



**Potential Tools to Implement Olympia Downtown Strategy (DTS)**

*This list summarizes potential business and development tools available to local jurisdictions in Washington State. As noted in the second column, many of these tools are already being used by the City of Olympia (or in some cases, an applicable partner). Highlighted are tools the DTS recommends for further exploration during the 6-yr implementation period. Tools 29-47 are primarily used for low income or affordable housing; as part of forming a comprehensive housing strategy the City should identify which of these tools to further explore and make use of.*

	<b>Tool</b>	<b>Using now?</b>	<b>Description</b>	<b>Fund Sources &amp; Application</b>	<b>Opportunities</b>	<b>Challenges</b>	<b>Notes</b>
1	Community Renewal Area (RCW 35.81)	Yes	Adopted by the 2002 Legislature as a replacement for the state’s urban renewal laws. Allows purchase of property, public improvements & public-private development pursuant to a community renewal plan within an area declared as “blighted.” Funding can be provided by GO, revenue, or LID bonds. Allows for excess property & sales taxes to pay for capital costs for up to 5 yrs.	Potential tool for projects considered as integral to revitalization of blighted portions of a community within the context of a broader renewal plan.	<ul style="list-style-type: none"> <li>Renewal areas have been established in cities such as Anacortes, Bremerton (with Kitsap Housing) &amp; Vancouver</li> <li>May be implemented directly by local government or delegated to another public body including PFD, PDA, port or housing authority</li> <li>Can use with eminent domain for public use or community renewal.</li> </ul>	<ul style="list-style-type: none"> <li>Requirement for declaration of blight limits flexibility of program in some high performing urban centers.</li> <li>Does not directly provide new funding resources except as are already available to local municipalities.</li> </ul>	Could include a variety of public-private partnership approaches including: site assembly, public development offerings (RFP/RFQ) and ROI model for funding.
2	Façade Improvement Grants or Loans	No	<p>Could involve a program within a specified geographic area offering low interest loan funds &amp;/or grants for renovation of storefront façades.</p> <p>Might be accompanied by technical assistance to business &amp; property owners focused on architectural design &amp; cost estimating services.</p>	Suggested as program to be launched with in participation with local lending institutions, also addressing Community Reinvestment Act (CRA) objectives.	<ul style="list-style-type: none"> <li>Non-local funds may include resources as diverse as CDBG &amp; bank lending</li> <li>Direct local City funding may be possible through mechanisms such as façade easements</li> <li>Business or building owner funding can be either in the form of a loan or grant.</li> </ul>	<ul style="list-style-type: none"> <li>For some buildings, investment need may extend well beyond façades to cover other building upkeep needs.</li> <li>In cases where demolition is the best option, the focus might shift to evaluation of options for façade preservation.</li> </ul>	<p>Could use CDBG funds. Might be accompanied by technical assistance.</p> <p>Further analysis needed.</p>



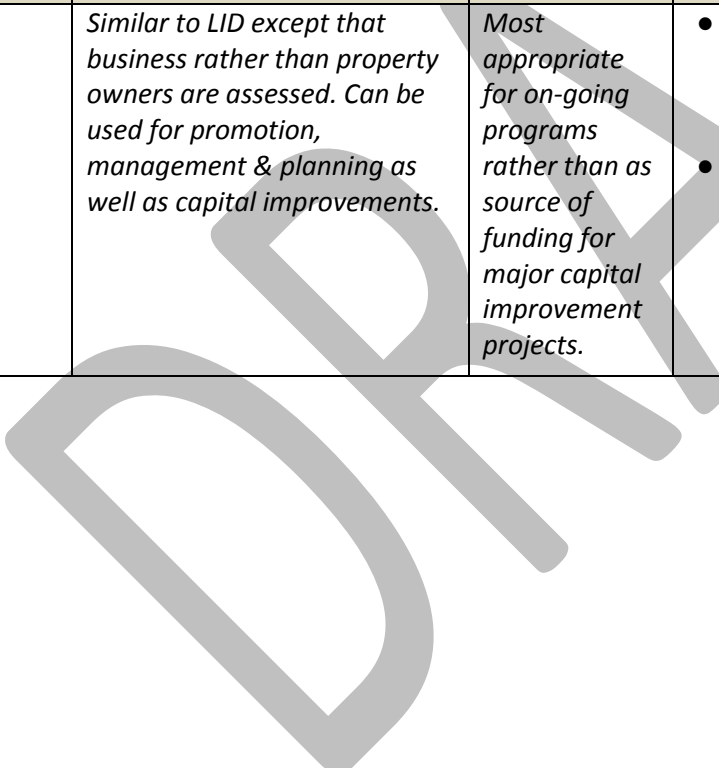
3	<p><i>Public Development Authority (RCW 35.21.730-32.21.755)</i></p>	No	<p><i>Authorized as a “public corporation,” a sub-agency of a city, town, or county with no defined authority. Intent is to improve administration of federal grant programs, improve governmental efficiency. PDA funds &amp; indebtedness “shall not constitute public moneys or funds of any city, town, or county and at all times shall be kept segregated and set apart from other funds.”</i></p>	<p><i>Potentially viable as a governing structure (with 49 PDAs statewide as of 2007) for public-private development</i></p>	<ul style="list-style-type: none"> <li>● <i>Liabilities are those solely of the PDA and not those of the creating city or county.</i></li> <li>● <i>May avoid state “lending of credit” issues if project is funded through federal or non-state/ local contributed resources (with PDA serving a “conduit” role).</i></li> <li>● <i>PDA property &amp; revenues exempt from taxation – like town or county.</i></li> </ul>	<ul style="list-style-type: none"> <li>● <i>No power of eminent domain or ability to levy taxes/special assessments.</i></li> <li>● <i>No added advantages for locally generated municipal financing beyond what is already available to city &amp; county governments.</i></li> <li>● <i>Olympia has no PDA experience to date.</i></li> </ul>	<p><i>RCW 35.21.730-32.21.755. Advantages of this public organizational structure are greatest if significant federal or other non-local funding and/or public-private partnerships are involved.</i></p>
4	<p><i>Land Use Planning and Zoning</i></p> <p><i>Also see Obama Admin’s (O.A.) recommendations 41-45 at end of this table.</i></p>	Yes	<p><i>Planning tools under GMA can affect land allocations, type of use, building form (design, height, density) &amp; off-site effects (as with parking, landscaping, buffers, etc.).</i></p>	<p><i>Part of CP&amp;D regular zoning &amp; permitting program</i></p>	<ul style="list-style-type: none"> <li>● <i>Planning regulations &amp; incentives function best in a strong market.</i></li> <li>● <i>Planning is increasingly accepted by the public as a legitimate public regulatory function.</i></li> </ul>	<ul style="list-style-type: none"> <li>● <i>Regulatory-focused approach is less effective in a weak market or where development feasibility of the planned project is marginal.</i></li> </ul>	<p><i>One of primary purposes of DTS</i></p> <p><b>Update in 2017</b></p>
5	<p><i>Capital Facilities Plan projects</i></p>	Yes	<p><i>Funding of infrastructure for projects of high downtown &amp; city-wide priority.</i></p>	<p><i>Most appropriate for core infrastructure such as roads, utilities &amp; public facilities.</i></p>	<ul style="list-style-type: none"> <li>● <i>To use CFP process consistent with state GMA.</i></li> <li>● <i>Related funding options include Transportation Benefit District (TBD) &amp; Transportation Improvement Program (TIP).</i></li> </ul>	<ul style="list-style-type: none"> <li>● <i>Downtown funding allocations typically compete with other project priorities city-wide.</i></li> </ul>	<p><i>On-going. Could include G.O. or Revenue Bonds or other new funding sources.</i></p> <p><b>Transportation improvements proposed in DTS</b></p>



6	<i>Historic property tax 'special valuation' (RCW 84.26)</i>	<i>Yes, for designated properties or in designated district</i>	<i>As adopted by the 1985 Washington State Legislature, historic properties may qualify for "special valuation" with rehabilitation improvements not taxed for 10 years.</i>	<i>Potential use for qualifying downtown structures through local review process.</i>	<ul style="list-style-type: none"> <li>● <i>Available to commercial &amp; residential structures.</i></li> <li>● <i>Olympia has adopted a required local ordinance and a board to review applications.</i></li> </ul>	<ul style="list-style-type: none"> <li>● <i>Property must be listed in local or national historic register.</i></li> <li>● <i>Rehabilitation costs must be 25%+ of a building's assessed valuation prior to application.</i></li> </ul>	<p><i>Heritage Commission is lead entity (RCW 84.26).</i></p> <p><b><i>Consider updating the historic district boundary.</i></b></p>
7	<i>Transportation Benefit District</i>	<i>Yes</i>	<i>independent taxing district created for the sole purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district.</i>	<i>State-authorized fees on vehicle license tabs</i>	<i>Provides additional funding for transportation improvements.</i>	<i>Increased fees to citizens.</i>	<i>Governed by separate board. Olympia TBD is city-wide.</i>
8	<i>Metropolitan Parks District</i>	<i>Yes</i>	<i>Junior property taxing district with special taxing authority for the management, control, improvement, maintenance, and acquisition of parks, pathways, boulevards, recreational facilities, programs, and services.</i>	<i>Voted property tax</i>	<i>Provides additional funding for parks improvements.</i>	<i>Increased taxes to city property owners, though voted. As a junior taxing district, may be subject to limitations on taxing authority.</i>	<i>Governed by separate board. Olympia MPD is city-wide. The MPD has an inter-local agreement with the City of Olympia to provide staffing services.</i>



9	<i>Local Improvement District</i>	<i>Not currently</i>	<i>Assessment of property owners for the costs of a public improvement (as for public parking &amp; transportation facilities, utility infrastructure or public facilities).</i>	<i>Most suited for improvements of widespread public benefit (as for shared parking or streetscape).</i>	<ul style="list-style-type: none"> <li>● <i>Can be paid over time via City bonds repaid by owner assessments (enforceable).</i></li> <li>● <i>Widely used mechanism with payments structured proportionate to benefits.</i></li> </ul>	<ul style="list-style-type: none"> <li>● <i>Subject to remonstrance if protested by owners paying 60%+ of improvement.</i></li> <li>● <i>Differential rate structures can be difficult to set.</i></li> <li>● <i>Not presently used in Olympia Was used to fund the original phases of Percival Landing.</i></li> </ul>	<i>Assessment of property owners for the costs of a specific public improvement (RCW 35.43). Recommended as potential later phase of implementation strategy -Further analysis needed.</i>
10	<i>Parking &amp; Business Improvement Area (RCW 35.87A)</i>	<i>Yes</i>	<i>Similar to LID except that business rather than property owners are assessed. Can be used for promotion, management &amp; planning as well as capital improvements.</i>	<i>Most appropriate for on-going programs rather than as source of funding for major capital improvement projects.</i>	<ul style="list-style-type: none"> <li>● <i>Ability to assess businesses if more supportive than property owners.</i></li> <li>● <i>Flexibility in assessment formula and ability to pay for operating as well as capital expenses.</i></li> </ul>	<ul style="list-style-type: none"> <li>● <i>Subject to remonstrance if opposed by owners paying 50%+ of proposed assessment.</i></li> <li>● <i>Less ability to enforce repayment, especially as collateral for bonding.</i></li> </ul>	<i>Staff support to PBIA Board provided by the City</i>





11	Community Revitalization Financing (RCW 39.89)	No - uncertain if available to us	Authorized by the 2001 Legislature. CRF enables 75% of added property tax generated within a geographically defined "increment area" to fund public improvements (infrastructure including park facilities) and spur development in areas characterized by unemployment & stagnant income growth. Can be general revenue or general obligation bonds.	Most suitable for downtown projects that fit within the statutory definition of a public improvement and will directly stimulate an area in which substantial new private tax assessed valuation is being developed.	<ul style="list-style-type: none"> <li>● CRF may be coordinated with other programs by the local government or other jurisdictions.</li> <li>● May receive less than full increment as long as bond payments are covered. May be securitized by non-public participants.</li> <li>● Implemented in Spokane (Iron Bridge TIF area).</li> </ul>	<ul style="list-style-type: none"> <li>● CRF increment area requires prior written agreement from taxing districts levying 75%+ of regular property tax.</li> <li>● Not usable for projects not covered by "public improvements" definition.</li> <li>● City has no CRF experience &amp; tool is not well used statewide.</li> </ul>	Further analysis would be needed.
12	Main Street Program	Yes	Washington state's program provides services and assistance for downtown revitalization focused on organization, promotion, design & economic restructuring.	Olympia Downtown Association is at the top tier level of state Main Street designation.	<ul style="list-style-type: none"> <li>● Program based on a proven model pioneered by the National Trust for Historic Preservation.</li> <li>● Offers a tiered approach to participation at the start-up, affiliate and designation levels.</li> </ul>	<ul style="list-style-type: none"> <li>● Not suitable for downtowns unprepared to commit staff resources.</li> <li>● State funds limited for added cities @ top tier designation level (11 as of July 2008).</li> </ul>	Administered by Olympia Downtown Association



13	Main Street Tax Credit Incentive Program (RCW 82.73)	Yes	Provides a 75% Business & Occupation (B&O) or Public Utility Tax (PUT) credit for private contributions to eligible downtown or neighborhood commercial district revitalization organizations.	Potentially available for organizations such as Olympia Downtown Association (which likely would need to take the lead).	<ul style="list-style-type: none"> <li>● Applicant can be a nonprofit commercial district revitalization organization.</li> <li>● No restriction on use as long as non-profit meets its exempt purpose.</li> </ul>	<ul style="list-style-type: none"> <li>● Limited to a total of \$1.5 million in credits statewide &amp; \$100,000 annually to each downtown program.</li> </ul>	
14	Community Economic Revitalization Board / Local Infrastructure Financing Tool Competitive Program (CERB/LIFT)	CERB direct funding: Yes, through competitive process. LIFT: No	Authorized by 2006 Legislature (E2SHB 2673) to fund infrastructure including roadway, utility, sidewalk, parking, public park/rec. facilities. Uses a form of tax increment financing with revenue or GO bonds repaid over up to 25 year as a state sale & use tax credit matched by increased local funds including local sales/use/property tax revenues within a defined Revenue Development Area.	In current form, CERB/LIFT most suited for projects that involve committed on-site or nearby significant private investment.  Greater utility as a sustainable tool likely is predicated on future legislative amendments	<ul style="list-style-type: none"> <li>● Offers the most comprehensive form of tax increment financing available to date in Washington State.</li> <li>● Added revenues return to local governments after bonds repaid.</li> <li>● Authorizes securitization of debt from non-public participants, including the private developer with whom the sponsoring government has contracted for private improvements.</li> </ul>	<ul style="list-style-type: none"> <li>● Limited to projects involving private development that also increase RDA sales &amp; property taxes.</li> <li>● Limited to one RDA per county and maximum of \$1 million per year to any single project.</li> <li>● Statewide cap of \$2.5 million for 2008 competitive funding.</li> </ul>	Per WA Dept. of Commerce website "There is no further authority under LIFT for additional state contributions and the program is currently closed to new designations."  Note: Projects funded to date in Bellingham, Spokane County, Vancouver, Bothell, Everett & Federal Way.  <b>Consider applying for CERB funds</b>



15	Port District (RCW 53)	Yes	<p>In addition to authority for harbor, transportation &amp; industrial related facilities, Ports may improve land for commercial use, use community revitalization financing &amp; powers of a community renewal agency, engage in economic development, and provide park &amp; recreation facilities linked to water &amp; transport activity.</p>		<ul style="list-style-type: none"> <li>Ports may annually levy up to \$0.45 per \$1,000 tax assessed value plus a 6-year (renewable) industrial development district levy of up to an added \$0.45.</li> <li>Non-voted property tax base provides stable funding for a range of economic development purposes.</li> </ul>	<ul style="list-style-type: none"> <li>Downtown development is often viewed as outside the purview of core Port operations &amp; facilities.</li> <li>However, Port of Olympia has been involved with downtown related development activities at Percival Landing.</li> </ul>	Port is a potential partner on future projects to meet downtown goals
16	Federal Historic Preservation Tax Credits	Yes, for qualifying improvements	<p>The Tax Reform Act of 1986 provides tax credits of:</p> <ul style="list-style-type: none"> <li>20% for certified rehab of certified historic commercial &amp; rental residential structures.</li> <li>10% for rehab of non-historic, non-residential buildings built pre 1936.</li> </ul> <p>Expenditures must exceed the adjusted basis of the building.</p>	Potential use for qualifying downtown structures through consultation with City & SHPO.	<ul style="list-style-type: none"> <li>One of the most powerful federal tax incentives available.</li> <li>20% applicable to structures in national historic districts.</li> <li>Substantial track record across the U.S. &amp; state of Washington via the State Historic Preservation Office (SHPO) as first point of property owner contact.</li> </ul>	<ul style="list-style-type: none"> <li>20% tax credit projects must meet Secretary of Interior standards for “certified rehabilitations.”</li> <li>In some cases, cost of meeting rehab standards may equal or exceed value of the tax credit.</li> <li>No downtown businesses have applied in recent years.</li> </ul>	<b>Explore changes to historic district boundary</b>



17	New Market Tax Credits	No – N/A	Federal program of tax credits over 7 years for up to 39% of the investment cost of qualified equity investments through a Certified Development Entity (CDE). Investments must be made in low income communities or for low income persons.	Possible source for major mixed use redevo w/ demonstrated low income benefit (residential). Depends on finding a suitable recognized CDE/ banking partner.	<ul style="list-style-type: none"> <li>● Most commercial &amp; mixed use projects in low income communities qualify.</li> <li>● Can use with historic tax credits.</li> <li>● 294 awards have been made totaling \$16 billion across U.S.</li> </ul>	<ul style="list-style-type: none"> <li>● Requires a commercial use component.</li> <li>● Has required on-going reauthorization by Congress.</li> <li>● Complex program needing experienced CDE partner.</li> </ul>	N/A in Downtown - Census tract does not qualify as low income.
18	Community Development Block Grant (CDBG)	Yes	CDBG projects require at least 51% of new jobs created to be for persons of low or moderate income. Project priorities cover expansion of economic opportunity, provision of decent housing & suitable living environment.	City receives annual entitlement grant.	<ul style="list-style-type: none"> <li>● Funds typically available for planning an implementation of community &amp; economic development projects.</li> <li>● Can include Section 108 lending for economic development projects.</li> </ul>	<ul style="list-style-type: none"> <li>● Though an entitlement city with \$400,000/yr, City of Olympia funding is prioritized for low-income housing, sidewalks &amp; 15% social services.</li> </ul>	Possible consideration as a source of pilot or start-up/early year funding, as for streetscape or façade improvements. Might also be considered to incent building rehab.





19	HUD Section 108 loan guarantee	Yes	<p>HUD Section 108 is one mechanism that increases the capacity of block grants to assist with economic development projects, by enabling a community to borrow up to 5 times its annual CDBG allocation.</p> <ul style="list-style-type: none"> <li>● Real Estate</li> <li>● Infrastructure improvements</li> <li>● Machinery/Equipment</li> <li>● Working Capital</li> <li>● Requires job creation in proportion to funding amount - 1 job per \$35,000 of assistance</li> <li>● Best suited to non-construction activities but can be used for const. (triggers prevailing wage requirements)</li> </ul>	Federal HUD funds	<ul style="list-style-type: none"> <li>● Lower interest (typically 2% below market) loans</li> <li>● Max. 20 year term</li> <li>● Flexible terms can be structured depending on needs of business</li> <li>● Program has been run since 1974 and is seen as being fairly reliable.</li> </ul>	<ul style="list-style-type: none"> <li>● Process to secure loans/grants for individual projects can be lengthy (6-9 mos).</li> <li>● Administration and projects must meet federal guidelines such as Davis Bacon const. requirements.</li> <li>● Amount of federal funding for CDBG has been diminishing over the past few years.</li> <li>● Compliance requirements similar to CDBG program, incl. job creation reporting and compliance monitoring</li> <li>● Coordination and administration done by City staff</li> </ul>	
20	Sale of Surplus Public Land	Yes	City-owned properties, such as surface parking lots, could be redeveloped under public/private partnership to meet goals. Further analysis would be needed to determine need for properties.				<b>Recommendation is to further consider how surplus properties could be used to meet downtown goals</b>



