



# Meeting Agenda

## City Council

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8244

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Tuesday, October 24, 2023

6:00 PM

Council Chambers, Online and  
Via Phone

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### Register to Attend:

[https://us02web.zoom.us/webinar/register/WN\\_DwPurMLeTdigklpmpnsy4A](https://us02web.zoom.us/webinar/register/WN_DwPurMLeTdigklpmpnsy4A)

#### 1. ROLL CALL

##### 1.A ANNOUNCEMENTS - None

##### 1.B APPROVAL OF AGENDA

#### 2. SPECIAL RECOGNITION - None

#### 3. PUBLIC COMMENT

*(Estimated Time: 0-30 Minutes) (Sign-up Sheets are provided in the Foyer.)*

*During this portion of the meeting, community members may address the City Council regarding items related to City business, including items on the Agenda. In order for the City Council to maintain impartiality and the appearance of fairness in upcoming matters and to comply with Public Disclosure Law for political campaigns, speakers will not be permitted to make public comments before the Council in these two areas: (1) where the public testimony may implicate a matter on which the City Council will be required to act in a quasi-judicial capacity, or (2) where the speaker promotes or opposes a candidate for public office or a ballot measure.*

*Individual comments are limited to two (2) minutes or less. In order to hear as many people as possible during the 30-minutes set aside for Public Communication, the City Council will refrain from commenting on individual remarks until all public comment has been taken. The City Council will allow for additional public comment to be taken at the end of the meeting for those who signed up at the beginning of the meeting and did not get an opportunity to speak during the allotted 30-minutes.*

#### COUNCIL RESPONSE TO PUBLIC COMMENT (Optional)

#### 4. CONSENT CALENDAR

*(Items of a Routine Nature)*

4.A [23-0938](#) Approval of October 17, 2023 City Council Meeting Minutes

**Attachments:** [Minutes](#)

4.B [23-0868](#) Approval of a Resolution Authorizing Submission of a Connecting Housing to Infrastructure Program Grant Application for the Habitat for Humanity Boulevard Road Project

**Attachments:** [Resolution](#)

- 4.C [23-0869](#) Approval of a Resolution Authorizing Submission of a Connecting Housing to Infrastructure Program Grant Application for the 228 Olympia Housing Project

**Attachments:** [Resolution](#)

- 4.D [23-0874](#) Approval of a Resolution Setting the Date for a Public Hearing on Proposed Designation of Certain Additional Areas of the City as Additional Residential Targeted Areas for Purposes of the Multi-Family Tax Exemption

**Attachments:** [Resolution](#)

- 4.E [23-0917](#) Approval a Resolution Authorizing a Modification to a Second Amendment to an Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers

**Attachments:** [Resolution](#)

[Agreement](#)

#### **4. SECOND READINGS (Ordinances) - None**

#### **4. FIRST READINGS (Ordinances) - None**

### **5. PUBLIC HEARING**

- 5.A [23-0873](#) Public hearing for a Grant Application to the Department of Housing and Urban Development to Pursue funding for affordable homeownership

**Attachments:** [Application](#)

### **6. OTHER BUSINESS**

- 6.A [23-0923](#) State of LOTT Clean Water Alliance Briefing

**Attachments:** [Link to LOTT 2050 Master Plan](#)

- 6.B [23-0922](#) Council of Neighborhoods Association Memorandum of Understanding Discussion

**Attachments:** [Proposed MOU](#)

[Current MOU](#)

[Comparison Table - Current and Proposed City-CNA MOU](#)

[2021 City/CNA MOU Discussion Outcomes](#)

- 6.C [23-0900](#) Approval of an Ordinance Amending Olympia Municipal Code Chapters 4.70 Related to Residential Parking

**Attachments:** [Ordinance](#)

[Parking Strategy Chapter 5](#)

[Residential parking zones map](#)

**7. CONTINUED PUBLIC COMMENT - None**

*(If needed for those who signed up earlier and did not get an opportunity to speak during the allotted 30 minutes)*

**8. COUNCIL INTERGOVERNMENTAL/COMMITTEE REPORTS AND REFERRALS**

**9. CITY MANAGER'S REPORT AND REFERRALS - None**

**10. ADJOURNMENT**

*The City of Olympia is committed to the non-discriminatory treatment of all persons in employment and the delivery of services and resources. If you require accommodation for your attendance at the City Council meeting, please contact the Council's Executive Assistant at 360.753.8244 at least 48 hours in advance of the meeting. For hearing impaired, please contact us by dialing the Washington State Relay Service at 7-1-1 or 1.800.833.6384.*



City Hall  
601 4th Avenue E.  
Olympia, WA 98501  
360-753-8244

## City Council

### Approval of October 17, 2023 City Council Meeting Minutes

**Agenda Date:** 10/24/2023  
**Agenda Item Number:** 4.A  
**File Number:**23-0938

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**Type:** minutes **Version:** 1 **Status:** Passed

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**Title**

Approval of October 17, 2023 City Council Meeting Minutes



# Meeting Minutes - Draft

## City Council

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8244

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Tuesday, October 17, 2023

6:00 PM

Council Chambers, Online and Via  
Phone

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### Register to Attend:

[https://us02web.zoom.us/webinar/register/WN\\_I5b8FBxsTn6pXKImXM2Ztg](https://us02web.zoom.us/webinar/register/WN_I5b8FBxsTn6pXKImXM2Ztg)

## 1. ROLL CALL

**Present:** 7 - Mayor Cheryl Selby, Mayor Pro Tem Clark Gilman, Councilmember Jim Cooper, Councilmember Yén Huỳnh, Councilmember Dani Madrone, Councilmember Lisa Parshley and Councilmember Dontae Payne

## 1.A ANNOUNCEMENTS - NONE

## 1.B APPROVAL OF AGENDA

The agenda was approved.

## 2. SPECIAL RECOGNITION

### 2.A [23-0884](#) Special Recognition - Water Resources Stewardship Calendar Artists

Senior Program Specialist Erin Conine and Senior Program Specialist Susan McCleary discussed the 2024 Water Resources Stewardship Through Art calendar artists from Olympia middle schools.

The recognition was received.

## 3. PUBLIC COMMENT

The following people spoke: Larry Dzieza, Jim Lazar, Gary Altman and Bob Jacobs.

### COUNCIL RESPONSE TO PUBLIC COMMENT (Optional)

## 4. CONSENT CALENDAR

### 4.A [23-0883](#) Approval of October 3, 2023 City Council Meeting Minutes

The minutes were adopted.

### 4.B [23-0872](#) Approval of a Resolution Authorizing a Grant Application to the

Department of Housing and Urban Development to Pursue Funding for Affordable Homeownership

**The resolution was adopted.**

- 4.C**     [23-0882](#)     Approval of a Resolution Authorizing an Interlocal Agreement with Thurston County for Law Enforcement Mutual Aid for Dive Rescue Team Deployment

**The resolution was adopted.**

### **Approval of the Consent Agenda**

**Councilmember Parshley moved, seconded by Councilmember Payne, to adopt the Consent Calendar. The motion carried by the following vote:**

**Aye:**       7 - Mayor Selby, Mayor Pro Tem Gilman, Councilmember Cooper, Councilmember Huynh, Councilmember Madrone, Councilmember Parshley and Councilmember Payne

## **4. SECOND READINGS (Ordinances) - NONE**

### **4. FIRST READINGS (Ordinances)**

### **PULLED FOR SEPARATE ACTION**

- 4.D**     **23-0900**     Approval of an Ordinance Amending Olympia Municipal Code Chapters 4.70 Related to Residential Parking

The Ordinance will be brought forward on a future City Council agenda as an Other Business item.

**The ordinance was postponed.**

## **5. PUBLIC HEARING**

- 5.A**     [23-0887](#)     Public Hearing on the Preliminary Capital Facilities Plan, 2024-2029 Financial Plan

Principal Planner Joyce Phillips presented the Preliminary Capital Facilities Plan.

Mayor Selby opened the hearing at 7:01 p.m. The following people spoke: Larry Dzieza, Karen Messmer and Jim Lazar. The hearing was closed at 7:10 p.m. Written public comment will continue to be accepted until October 20, 5:00 p.m.

**The public hearing was held and closed.**

- 5.B**     [23-0894](#)     Public Hearing on the Transportation Improvement Program

Transportation Project Engineer Joey Jones presented the Transportation Improvement Program for 2025 - 2030.

Mayor Selby opened the hearing at 7:18 p.m. The follow people spoke: Larry Dzezia, Karen Messmer and Jim Lazar. The hearing was closed at 7:26 p.m.

**The public hearing was held and closed.**

**5.C**     [23-0913](#)            Public Hearing on the 2024 Proposed Operating Budget

City Manager Jay Burney presented to 2024 Proposed Operating Budget.

Mayor Selby opened the hearing at 7:55 p.m. The following people spoke: Brain Windrope, Rebecca Hutchinson, Sarah Moorehead, Larry Dzeiza and Jim Lazar. The hearing closed at 8:10 p.m.

**The public hearing was held and closed.**

**6.        OTHER BUSINESS**

**6.A**     [23-0889](#)            Review and Approve the Draft 2024 Legislative Agenda

Legislative Liaison presented a preliminary 2024 Legislative Agenda. Councilmembers asking clarifying questions and shared their feedback. An updated version based on their feedback will be presented for approval on December 5.

**The discussion was completed.**

**7.        CONTINUED PUBLIC COMMENT**

**8.        COUNCIL INTERGOVERNMENTAL/COMMITTEE REPORTS AND REFERRALS**

Councilmembers reported on meetings and events attended.

**9.        CITY MANAGER'S REPORT AND REFERRALS**

City Manager Burney announced the new Fire Chief will be Matt Morris and he will begin on November 6. He also noted that tomorrow will be the yearly staff recognition event at the Armory.

**10.      ADJOURNMENT**

The meeting adjourned at 9:13 p.m.



## City Council

# Approval of a Resolution Authorizing Submission of a Connecting Housing to Infrastructure Program Grant Application for the Habitat for Humanity Boulevard Road Project

**Agenda Date:** 10/24/2023  
**Agenda Item Number:** 4.B  
**File Number:**23-0868

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**Type:** resolution **Version:** 1 **Status:** Passed

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### Title

Approval of a Resolution Authorizing Submission of a Connecting Housing to Infrastructure Program Grant Application for the Habitat for Humanity Boulevard Road Project

### Recommended Action

#### Committee Recommendation:

Not referred to a committee.

#### City Manager Recommendation:

Move to approve a Resolution authorizing submission of a Connecting Housing to Infrastructure Program grant application for the Habitat for Humanity Boulevard Road Project

### Report

#### Issue:

Whether to approve a Resolution authorizing submission of a Connecting Housing to Infrastructure Program grant application for the Habitat for Humanity Boulevard Road Project

#### Staff Contact:

Darian Lightfoot, Director of Housing and Homeless Response, 360.280.8951

#### Presenter(s):

None - Consent Item

### Background and Analysis:

Earlier this year, the City formalized a sale agreement with Habitat for Humanity for the Boulevard Road project. Supporting a project like this helps address many elements in the City's Housing Action Plan and helps advance the regional work set forward in Thurston County. Along with the local land donation and impact fee waivers, the City sees applying for additional funding on behalf of the project best address the community housing crisis and highlights the City's commitment to serving residents facing housing insecurity. Staff has identified an opportunity to apply for a Connecting Housing to



Infrastructure Program (CHIP) grant in the amount of up to \$2,000,000 to be used for infrastructure improvements prompted by the development of the project.

### CHIP

The CHIP grant opportunity is offered by the Washington State Department of Commerce. The grant supports the development of affordable housing by paying for water, sewer and stormwater utility improvements and/or waived system development charges for new affordable housing units. Cities, counties or utility districts may apply in partnership with a housing developer. A total of \$55.5 million is available and the maximum award amount is \$2,000,000.

### Habitat for Humanity Blvd Housing Project

Habitat's proposal articulates a vision for a mix of owner-occupied townhomes and "senior cottages" with the inclusion of a small neighborhood center. Habitat's objective is the creation of owner-occupied housing that is affordable to people making 30-80% of the area median income for Thurston County. Approximately 126 housing units are anticipated.

The homes will be designated as affordable in perpetuity. Over 50% of the homes will be ADA accessible, and all units will be built to the Evergreen Sustainable Development Standard. This establishes criteria that safeguards health and safety, increases durability, promotes sustainable living, preserves the environment and increases energy and water efficiency.

### Development Timeline

The development team anticipates starting construction on a portion of the units early next year and seeing occupancy by late 2025. Units will continue to be built and gradually come on line for the following three years.

### **Climate Analysis:**

The project will occur on property adjacent to the Olympia Transit bus line. Per city code, the project will include minimal parking spaces in an effort to increase housing density, decrease greenhouse gas emissions and encourage use of public transportation. Per Resolution No. M-2289, the project will be constructed to utilize all electric energy in an effort to reduce natural gas use and associated carbon dioxide emissions.

### **Equity Analysis:**

The proposed project will meet several community needs by providing housing for homeless households, households living with a disability, and extremely low-income households.

### Homeownership

Access to homeownership is the leading way to create generational wealth in our society. Due to rising housing prices and strict financing regulations, marginalized residents are less likely to become homeowners and continue to perpetuate the discriminatory structure of power in our community. Providing an opportunity to generate wealth and have housing stability helps advance many of the City's equity goals and supports an organization with a long-standing record of positively impacting affordable housing in Thurston County.

### Disabled Households

City staff recently conducted an Assessment of Fair Housing as part of its Five-Year Consolidated Plan, to be submitted to the U.S. Department of Housing and Urban Development (HUD). According to the assessment, an estimated 7,385 individuals in Olympia have one or more disabilities, of which nearly 16% had incomes below the federal poverty level. Approximately 80 individuals who responded to a data-gathering survey associated with the assessment reported they have difficulty accessing transportation near where they live. Many also reported it is challenging for them to find housing units that are both affordable and easily accessible. The plan is to build over half of the units in compliance with ADA standards to best support residents with disabilities.

### Low Income and Homeless Households

There is an immense need for deeply affordable housing for Olympian households whose income is 30% or less of area median income. According to the Thurston Regional Housing Council's Housing Needs Assessment produced in 2021, approximately 7,605 of Olympia's current 23,000 households are cost burdened, meaning they pay more than 30% of their income on their housing needs. Of these cost burdened households, 2,375 have annual incomes at or below 30% of area median income. Additionally, according to the Washington State Department of Commerce, Olympia will need to plan for 12,500 new housing units by 2045 to meet the City's projected population growth. Of those units, an estimated 2,300 units are needed for households whose annual incomes are at or below 30% of Area Median Income. Another nearly 2,800 units are needed for households with annual incomes between 30 and 50% of Area Median Income.

### **Neighborhood/Community Interests (if known):**

Affordable housing is a top community concern.

### **Financial Impact:**

Applying for the grant will not have a financial impact on the City of Olympia.

### **Options:**

1. Approve the Resolution authorizing the submission of a CHIP grant application in the amount of \$2 million for the Habitat for Humanity Boulevard Road Project
2. Approve the Resolution authorizing the submission of a CHIP grant application with amendments.
3. Do not approve the Resolution authorizing the submission of a CHIP grant application for the Habitat for Humanity Boulevard Road Project

### **Attachments:**

Resolution

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON, AUTHORIZING SUBMISSION OF AN APPLICATION FOR THE WASHINGTON STATE DEPARTMENT OF COMMERCE CONNECTING HOUSING TO INFRASTRUCTURE (CHIP) GRANT FOR THE SOUTH PUGET SOUND HABITAT FOR HUMANITY BOULEVARD ROAD AFFORDABLE HOUSING PROJECT, ACCEPTING AWARD OF THE CHIP GRANT, AUTHORIZING A GRANT AGREEMENT BETWEEN THE CITY OF OLYMPIA AND THE DEPARTMENT OF COMMERCE, AND AUTHORIZING A SUBGRANT AGREEMENT BETWEEN THE CITY OF OLYMPIA AND SOUTH PUGET SOUND HABITAT FOR HUMANITY**

**WHEREAS**, Olympia’s Housing Action Plan calls for the City to increase housing supply and affordability through a variety of actions, including reducing parking minimums, and making use of infill development tools under the State Environmental Policy Act; and

**WHEREAS**, City staff are applying for the Connecting Housing to Infrastructure Program (CHIP) Grant through the Washington State Department of Commerce due October 31, 2023, for the full allowable amount of \$2M for the South Puget Sound Habitat for Humanity (SPSHFH) Boulevard Road affordable housing project (the SPSHFH Project); and

**WHEREAS**, the SPSHFH Project creates 125 new homes for low-income residents in Olympia; and

**WHEREAS**, with this CHIP Grant funding, the City will award a sub-grant to SPSHFH, which will pay for costs associated with the extension for new drinking water, wastewater, or stormwater connections for the affordable housing units; and

**WHEREAS**, in order to receive the CHIP Grant funds, the City must execute a grant agreement with the Department of Commerce; and

**WHEREAS**, in order to disburse subgrant funds to SPSHFH, the City must execute a subgrant agreement with SPSHFH; and

**WHEREAS**, per Olympia Municipal Code Subsection 3.16.020(C), it is necessary for the City Council to approve the CHIP Grant Agreement and authorize the signature of all documents necessary to obligate funds for the SPSHFH Project;

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

1. The Olympia City Council authorizes City staff’s application for the Washington State Department of Commerce’s CHIP Grant for the SPSHFH Project and approves acceptance of the CHIP Grant funds as awarded by the Department of Commerce.
2. The City Manager is directed and authorized to execute on behalf of the City of Olympia the CHIP Grant Agreement with the Washington State Department of Commerce, and any other documents necessary to receive the CHIP Grant for the SPSHFH Project, and to make any amendments or minor modifications

as may be required and are consistent with the intent of the CHIP Grant Agreement, or to correct any scrivener's errors.

3. The Olympia City Council authorizes award of a subgrant of the CHIP Grant funds awarded to the City by the Department of Commerce to South Puget Sound Habitat For Humanity.
4. The City Manager is directed and authorized to execute on behalf of the City of Olympia the subgrant agreement with South Puget Sound Habitat For Humanity, and any other documents necessary to transfer the CHIP Grant funds for the SPSHFH Project, and to make any amendments or minor modifications as may be required and are consistent with the intent of the subgrant agreement, or to correct any scrivener's errors.

**PASSED BY THE OLYMPIA CITY COUNCIL** this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

**Mark Barber**  
\_\_\_\_\_  
CITY ATTORNEY



## City Council

# Approval of a Resolution Authorizing Submission of a Connecting Housing to Infrastructure Program Grant Application for the 228 Olympia Housing Project

**Agenda Date:** 10/24/2023  
**Agenda Item Number:** 4.C  
**File Number:** 23-0869

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**Type:** resolution **Version:** 1 **Status:** Passed

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### Title

Approval of a Resolution Authorizing Submission of a Connecting Housing to Infrastructure Program Grant Application for the 228 Olympia Housing Project

### Recommended Action

#### Committee Recommendation:

Not referred to a committee.

#### City Manager Recommendation:

Move to approve a Resolution authorizing submission of a Connecting Housing to Infrastructure Program grant application for the 228 Olympia affordable housing project.

### Report

#### Issue:

Whether to approve a Resolution authorizing submission of a Connecting Housing to Infrastructure Program grant application for the 228 Olympia affordable housing project.

#### Staff Contact:

Jacinda Steltjes, Affordable Housing Program Manager, Office of Community Vitality, 360.753.8482

#### Presenter(s):

None - Consent Item

### Background and Analysis:

The City's 2023 Work Plan includes developing affordable housing at the corner of 303 Franklin Street and 228 Olympia Ave. The site was formerly used as the City's homeless mitigation site. Staff has worked closely with TWG Development and its partner Interfaith Works toward developing the site, currently known as 228 Olympia, into an 83-unit multi-family rental housing project for homeless residents, disabled residents, and households with incomes at or below 50% of Area Median Income. Staff has identified an opportunity to apply for a Connecting Housing to Infrastructure Program (CHIP) grant in the amount of up to \$2,000,000 to be used for infrastructure improvements prompted

by the development of the project.

### CHIP

The CHIP grant opportunity is offered by the Washington State Department of Commerce. The grant supports the development of affordable housing by paying for water, sewer and stormwater utility improvements and/or waived system development charges for new affordable housing units. Cities, counties or utility districts may apply in partnership with a housing developer. A total of \$55.5 million is available and the maximum award amount is \$2,000,000.

### 228 Olympia Affordable Housing Project

The 228 Olympia affordable housing project is occurring on property formerly owned by the City of Olympia. The City solicited TWG and Interfaith Works to purchase the site and develop it into housing. The property will be developed to provide 83 units of multi-family rental housing over a commercial ground floor. Thirty-four studio and one-bedroom units will be available for households whose annual gross income does not exceed 30% of Area Median Income, adjusted for household size. Thirty percent of Area Median Income for a two-person household in Olympia is \$24,600. Another 34 studio and one-bedroom units will be available for households whose annual gross income does not exceed 50% of Area Median Income. Fifty percent of Area Median Income for a two-person household in Olympia is \$41,000. The remaining 15 units will be set aside for homeless individuals participating in Interfaith Works' Restorative Experience for a Safer Transition (REST) program. REST clients are individuals recovering from an acute medical condition who are exiting a health care facility and do not have a place to safely recover.

### Funding Sources

The project is anticipated to cost approximately \$31.8 million to develop. If a CHIP award is received it will be one of several financing sources needed to develop the project. The Regional Housing Council awarded the project \$2.75 million in September 2023. TWG and Interfaith works applied for state Housing Trust Fund financing in September 2023 and the project will attempt to attract other state funding such as Apple Health and Homes and 9% Low Income Housing Tax Credits into early 2024.

### Development Timeline

The development team anticipates having all financing in place by early 2025 and beginning construction in summer 2025. Units will be placed in service Fall 2026.

### **Climate Analysis:**

The project will occur on property adjacent to the Olympia Transit Center. Per city code, the project will include minimal parking spaces in an effort to increase housing density, decrease greenhouse gas emissions and encourage use of public transportation. Per Resolution No. M-2289, the building will be constructed to utilize all electric energy in an effort to reduce natural gas use and associated carbon dioxide emissions.

### **Equity Analysis:**

The proposed project will meet several community needs by providing housing for homeless households, households living with a disability, and extremely low-income households.

### Disabled Households

City staff recently conducted an Assessment of Fair Housing as part of its Five-Year Consolidated Plan, to be submitted to the U.S. Department of Housing and Urban Development (HUD). According to the assessment, an estimated 7,385 individuals in Olympia have one or more disabilities, of which nearly 16% had incomes below the federal poverty level. Approximately 80 individuals who responded to a data-gathering survey associated with the assessment reported they have difficulty accessing transportation near where they live. Many also reported it is challenging for them to find housing units that are both affordable and easily accessible. The Franklin Street affordable housing project will provide easily accessible, affordable housing located in close proximity to transportation for disabled individuals.

#### Low Income and Homeless Households

There is an immense need for deeply affordable housing for Olympian households whose income is 30% or less of area median income. According to the Thurston Regional Housing Council's Housing Needs Assessment produced in 2021, approximately 7,605 of Olympia's current 23,000 households are cost burdened, meaning they pay more than 30% of their income on their housing needs. Of these cost burdened households, 2,375 have annual incomes at or below 30% of area median income. Additionally, according to the Washington State Department of Commerce, Olympia will need to plan for 12,500 new housing units by 2045 to meet the City's projected population growth. Of those units, an estimated 2,300 units are needed for households whose annual incomes are at or below 30% of Area Median Income. Another nearly 2,800 units are needed for households with annual incomes between 30 and 50% of Area Median Income.

#### **Neighborhood/Community Interests (if known):**

Affordable housing is a top community concern.

#### **Financial Impact:**

Applying for the grant will not have a financial impact on the City of Olympia.

#### **Options:**

1. Approve the Resolution authorizing the submission of a CHIP grant application in the amount of \$2 million for the 228 Olympia project.
2. Approve the Resolution authorizing the submission of a CHIP grant application with amendments.
3. Do not approve the Resolution authorizing the submission of a CHIP grant application for the 228 Olympia project.

#### **Attachments:**

Resolution

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON, AUTHORIZING SUBMISSION OF AN APPLICATION FOR THE WASHINGTON STATE DEPARTMENT OF COMMERCE CONNECTING HOUSING TO INFRASTRUCTURE (CHIP) GRANT FOR THE 228 OLYMPIA, LLLP TOGETHER WE GROW PROJECT, ACCEPTING AWARD OF THE CHIP GRANT, AUTHORIZING A GRANT AGREEMENT BETWEEN THE CITY OF OLYMPIA AND THE DEPARTMENT OF COMMERCE, AND APPROVING A SUBGRANT AGREEMENT BETWEEN THE CITY OF OLYMPIA AND 228 OLYMPIA, LLLP**

**WHEREAS**, Olympia’s Housing Action Plan calls for the City to increase housing supply and affordability through a variety of actions, including reducing parking minimums and making use of infill development tools under the State Environmental Policy Act; and

**WHEREAS**, City staff recommends applying for the Connecting Housing to Infrastructure Program (CHIP) Grant through the Washington State Department of Commerce due October 31, 2023, for the full allowable amount of \$2M for the 228 Olympia, LLLP, Together We Grow affordable housing project (the TWG Project); and

**WHEREAS**, the TWG Project creates 81 new homes for extremely low-income residents in Olympia; and

**WHEREAS**, with this CHIP Grant funding, the City will award a subgrant to 228 Olympia, LLLP, which will pay for costs associated with the extension for new drinking water, wastewater, or stormwater connections for the affordable housing units; and

**WHEREAS**, in order to receive the CHIP Grant funds, the City must execute a grant agreement with the Department of Commerce; and

**WHEREAS**, in order to disburse subgrant funds for the TWG Project, the City must execute a subgrant agreement with 228 Olympia, LLLP; and

**WHEREAS**, per Olympia Municipal Code Subsection 3.16.020(C), it is necessary for the City Council to approve the CHIP Grant Agreement and authorize the signature of all documents necessary to obligate funds for the 228 Olympia, LLLP Together We Grow Project;

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

1. The Olympia City Council authorizes City staff’s application for the Washington State Department of Commerce’s CHIP Grant for the 228 Olympia, LLLP Together We Gro Project and approves acceptance of the CHIP Grant funds as awarded by the Department of Commerce.
2. The City Manager is directed and authorized to execute on behalf of the City of Olympia the CHIP Grant Agreement with the Washington State Department of Commerce, and any other documents necessary to receive the CHIP grant for the 228 Olympia, LLLP Together We Grow Project, and to make any amendments or minor modifications as may be required and are consistent with the intent of the CHIP Grant Agreement, or to correct any scrivener’s errors.



3. The Olympia Council authorizes award of a subgrant of the CHIP Grant funds awarded to the City by the Department of Commerce to 228 Olympia, LLLP.
4. The City Manager is directed and authorized to execute on behalf of the City of Olympia the subgrant agreement with 228 Olympia, LLLP, and any other documents necessary to transfer the CHIP grant funds for the 228 Olympia, LLLP Together We Grow Project, and to make any amendments or minor modifications as may be required and are consistent with the intent of the subgrant agreement, or to correct any scrivener's errors.

**PASSED BY THE OLYMPIA CITY COUNCIL** this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

**Mark Barber**

CITY ATTORNEY



## City Council

### Approval of a Resolution Setting the Date for a Public Hearing on Proposed Designation of Certain Additional Areas of the City as Additional Residential Targeted Areas for Purposes of the Multi-Family Tax Exemption

**Agenda Date:** 10/24/2023  
**Agenda Item Number:** 4.D  
**File Number:**23-0874

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**Type:** resolution **Version:** 1 **Status:** Passed

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#### **Title**

Approval of a Resolution Setting the Date for a Public Hearing on Proposed Designation of Certain Additional Areas of the City as Additional Residential Targeted Areas for Purposes of the Multi-Family Tax Exemption

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Move to approve the Resolution setting the date for the public hearing regarding the proposed additional areas for purposes of the Multi-Family Tax Exemption

#### **Report**

##### **Issue:**

Whether to approve the Resolution setting the date for the public hearing regarding the proposed additional areas for purposes of the Multi-Family Tax Exemption

##### **Staff Contact:**

Darian Lightfoot, Director of Housing and Homeless Response, 360-753-8033

##### **Presenter(s):**

None - Consent Calendar Item.

#### **Background and Analysis:**

In January 2022, the City of Olympia sought proposals from qualified consultant teams for research and recommendations to forward objectives of Olympia's Housing Action Plan. The plan recognizes an urgent need for more housing supply in the City, including increasing the number of units affordable to low-income households. The City wants to structure its zoning, regulations and incentives in a way that encourages needed housing development.

The research study focused on the MFTE to help the City determine how best to structure the program and understand its effect on the likelihood of encouraging private sector development, including both market rate and low-income affordable units, and potential boundary expansion. Using the findings of the study, the City is recommending a policy pivot and structuring the exemption as an affordable housing development program. This will include a focus on incentivizing the 12-year program while deepening the affordability requirements and marketing other City development incentives to help the project pencil. If the developer chooses to forgo including affordable units in their projects, they will pay a fee in leu which will be directed to the City's affordable housing fund for future projects. The fee amount will be dependent on the varied geographic feasibility throughout the city.

This resolution will set the public hearing to review the boundary amendments to the MFTE allowable area. The current ordinance requires a public hearing be held if the boundary is intended to change. Staff will bring all public comments delivered at the hearing along with any written comments back to council on December 12<sup>th</sup>, as an Other Business item to allow council to review the full package of policy recommendations.

**Climate Analysis:**

The recommended provisions to revise the MFTE program will incentivize more housing development in areas designated in the City's comprehensive plan for high-density housing mixed with commercial and other services. These areas of mixed-use, higher density development are along urban corridors that provide the most frequent transit service in the region. These areas are also high priorities for further investments in facilities that will support increased use of active transportation, such as biking and walking.

The recommendations are for policy choices that attempt to strengthen incentives for overall housing construction while increasing the number of housing units that would be affordable to more lower-income individuals. These recommendations will increase the likelihood of meeting comprehensive plan goals for denser housing and the climate action plan strategies for land use and transportation.

**Equity Analysis:**

This proposal and boundary expansion is directly addressed at incentivizing housing construction, including housing that is more affordable to people with lower incomes.

There is significant nationwide data that increasing housing supply has a positive impact on the cost of renting or buying housing. Analysis accompanying the MFTE proposal demonstrates that it is, and can be to a greater extent, an effective tool to increase housing supply. This will benefit all residents and workers in Olympia, current and future.

It is unlikely to create or accentuate existing disparities in access to housing. In Olympia, roughly 37% of all households are cost burdened, with almost half of those households being severely cost-burdened. BIPOC members of our community are more likely to be cost-burdened than others. This proposal's incentives to provide more housing units will eventually lead to less pressure on housing costs, particularly in the rental market. This will ease increases to rents. Supply of more housing units of all kinds will help meet demand overall and have generalized benefits for all households.

