

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON,
AUTHORIZING THE CITY MANAGER TO EXECUTE DOCUMENTS NECESSARY TO
CONTINUE SUBORDINATION OF CITY LOANS UPON CERTAIN PARCELS OF REAL
PROPERTY TO SUPPORT ADDITIONAL FUNDING FOR AFFORDABLE HOUSING**

WHEREAS, the City of Olympia currently has housing-related loans upon nine properties located in the City of Olympia for persons with low income, affordable housing needs; and

WHEREAS, the City previously subordinated its nine housing-related loans to a lender in order to provide sufficient loan funding for said real properties and low income persons; and

WHEREAS, the City has been requested by Homes First, a Washington non-profit corporation engaged in helping persons with low incomes or disabilities to secure affordable housing, to subordinate the City's housing-related loans in connection with Homes First's efforts to secure tax-exempt bond financing through the Washington State Housing Finance Commission (WSHFC); and

WHEREAS, Homes First has worked since 1990 to increase the supply of affordable housing for community members in need by purchasing houses, apartments, or duplexes and rehabilitating them for habitation, and Homes First has an opportunity to help more low income persons with affordable housing via tax-exempt bond financing through the WSHFC; and

WHEREAS, Homes First has worked in partnership with the City of Olympia and other communities to provide housing for the our most vulnerable populations, including the poor, infirm, and homeless; and

WHEREAS, the City's subordinated position as a lender on nine housing-related loans will not materially change, with the exception that six of the nine properties will require the execution and recording of a Regulatory Amendment as part of the subordination agreements to be executed by the City; and

WHEREAS, the Regulatory Amendment required upon six of the nine properties with existing City housing-related loans shall cease to apply to the properties and shall terminate and be of no further force and effect in the event of involuntary noncompliance with the Agreement caused by fire, seizure, requisition, foreclosure, exercise of power of sale, transfer of title by deed in lieu of foreclosure, other involuntary transfer, change in a federal law or an action of a federal agency after the bond closing which prevents the WSHFC from enforcing its provisions, or condemnation or similar event, but only if, within a reasonable period, either the bond is retired or amounts received as a consequence of such event are used to provide a project which meets the requirements so stipulated; and

WHEREAS, the Olympia City Council has determined it to be in the best interests of the City of Olympia and its citizens to provide for its most vulnerable populations of the poor, infirm, disabled, and homeless, by agreeing to Homes First's request to continue the subordination of the City's existing subordinated nine housing-related loans, with the addition of a Regulatory Amendment to be executed on six of the nine properties at issue;

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

1. The Olympia City Council hereby agrees to execute new subordination agreements by the City of Olympia, including Regulatory Amendment(s) on six of the nine City properties with current subordinated housing-related loans, to assist Homes First, a Washington non-profit corporation, in its efforts to secure tax-exempt bond financing through the Washington State Housing Finance Commission, for the purpose of leveraging additional funding for affordable housing for the poor, infirm, and homeless.
2. The City Manager is directed and authorized to execute all documents reasonable or necessary, including but not limited to new subordination agreements and Regulatory Amendment(s), for the purpose of subordinating the City's nine housing-related loans on those properties listed on Exhibit A attached hereto. The City Manager is also authorized to modify any such subordination documents consistent with the intent expressed by the Olympia City Council in this Resolution, and to correct any scrivener's errors in said documents as may be required.

PASSED BY THE OLYMPIA CITY COUNCIL this _____ day of October, 2017.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:



CITY ATTORNEY

EXHIBIT A

1. 1603 Bethel Street NE
2. 2124 Soroya Court SW
3. 501-503 18th Avenue SE
4. 2408 Lincoln Avenue SE
5. 2516 Lincoln Avenue SE
6. 1819 9th Avenue SE
7. 221 Milroy Street NW
8. 1812 Sawyer
9. 1203 Olympia Avenue