21	EB-5	Yes for eligible projects	<p>Investment dollars for new commercial enterprises that will benefit the US economy primarily by creating new jobs for US citizens. There are two versions of the program: 1) the original program that requires foreign investor to commit \$1 million for eligible projects that create at least 10 full-time direct jobs, and 2) the newer program that allows foreign investors to commit \$500,000 in eligible projects within Targeted Employment Areas that create at least 10 direct and/or indirect jobs. In return for these investments foreigners seek US citizenship.</p>	<p>Foreign investors</p> <p>EB-5 program is managed through the US Dept of Immigration. The WA Regional Center (WRC) located in Lacey raises foreign investment capital &amp; encourages creation of new business opportunities to stimulate the regional economy through the EB-5 program.</p>	<ul style="list-style-type: none"> <li>● Relatively low-cost source of equity for appropriate projects.</li> <li>● Projects can be construction (new or rehabilitation), or direct investments into businesses that will create required jobs.</li> <li>● EB5 can be bundled with many other funding sources.</li> </ul>	<ul style="list-style-type: none"> <li>● \$500,000 program investor projects must be in an EB-5 eligible “targeted employment area” or TEA. TEAs are areas that have unemp. rates in excess of 150% of the federal rate for a given year. TEAs are established and adjusted by the governors of each state.</li> <li>● Must meet job generation requirements within 2.5 years.</li> <li>● Investors expect to get their equity investment repaid at the end of five years.</li> <li>● It takes added time to secure EB5 funds due to federally required process steps.</li> </ul>	<p>Requires foreign investment for eligible projects</p> <p>The project constructed at 123 4th used the WRC - EB-5 funding was used through Lou Development LLC (Steven Lou).</p>
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22	<p><i>Reduced building/ planning/ impact/ SDC fees</i></p>	<p><i>Yes - Lower impact fees for certain uses in DT</i></p>	<p><i>Reduce various development fees as an incentive to induce qualifying types of development or building features (e.g. stormwater improvements through the Commercial Stormwater Fee Reduction).</i></p>	<p><i>General Fund or impact fund, respectively</i></p>	<ul style="list-style-type: none"> <li>● <i>Increases development feasibility by reducing soft costs for developers.</i></li> <li>● <i>Fee cost structures are within City control and can be easier to manipulate than other components of the development cost structure.</i></li> </ul>	<ul style="list-style-type: none"> <li>● <i>Reduces revenues to provide permitting &amp; compliance services.</i></li> <li>● <i>If impact fees are reduced for some developments, that revenue burden will be shifted to other developments.</i></li> </ul>	<p><i>Explore extending the lower impact fee benefit to additional uses. For example, currently multifamily uses have lower impact fees downtown than in other areas of the city, but pharmacies don't (or at least it's not clear that they do, hence a step to explore further).</i></p>
23	<p><i>Expedited permit review process</i></p> <p><i>(Relates to O.A. #43 below)</i></p>	<p><i>No</i></p>	<p><i>Expedite building permits for pre-approved development types or green buildings. (Also see SEPA exemptions below)</i></p>	<p><i>Limited costs generally paid for through development fees.</i></p>	<ul style="list-style-type: none"> <li>● <i>Can be targeted to a specific development type that is incented.</i></li> <li>● <i>Can save projects time in development process, which produces financial savings.</i></li> </ul>	<ul style="list-style-type: none"> <li>● <i>May not have a large enough impact on development bottom line to change financial viability of project.</i></li> </ul>	<p><i>Typically for additional fee, or for limited types of development that meet defined community goals. Further analysis would be needed.</i></p>



24	SEPA Exemptions/ Planned Action	SEPA exemption under consideration	<p>For areas where an Environmental Impact Statement was completed for a comprehensive plan or subarea plan, limits or eliminates the need for additional environmental review for each individual development project.</p> <p>Planned actions require city funding up-front for the initial EIS, and additional definition of specific area-wide environmental impacts. Fund source is at city's discretion. Additional SEPA exemptions would not have this funding obligation in downtown Olympia.</p>	Can rely on the existing EIS completed for Olympia Comprehensive Plan.	Reduces time and cost of permitting process for development that is consistent with Comprehensive Plan and EIS. Also removes or significantly lessens risk of an appeal of permit issuance.	Keeps the public notice and comment opportunities in the Olympia Municipal Code for individual project proposals, but removes the additional SEPA process and comment opportunity.	<p>City Council has directed examination of SEPA exemption for DT –</p> <p><b>Recommendation is to establish downtown as a SEPA exemption area</b></p>
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25	<i>Grow Olympia Fund (GOF) Loans</i>	Yes, through contract with National Development Council (NDC)	<p><i>Small business loan fund for eligible improvements/expansions:</i></p> <ul style="list-style-type: none"> <li>● Real Estate</li> <li>● Machinery/equipment</li> <li>● Working capital</li> <li>● Must meet Small Business Administration (SBA) eligibility guidelines</li> <li>● Tenant improvements by tenant businesses (if SBA eligible)</li> </ul>	Capital provided by NDC. City of Olympia contracts with NDC for Fund administration and loan servicing, primarily using Community Development Block Grant funds.	<ul style="list-style-type: none"> <li>● NDC's staff provides all underwriting packaging and coordination w/SBA.</li> <li>● NDC services the loan for the entire term.</li> <li>● Below market financing (up to prime -1 depending on credit) as first position loan</li> <li>● Term varied with useful life of assets financed</li> </ul>	GOF capitalized at \$1 million	Administered by National Development Council for City
26	<i>Commercial Land Trust</i>	No	<i>Private non-profit enterprise owning and managing property or commercial lease space in trust for businesses using that space.</i>	Varied-	<i>Provides low-cost space for emerging businesses. Can mitigate the effects of speculative rent pricing and ensure long-term affordability for small businesses leasing space.</i>	<i>Start-up and operational funding for the non-profit enterprise.</i>	<p><i>Typically operated as a non-profit organization</i></p> <p><i>What about the much more common business incubator?</i></p>
27	<i>Brownfields Area-Wide or Property-Specific Grants/Loans</i>	Yes, through competitive processes	<i>Funds to assist with clean-up of sites with contamination</i>	<i>Federal funds for area-wide or property-specific grants or loans</i>	<i>Can reduce or remove risk for potential buyer of the property for redevelopment.</i>	<i>Several funding programs with varied eligibility requirements. Some are competitive application processes.</i>	<p><i>Several funding programs operated by EPA, Dept. of Ecology, Dept. of Commerce.</i></p> <p><b>Recommend applying for an EPA assessment grant, and possible others</b></p>



