

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON,
AUTHORIZING THE CITY MANAGER TO EXECUTE DOCUMENTS NECESSARY TO
SUBORDINATE A CITY OF OLYMPIA COMMUNITY DEVELOPMENT BLOCK GRANT LOAN
UPON 204 LILLY ROAD SE, OLYMPIA, WASHINGTON (LOAN NO. 827 RRP-188)**

WHEREAS, the Housing Authority of Thurston County (Housing Authority), a Washington non-profit corporation, seeks to provide safe, decent, and affordable housing and services to persons with disabilities and low income and at-risk individuals and families, with the ultimate goal of assisting individuals and families in securing long-term permanent housing; and

WHEREAS, the City of Olympia (City) currently has a Community Development Block Grant (CDBG) loan in the amount of Three Hundred Sixty Thousand Dollars and No/Cents (\$360,000.00) CDBG Loan No. 827 RRP-188 (the Loan) upon property owned by the Housing Authority located at 204 Lilly Road SE, Olympia, WA, Thurston County Assessor's Parcel Nos. 11817230300, 11818142503, and 11817230500 (the Property); and

WHEREAS, the Loan on the Property is secured by a Deed of Trust owned and held by the City, executed by the Housing Authority, dated May 16, 2008, and recorded on May 21, 2008, under Thurston County Auditor's File No. 4011815, encumbering the Property; and

WHEREAS, Heritage Bank is also the owner and holder of a Deed of Trust on the Property recorded on October 29, 2009, under Thurston County Auditor's File No. 4118513, as amended via Modification of Deed of Trust recorded May 27, 2011, under Thurston County Auditor's File No. 4212730; and

WHEREAS, the City previously subordinated to the Heritage Bank Deed of Trust pursuant to a Subordination Agreement recorded on October 28, 2009, under Thurston County Auditor's File No. 4118516 and re-recorded October 29, 2009, under Thurston County Auditor's File No. 4118699; and

WHEREAS, the Housing Authority is working with Heritage Bank to refinance the existing debt on the Property in order to provide funds to construct 28 additional units on the Property, also known as Olympia Crest, a non-subsidized affordable housing complex with income limits; and

WHEREAS, the Housing Authority is requesting that the City subordinate to the new Heritage Bank Deed of Trust, remaining in second lien position as a lender behind Heritage Bank; and

WHEREAS, the Olympia City Council considers it to be in the best interests of the City of Olympia and its residents to provide for its most vulnerable populations, including persons with disabilities and low income and at-risk individuals and families, by agreeing to the Housing Authority's request to subordinate the City's CDBG loan to Heritage Bank;

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

1. The Olympia City Council hereby approves the form of Subordination Agreement between the City of Olympia, the Housing Authority of Thurston County, and Heritage Bank 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 Subordination 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.

PASSED BY THE OLYMPIA CITY COUNCIL this _____ day of _____ 2022.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY