

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON, APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE DOCUMENTS NECESSARY TO SUBORDINATE TWO CITY OF OLYMPIA COMMUNITY DEVELOPMENT BLOCK GRANT LOANS UPON 501 & 503 18th AVENUE SOUTHEAST, OLYMPIA, WA 98501 (RRP-169, RRP-088)

WHEREAS, Homes First, a Washington non-profit corporation, creates and maintains safe, healthy, and affordable rental homes for residents at or less than 80 percent of the area median income; and

WHEREAS, The City of Olympia (the City) currently has a Community Development Block Grant (CDBG) loan in the amount of Thirty-one Thousand Four Hundred Sixty-nine dollars and Sixteen cents (\$31,469.16), CDBG Loan No. 338, RRP-088 (the First Loan) upon property owned by Homes First at 501 & 503 18th Avenue Southeast Olympia, WA, Thurston County Assessor Parcel No. 76300300800 (the Property); and

WHEREAS, The City also currently has a CDBG loan in the amount of One Hundred Two Thousand dollars (\$102,000) CDBG Loan No. 770, RRP-169 (the Second Loan) upon the Property; and

WHEREAS, the First Loan on the Property is secured by a Deed of Trust owned and held by the City, executed by Homes First, dated October 6, 1994, and recorded on October 6, 1994, under Thurston County Auditor's File No. 9410060178, encumbering the Property; and

WHEREAS, the Second Loan on the Property is secured by a Deed of Trust owned and held by the City, executed by Homes First, dated July 20, 2005, and recorded on July 21, 2005, under Thurston County Auditor's File No. 3750538, encumbering the Property; and

WHEREAS, Homes First is working with Olympia Federal Savings to secure an additional line of credit to make further improvements to the Property; and

WHEREAS, Homes First is requesting that the City subordinate to the new Olympia Federal Savings Deed of Trust, remaining in second lien position as a lender behind Olympia Federal Savings; and

WHEREAS, the Olympia City Council considers it to be in the best interests of the City of Olympia and its residents to provide affordable housing for all, by agreeing to Homes First's request to subordinate the City's CDBG loans to Olympia Federal Savings Bank;

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

1. The Olympia City Council hereby approves the form of Subordination Agreements between the City of Olympia, Homes First, and Olympia Federal Savings and the terms and conditions contained in those Agreements.

2. The City Manager is authorized and directed to execute on behalf of the City of Olympia the Subordination Agreements, and any other documents necessary to execute those Agreements, and to make any amendments or minor modifications as may be required and are consistent with the intent of the Agreements, and to correct any scrivener's errors.

PASSED BY THE OLYMPIA CITY COUNCIL this _____ day of _____ 2024.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

Michael M. Young

DEPUTY CITY ATTORNEY