28	<p><i>Multi-Family Tax Exemption (OMC 5.86)</i></p> <p><i>(See O.A. 49 and 50 at the end of this table)</i></p>	Yes	<p><i>A time-limited reduction in property taxes, 8 years for market rate housing and 12 years for affordable housing, for new or rehabilitated multi-family residential units. Olympia has adopted 'target areas' for eligibility for this program, which include downtown.</i></p>	<p><i>Local taxing jurisdictions' general funds-cities, school districts, counties, etc.</i></p>	<ul style="list-style-type: none"> <li><i>Increases the financial feasibility of property improvements.</i></li> <li><i>Often more politically acceptable than other funding sources; it does not require a budget allocation.</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Reduces general fund revenues for all overlapping taxing districts.</i></li> <li><i>Can require ongoing monitoring to ensure compliance and accountability.</i></li> </ul>	<p><i>8-year tax exemption for market-rate projects; 12-year for projects with 20% of units affordable to low-moderate incomes</i></p>
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### Low Income Housing Tools

29	<p><i>HOME Investment Partnership Program (federal)</i></p>	<p><i>Yes, through county-wide Community Investment Partnership (CIP)</i></p>	<p><i>Funding for housing construction, rehabilitation and reinvestment.</i></p>	<p><i>Federal funds</i></p>	<p><i>Additional funding for housing units</i></p>	<p><i>Must meet federal guidelines</i></p>	<p><i>CIP funding decisions made collectively at county-wide level. City of Olympia has seat at the table.</i></p>
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30	<i>Low-Income Housing Tax Credits (federal/state)</i>	<i>Yes, for qualifying projects through state-wide competitive process</i>	<i>Provides tax credits for acquisition, rehabilitation, new construction of rental housing targeted to lower-income households. At least 20% of residential units must be restricted to low income residents with income less than 50% median gross income of the area-or at least 40% of the units must be restricted to low income residents with income of 60% or less of the median gross income of the area.</i>	<i>Private and institutional investors/ Federal Government</i>	<ul style="list-style-type: none"> <li>● <i>Can increase the supply of affordable housing in an area.</i></li> <li>● <i>Because they provide much of the equity needed for a project, a tax credit property can in turn offer lower, more affordable rents.</i></li> <li>● <i>Can be used to fund mixed-income projects.</i></li> <li>● <i>There are two types of LIHCTs, 4% (less money and less competitive) and 9% (more money but highly competitive).</i></li> </ul>	<ul style="list-style-type: none"> <li>● <i>States allocate federal housing tax credits through a competitive process.</i></li> <li>● <i>Property must maintain compliance with program requirements to remain eligible.</i></li> </ul>	
31	<i>Housing Trust Fund (state)</i>	<i>Yes, for qualifying projects through state-wide competitive process</i>	<i>Operated by Housing Finance Commission to provide funding for housing development throughout the state.</i>	<i>State funded &amp; administered</i>	<i>Dedicated public revenue stream</i>	<i>Very competitive process for projects to receive funding.</i>	
32	<i>Housing Authority of Thurston County</i>	<i>Yes</i>	<i>Separate agency that funds housing projects throughout Thurston County.</i>	<i>Funded from a variety of sources</i>			<i>Projects are proposed by the Housing Authority.</i>
33	<i>Local Housing Levy</i>	<i>No</i>	<i>Currently proposed by local advocacy group as a levy option sent to the voters for additional property tax to fund housing for low to moderate income housing units.</i>	<i>Would be a voter-approved optional tax.</i>	<i>Would provide additional housing units for low to moderate income segments of the city population.</i>	<i>Requires voter approval</i>	<i>Local advocacy group currently proposing based on Bellingham model.</i>



