountywa.gov)</a>.</li> </ul>	<ul style="list-style-type: none"> <li>TRPC contract.</li> </ul>
<p>4. Aggressively pursue office conversion opportunities.</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>Lots of opportunity with former state leased buildings.</li> <li>Fits existing City staff work.</li> <li>Opens increased private sector engagement partnerships – model project opportunity.</li> </ul>	<ul style="list-style-type: none"> <li>Identify and pursue a pilot project to show this type of conversion can be done. Engage private sector.</li> <li>Can be for ownership and/or rental.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing -- Mike Reid/Darian leads.</li> <li><a href="#">Commercial-to-residential Conversion: Addressing Office Vacancies   CEA   The White House</a>.</li> <li>Contract with broker.</li> <li>Research status of state leases.</li> <li>Existing housing, CPD, and economic development staff team have been working with NYU’s Furman Center’s Housing Solutions Lab to facilitate office to residential conversions.</li> </ul>	<ul style="list-style-type: none"> <li>Staff time.</li> <li>Potential City/Regional funds to ensure affordability.</li> </ul>
<p>5. Develop Pre-development revolving loan fund business plan, ordinance and fund sources.</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>Critical first step for affordable housing development.</li> <li>Not an easily available resource for project developers.</li> </ul>	<ul style="list-style-type: none"> <li>Assistance could include property identification, grant applications, inspections, environmental/archaeological assessment, earnest money, selecting contractors, facilitating planning issues and permitting requirements, referral and negotiation with lenders, etc.</li> <li>Pursue LISC, Impact Capital and other resources to develop and support the fund.</li> </ul>	<ul style="list-style-type: none"> <li>Leads: Housing and CPD</li> <li>March 2024</li> <li>Use pre-development fund for contracted expertise to affordable housing developers.</li> </ul>	<ul style="list-style-type: none"> <li>\$500,000 to create initial revolving fund.</li> <li>\$100-500,000 average project.</li> <li>Can be reimbursed by eventual construction loan and or grant.</li> <li>Retainer contract for early project assessment or scoping activity.</li> </ul>

<ul style="list-style-type: none"> <li>• Nonprofits need expertise to assemble the plan and financing and then hire out the contracting for building.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide contracted affordable housing development assistance – <b>fund outside entity with expertise to help area nonprofits develop properties.</b></li> </ul>		
<p>6. Develop concrete plans and ordinances to lower the cost for identified LMI homeownership development projects.</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>• Reducing infrastructure and other fees for designated uses is critical to affordability.</li> <li>• Enable lot splitting more easily.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide infrastructure cost waivers or funding; Pursue state CHIP Grants.</li> <li>• Waive system development charges (LOTT has a discount, impact fees already reduced 80%), utility connection fees, frontage improvement costs for LMI home projects.</li> <li>• Allow lot more liberal splitting – enabling properties to be easily split into smaller lots so that when infill occurs, the new units can be owned.</li> <li>• Increase manufactured homes, tiny house or moveable modulars allowances.</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing.</li> <li>• Assess actions and implement throughout the year.</li> <li>• Market availability to developers and builders.</li> <li>• City has applied for state CHIP infrastructure funds in the last few years.</li> <li>• Thus far, has only been used for multi-family, non-ownership projects.</li> <li>• Formalize concierge liaison role with CPD and Housing.</li> <li>• Legislature may pass significant lot splitting bill <a href="#">HB 1245</a> just passed House.</li> </ul>	<ul style="list-style-type: none"> <li>• Staff time.</li> <li>• Possible City/regional/state funds.</li> </ul>
<p>7. Require projects using land owned, controlled, or passed through the city or purchased with city assistance to use permanent affordability methods such as trust-ownership, asset stewardship clauses, city right-of-first refusal, covenants, or other mechanisms to prevent/limit market-rate resale.</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>• Codifies and ensures permanent affordability where City resources are invested.</li> </ul>	<ul style="list-style-type: none"> <li>• Pass an ordinance or add to contract language that formalizes existing practice and assures permanent affordability for housing projects with significant City financial inputs.</li> </ul>	<ul style="list-style-type: none"> <li>• Spring 2024</li> <li>• Currently, City property that is provided to developers for affordable development (i.e. LIHI’s Martin Way phases, TWG/IFW’s 303 Franklin, LIHI’s Franz Anderson, SPS Habitat’s Blvd.) have a clause in the purchase and sale agreement and a restrictive covenant that is recorded to requires the property is used for affordable housing in perpetuity.</li> </ul>	



<p>8. Develop plans to create and fund a local nonprofit Home Ownership Center.</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>• Current financial education and homebuyer prep classes and coaching are scattershot and of minimal impact except for a few.</li> <li>• Existing online opportunities are not coordinated nor well marketed in our Thurston region.</li> <li>• Forms the first steps in preparing and developing a pipeline of future low and moderate income (LMI) homeowners.</li> </ul>	<ul style="list-style-type: none"> <li>• Services will include credit repair, financial education and savings counseling, homebuyer preparation, mortgage readiness and application prep, etc.</li> <li>• Scope ways and means to launch – meet with prospective state and local partners and providers.</li> <li>• Pursue funding partners and grants.</li> <li>• Provide specific pathways for which LMI (and potentially all) residents can receive direct assistance.</li> <li>• Engage Black Home Initiative on their offer to explore spreading their well-organized resources to Thurston.</li> </ul>	<ul style="list-style-type: none"> <li>• Spring 2024.</li> <li>• Seek regional support and funding.</li> <li>• Procure a dedicated and high caliber lead organization.</li> <li>• HUD PRO grant proposal lays out the case, plan and budget to create Home Ownership Center.</li> </ul>	<ul style="list-style-type: none"> <li>• \$150,000 to start via RFP.</li> </ul>
<p>9. Fund supports to develop greater capacity and scale for targeted nonprofit homeownership organizations.</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>• Two existing homeownership nonprofits require greater staff and expertise capacity to expand their scopes and outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>• Engage RHC in shared capacity funding for targeted nonprofits.</li> <li>• Build capacity and tools for creation of limited equity coops.</li> <li>• Support land trust, Habitat and other affordable housing nonprofits.</li> <li>• Aligns and supports other strategy recommendations.</li> <li>• Increased organizational/staff capacity, development expertise and entrepreneurial commitment to gain higher results.</li> </ul>	<ul style="list-style-type: none"> <li>• HUD PRO grant proposal lays out the case, plan and budget to expand land trust capacity</li> </ul>	<ul style="list-style-type: none"> <li>• Use PRO grant budget.</li> <li>• \$250,000 per year starting budget.</li> </ul>
<p>10. Grow the capacity and authority of the RHC using the Public Development Authority model for affordable housing.</p> <p><u>Rationale</u></p>	<ul style="list-style-type: none"> <li>• Convene workgroup to educate and pursue specific options for structure and funding.</li> <li>• PDA-style structure could support nonprofit housing development, help orchestrate tax credit deals, etc.</li> <li>• Tacoma’s PDA manages a Down Payment Assistance (DPA) fund.</li> </ul>	<ul style="list-style-type: none"> <li>• Engage RHC - convene presentation to learn the value of and outcomes produced by the <a href="#">Tacoma Community Redevelopment Authority</a>.</li> <li>• PDA has more flexibility/agility to do deals and partner with traditional service providers, private sector, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Staff/RHC time.</li> <li>• DPA capitalized with \$1m</li> <li>• Funds are structured as a loan – repaid upon house sale.</li> </ul>

<ul style="list-style-type: none"> <li>• Create a nimbler and more innovative public-private entity to streamline funding and investment.</li> </ul>	<ul style="list-style-type: none"> <li>• Tacoma reports that a locally managed DPA fund is more responsive and focused than if done by WSHFC.</li> </ul>	<ul style="list-style-type: none"> <li>• PDA can lend or grant for development, underwrite deals and engage in targeted economic or business development.</li> <li>• City or County can staff the PDA, managing RFPs, grants, loan and administration.</li> <li>• PDA provides added liability protection for local government.</li> </ul>	
<p>11. Pass a property tax levy lift in 2024.</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>• Needed as an option for revenue to meet affordable housing needs.</li> </ul>	<ul style="list-style-type: none"> <li>• Opens revenue options for future years.</li> </ul>	<ul style="list-style-type: none"> <li>• Legislature may raise 1% local lid in 2024.</li> <li>• Currently, only \$500,000 of City general fund goes to affordable housing.</li> </ul>	

**PHASE II ACTIONS – 2025-26**

<p>12. Aggressively assemble land for future deals.</p> <ul style="list-style-type: none"> <li>○ Explore church owned possibly surplus properties.</li> <li>○ Link appropriate Parks development with affordable housing along the lines of the Boulevard project.</li> <li>○ Engage HATC in using their bonding capacity for acquisition.</li> </ul> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>• Land control and acquisition is a significant input City can use for affordable housing.</li> </ul>	<ul style="list-style-type: none"> <li>• Engage willing lenders (like OlyFed or WSECU) to provide under market financing.</li> <li>• Join WSHFC LAP funds for long-term 1% loans with balloon payment as an acquisition financing tool; loan provides up to 80% cost.</li> <li>• Engage the Port and appropriate other public entities as acquisition partners.</li> </ul>	<ul style="list-style-type: none"> <li>• Set clear targets for funding and acquisition each year.</li> <li>• Fund annually.</li> <li>• Send marketing outreach letters with follow up personal communication to target property owners.</li> <li>• City forgives fines and penalties and excuses city liens when landowners sell to affordable housing developers.</li> </ul>	<ul style="list-style-type: none"> <li>• \$1m minimum recommended per year funding for land bank.</li> <li>• TBD – RHC role.</li> </ul>
<p>13. Incentivize ADU production and support condo ownership structure or lot splitting.</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>• ADUs can provide homeownership in some cases</li> </ul>	<ul style="list-style-type: none"> <li>• Provide aggressive, direct marketing to homeowners with specific ADU step-by-step info, lender options, and proforma spreadsheet link.</li> </ul>	<ul style="list-style-type: none"> <li>• City has already done a great job eliminating costs for ADU development.</li> <li>• ADUs, single-room occupancy, and senior housing are exempt from School District impact fees. ADUs are exempt from taxation for 3 years after completion (if the</li> </ul>	<ul style="list-style-type: none"> <li>• City staff or marketing/development support contractors.</li> </ul>

	<ul style="list-style-type: none"> <li>• Provide legal and permitting options and templates for ADU ownership (condo, lot splitting); simplify the process.</li> <li>• Provide contracted support on the permitting, titling, financing, and using the pre-approved designs.</li> </ul>	improvements are valued at 30% or less than the value of the original structure).	
<p>2. Develop a “starter home” ordinance like ADU law to reduce impact fees and other costs to incent new homes of a certain size (under 1400 SF) and decrease sale prices.</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>• Significant barriers are present for desired starter home development.</li> </ul>	<ul style="list-style-type: none"> <li>• Possible model project(s) with private and nonprofit sectors engagement.</li> <li>• Simplify town homes, cottages, manufactured homes, etc. development options and provide speedy planning and permitting support and incentives with concierge staff support.</li> <li>• Decrease impact fees, provide infrastructure cost incentives and funding, simply engineering and design standards.</li> </ul>	<ul style="list-style-type: none"> <li>• Actively engage interested private developers/builders in multiple pilot projects. <ul style="list-style-type: none"> <li>○ Modern manufactured home community using coop and/or land trust approach.</li> <li>○ Dense townhouse or coop multi-plex development.</li> </ul> </li> <li>• Set standards for what constitutes starter homes.</li> <li>• Use land as incentive and cost reducer.</li> </ul>	<ul style="list-style-type: none"> <li>• Staff or contracted expertise.</li> <li>• Funding TPD based on projects.</li> </ul>
<p>3. Research, develop ordinance and adopt a right-of-first-refusal law (TOPO) for residents’ purchase option.</p> <ul style="list-style-type: none"> <li>• Recommend starting with an ordinance covering 10 units or more.</li> </ul> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>• Innovative approach to turn renters (or other LMI community residents) into owners in the building where they are living.</li> </ul>	<p>Provide two possible avenues for ownership transition:</p> <ul style="list-style-type: none"> <li>• For residents, allows tenants a period of time (eg; 45-90 days) to make the first offer in the event of the owner’s planned sale of their multi-unit building. <ul style="list-style-type: none"> <li>○ Future option of adding 2-6-plexes or single family homes to the TOPO ordinance.</li> </ul> </li> <li>• For the City, the ordinance could also allow them or a nonprofit partner to have first refusal on the sale as well and then sell to LMI residents.</li> </ul>	<ul style="list-style-type: none"> <li>• Legal and financial expertise and coaching capacity required to guide possible owners through the process of buying and owning a property.</li> <li>• Use of the coop and land trust models can support ongoing affordability structures.</li> <li>• <a href="#">Tenant Opportunity to Purchase   City of Takoma Park (takomaparkmd.gov)</a></li> <li>• <a href="#">Comparison of TOPO in the District of Columbia and Maryland (mdlta.org)</a></li> <li>• Process steps example: <a href="#">TOPA - 5 or More Units</a></li> </ul>	<ul style="list-style-type: none"> <li>• City can pass an ordinance based on other small city versions – like Takoma Park, MD.</li> <li>• Preferred City low cost option of letting others – nonprofit support organizations and the market work with residents to pursue resources and expertise for making and getting lending for the purchase.</li> </ul>
<p>4. Run a property tax levy campaign – dedicated to homeownership.</p> <p><u>Rationale</u></p>	<ul style="list-style-type: none"> <li>• Raise funds to support homeownership center, develop affordable homeownership projects and support LMI homeownership.</li> <li>• Campaign messages target value and benefits of increasing homeownership in Olympia.</li> </ul>	<ul style="list-style-type: none"> <li>• Advocates organize and lead campaign such as produced voter approval for the Home Fund during the 2016-17 period.</li> <li>• Council would agree to put on the ballot.</li> </ul>	<ul style="list-style-type: none"> <li>• No city resources.</li> </ul>

<ul style="list-style-type: none"> <li>• Revenue needed for affordable homeownership outside of other affordable housing needs.</li> <li>• Bellingham passed housing levies in 2012 and 2018.</li> </ul>			
<p>5. Explore raising the low B&amp;O tax rate to create an affordable housing fund for land acquisition and development.</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>• Revenue option that aligns with the employer need for affordable housing and homeownership for employees.</li> </ul>	<ul style="list-style-type: none"> <li>• Pursue alignment and comparable rates with Lacey and Tumwater.</li> <li>• Increase the rate in the range of .002-.005%.</li> </ul>	<ul style="list-style-type: none"> <li>• Convene stakeholders to explore and review options and pros/cons.</li> </ul>	<ul style="list-style-type: none"> <li>• Staff research.</li> </ul>