34	<p><i>Inclusionary Zoning</i></p> <p><i>(See O.A. 48 at the end of this table).</i></p>	No	<p><i>Require or provide incentives to ensure a proportion of units within new housing developments are committed to be affordable to low-income segments of population.</i></p>	<p><i>Cost is typically borne by private housing developers as part of market-rate development.</i></p>	<p><i>Can provide additional housing units for low-income segment of population. Units are mixed with market-rate units within same development.</i></p>	<p><i>Increases cost of overall development, which can raise rental rates for remaining units within that development. With incentive-based approaches, these cost increases may be offset by the value of the incentives.</i></p>	<p><i>Generally works best in very strong housing market conditions.</i></p>
35	<p><i>Affordable Housing ReUse District</i></p>	No					<p><i>Proposed by consultant - need more info.</i></p>
36	<p><i>HUD 202 supportive housing for the elderly</i></p>		<p><i>Provides interest-free capital advances to private, nonprofit sponsors to finance housing development for low-income seniors. The capital advance does not have to be repaid as long as the project serves low-income seniors. The nonprofit must provide a minimum capital investment equal to 0.5 percent of the HUD-approved capital advance, up to a maximum of \$25,000. Occupancy in Section 202 housing is open to any very low-income household comprised of at least one person who is at least 62 years old at the time of initial occupancy.</i></p>	<p><i>Federal HUD funds</i></p>	<ul style="list-style-type: none"> <li><i>Capital advance does not have to be repaid as long as the project serves very low-income elderly persons for 40 years.</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Competitive process to secure loans/ grants for individual projects.</i></li> <li><i>Difficulty in retaining experienced contractors over lengthy application and fund disbursement timeframes.</i></li> </ul>	<p><i>Provides interest-free capital advances through a competitive process to private, nonprofit sponsors to finance housing development for low-income seniors.</i></p>





37	Community Land Trust	Not currently	A non-profit entity that holds land for the development of a community asset, such as affordable housing. The trust owns underlying land, while individuals or cooperatives own the buildings on the land.	Various. As a non-profit, the trust may access grant funding, donations, or other sources.	Cost of homes is typically less, as buyers are purchasing the building only, and not also paying for the land. Homeowners within the trust gain equity, as the value of building improvements is generally credited back to the owner upon resale. The property is owned by the trust in perpetuity. The trust may also provide land for other community assets, such as community gardens, community center, or even small commercial spaces.	Start-up and long-term management of the trust can be complicated. Funding for purchase of land may be challenging.	There are numerous examples of community land trusts in Washington and nationwide.
38	Limited-Equity Housing Cooperative	Not currently	Similar to a community land trust, except ownership is shared through a cooperative of residents.	Costs are generally shared among cooperative members.	Community residents share in all decisions, costs and benefits of the property.	Self-governing can be challenging. Some cooperatives have long-term residents, making it somewhat difficult for new residents to join.	Currently one cooperative operating in west Olympia
39	Community Development Corporation	Not currently	For-profit or non-profit organizations governed by neighborhood representatives to revitalize disinvested neighborhoods.	Investments by individuals, faith-based organizations, small business owners or other local stakeholders.	Can provide investments in affordable housing, support services and leadership development.	Identifying investors; organizing and maintaining the organization.	



40	<p><i>Commercial Linkage fees</i></p> <p><i>(See O.A. 48 at the end of this table)</i></p>	<p><i>Not currently</i></p>	<p><i>City-levied fees on commercial developments for nearby affordable housing, either by paying into an affordable housing fund or directly constructing affordable units.</i></p>	<p><i>Commercial development fees.</i></p>	<p><i>Increases the number of affordable housing units constructed.</i></p>	<p><i>Directly increases costs of commercial development, which can be passed on to customers or renters in those developments. May be a disincentive to commercial development in the community, particularly if neighboring jurisdictions do not adopt a similar approach.</i></p>	<p><i>Similar to inclusionary zoning, requires an extremely strong economic market.</i></p>
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## Obama Administration – Recommended Housing Tools

In September of 2016 the Obama White House issued a white paper on housing development. It identified 10 actions that local governments can take to “promote healthy, responsive, high-opportunity housing markets.”

	<b>Tool</b>	<b>Using now?</b>	<b>Description</b>	<b>Fund Sources &amp; Application</b>	<b>Opportunities</b>	<b>Challenges</b>	<b>Notes</b>
41	<i>Establish by right development</i>	<i>Yes/No</i>	<i>Municipalities can facilitate more efficient development time frames and reduce costs by enabling more by-right development.</i>	<i>Staff or consultant cost to review code and determine if any by-right modifications could be made.</i>	<ul style="list-style-type: none"> <li><i>Review existing development regulations for opportunities to facilitate more development by-right.</i></li> <li><i>Missing Middle review may be an opportunity to consider this perspective.</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Neighborhoods and surrounding property owners are often concerned about new developments and increased density and intensity in their neighborhoods regardless of how the property is zoned.</i></li> </ul>	
42	<i>Tax vacant land or donate it to non-profit developers</i>	<i>No</i>	<p><i>Vacant land/building registration ordinances that require registration of vacant land and often require a fee. Fees increase the longer a property remains vacant.</i></p> <p><i>Property that is owned by the County for failure to pay back taxes could be used by not for profits for housing.</i></p> <p><i>Some communities such as Seattle have a landlord registry and inspection program.</i></p>	<p><i>This program could be used to track vacant properties that can quickly become code enforcement and crime problems.</i></p> <p><i>Not presently funded.</i></p>	<ul style="list-style-type: none"> <li><i>Create a vacant property registry if a property remains vacant for more than a year.</i></li> <li><i>Could facilitate more responsive code enforcement response to nuisance properties.</i></li> <li><i>Some communities such as the City of Seattle have a landlord registry and inspection program.</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Minimum housing standards generally enforced through code enforcement process.</i></li> <li><i>A new program would require resources and staffing.</i></li> </ul>	<i>Further study would be needed.</i>



43	Streamline permitting processes	Yes	Inefficient permitting processes create confusion, cost and waste for applicants, the public and the City. The City envisions a permit process that is accessible 24/7, allows for electronic submittal and review, allows for real time tracking of inspections results and easier access to public information.	The City continues to invest in building lean process capacity and will reengage when the software instillation is complete.	<ul style="list-style-type: none"> <li>Staff has invested time and energy in applying “lean” techniques to our development review process and has streamlined the intake and final inspections processes. The Department is in the midst of implementing a new enterprise software system known as SmartGov. This system will allow applicants enhanced access to our land use, permit and inspection processes.</li> </ul>	<ul style="list-style-type: none"> <li>It is challenging to institute system changes during periods of high activity.</li> </ul>	Continue to build a lean culture that provides for efficient processes and open and transparent access to information.
44	Eliminate off street parking requirements	Yes/No	There are no minimum parking requirements for residential projects located in downtown. In areas outside of downtown minimum parking requirements apply to multiple family residential projects and increase the cost of projects.	The City has engaged a parking consultant to review its parking requirements and to develop a comprehensive parking strategy.	<ul style="list-style-type: none"> <li>The parking strategy will include recommendations for parking management, parking facilities and supply including surface lots and potential parking structures.</li> <li>The parking strategy will examine the residential parking program and its impacts on businesses and other downtown users.</li> </ul>	<ul style="list-style-type: none"> <li>Elimination of parking requirements can have unintended consequences on surrounding on-street parking.</li> <li>Even in Downtown where parking is not required developers still strive to provide between .75 and 1.0 parking stalls per units.</li> </ul>	Parking strategy is scheduled to be complete by June of 2017.



<p>45</p>	<p><i>Enact high-density and multiple family zoning</i></p> <p><i>(Related to #4)</i></p>	<p>Yes/No</p>	<p><i>Downtown Olympia is comprised of a variety of zoning districts that range from UW-H 35 to DB that allow buildings between 35 feet and 90 feet with bonuses for residential development. The density of a project like 123 4<sup>th</sup> Ave is over 200 units per acre. Our comprehensive plan sets the goal of 5,000 new residents in downtown by 2035. Given development currently in process that goal seems feasible if not likely.</i></p> <p><i>Much of Olympia is zoned for low density development with over 50% of the community zoned R 4 – 8 that limits density to maximum of 8 units per acre. Recent parks acquisitions have removed the potential for over 1,000 dwelling units from south east Olympia.</i></p>	<p><i>A broader review of the “missing middle” is planned for 2017. This exercise will focus on ways to increase density in existing neighborhoods .</i></p>	<ul style="list-style-type: none"> <li>• <i>Rezoning undeveloped parcels in existing neighborhoods could help to increase overall densities.</i></li> <li>• <i>Looking strategically for opportunities to increase density within high density corridors and near neighborhood centers and existing commercial centers like the mall.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>There does not appear to be a demand for greater densities in the downtown at this time.</i></li> <li>• <i>Rezoning undeveloped parcels in existing neighborhoods would likely result in neighborhood opposition.</i></li> </ul>	<p><i>Move forward with the “missing middle” and evaluate opportunities to increase density in areas where neighborhood opposition may be low and services and infrastructure are in place to support higher density.</i></p>
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46	<p>Allow Accessory Dwelling Units</p>	<p>Yes, No</p> <p>Allowed in all residential zones, but changes could be made to improve efficiency</p>	<p>Accessory dwelling units (ADU) are smaller homes either attached or detached located on a single family lot. ADUs can add density to neighborhoods, increase access to homeownership by creating rental income for owners and provide affordable housing for renters. Olympia's development code includes provisions for ADUs, however, few ADUs have been constructed in the City.</p>	<p>Potential tool to increase density in existing neighborhoods</p>	<ul style="list-style-type: none"> <li>The planned review of the "missing middle" will look at the City's ADU regulations. Amending these regulations may make adding and ADU to single family property more feasible.</li> </ul>	<ul style="list-style-type: none"> <li>ADUs can create parking and other conflicts in existing neighborhoods.</li> </ul>	<p>ADUs are a viable means to increase density in existing neighborhoods. Olympia's current regulations are seen as barrier to these units. The "missing middle" process will evaluate these barriers.</p>
47	<p>Establish Density Bonuses</p>	<p>Yes/No</p> <p>In some areas of downtown</p>	<p>Olympia's development code has several opportunities to increase density. In the downtown the code allows two additional floors above the zoning height limits if two floors or more of residential is included in the project.</p> <p>No project has taken advantage of this provision.</p>			<ul style="list-style-type: none"> <li>Building heights above 75 feet require Type I or Type II construction that is more costly than the Type V construction allowed at lower heights.</li> </ul>	<p>Given current and projected market conditions density bonuses are unlikely to impact the market.</p>
48	<p>Employ inclusionary zoning</p> <p>(see 34 and 40 above)</p>	<p>No</p>	<p>Inclusionary zoning requires or encourages new projects to include affordable units. These units have long term affordability restrictions.</p>				



49	<i>Establish development tax or value capture incentives (see 28 above)</i>	Yes	<i>The City of Olympia has a multifamily tax exemption program.</i>				
50	<i>Use Property Tax Abatements (See 28 above)</i>						

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