Approximately 42% of Olympians have a household income of less than \$50,000. Approximately 15% of our population live in poverty. In 2021, 13.5% of people in Olympia were reported to have a disability, up from 12.9% in 2016. People living in poverty, or with lower incomes or a disability of some kind, may not own cars or multiple cars per household and need access to transit. The proposed incentives are targeted in areas of the City that receive the most frequent transit service. They would eventually provide a greater number of housing options in areas close to transit, providing more options for individuals in those groups to choose housing that meets their transportation needs.

The proposed program policies will also generate additional funding for the City's affordable housing fund. A flexible funding source will position to the City to leverage additional housing at a deeper affordability level. Currently, the City does not have discretionary funds to allow for projects like these that need local investment to score higher on state and federal funding applications. Extremely low-income housing will provide options for residents with compounding barriers to housing and face the harshest discrimination in the housing system, as outlined in the Assessment of Fair Housing.

**Neighborhood/Community Interests (if known):**

Affordable housing projects are of great interest to the City. CPD is currently conducting a Capital Mall Triangle subarea plan and including the MFTE as a possible development incentive for the thousands of units projected that will be needed to achieve the intent of the subarea plan. Neighbors are curious on how the encouraged density in these areas will impact their way of living, along with how the tax exemption works and who is impacted by the exemption.

**Financial Impact:**

The expanded boundary for the Multi-Family Tax Exemption will allow for more projects to be included in the program. The current program has very little financial impact on the city outside of staff time to administer the program. The proposed changes, however, require a fee-in-leu provision that is intended to generate additional funding for affordable housing projects. The specific amount is yet to be projected. Staff are also proposing the application amount be increased to better represent the staff time needed to appropriately operate the program.

**Options:**

1. Approve the Resolution setting the date for the public hearing regarding the Multi-Family Tax Exemption as proposed.
2. Approve the Resolution setting the date for the public hearing regarding the Multi-Family Tax Exemption with amendments.
3. Take no action.

**Attachments:**

Resolution

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY OF OLYMPIA, WASHINGTON, SETTING NOVEMBER 14, 2023, AS THE DATE FOR A PUBLIC HEARING ON PROPOSED DESIGNATION OF CERTAIN ADDITIONAL AREAS OF THE CITY AS ADDITIONAL RESIDENTIAL TARGETED AREAS FOR PURPOSES OF MULTI-FAMILY TAX EXEMPTION**

**WHEREAS**, Under RCW 84.14.040 and OMC 5.86.020, the City Council may designate areas of the City as Residential Targeted Areas for purposes of multi-family tax exemption under RCW chapter 84.14 and OMC Chapter 5.86; and

**WHEREAS**, prior to designating an area as a Residential Targeted Area, the City Council must, pursuant to RCW 84.14.040 and OMC 5.86.020, hold a public hearing on such proposed designation; and

**WHEREAS**, the City Council previously designated certain areas of the City as Residential Target Areas, including a certain area designated as Eastside Residential Target Area (Area 2) and a certain area designated as Westside Residential Target Area (Area 3); those Residential Target Areas are described in OMC 5.06.030 B; and

**WHEREAS**, the City Council intends to designate certain additional areas of the City as Residential Targeted Areas. Two such areas are to be included in the Eastside Residential Target Area (Area 2) and the Westside Residential Target Area (Area 3) for purposes of multi-family tax exemption; those two additional areas are described as follows (with the underlined portion describing the additional areas):

Area 2 - Eastside Residential Target Area

All properties located along State Ave. and 4th Ave. which is bounded by Eastside St. on the West and Sawyer St. on the East; said area limited to a half block North of State Ave. west of Wilson St. and to south of State Ave. between Wilson and Sawyer Streets; and limited to a half block south of 4th Ave. west of Frederick St. and to north of 4th Ave. between Frederick St. and Sawyer St.; ALSO all properties located North of State Ave between East Bay drive and Eastside St. and South of Olympia Ave.; EXCEPTING THEREFROM the North half of the block which lies between Pear Street and Quince St., and Olympia Ave. and State St.; ALSO EXCEPTING THEREFROM the three lots located at the Southwest corner of Eastside St. and Olympia Ave.; ALSO all properties east of Sawyer St. and west of Chambers St. between Pacific and State Avenues, and all properties within the HDC-4, GC, and MHP zoning districts east of Chambers St., north of Pacific Ave, and west of Lilly Road; ALSO all properties east of Boulevard Rd., south of Pacific Ave. and north of Interstate 5 that are within the HDC-3, HDC-4, GC and RM-18 zoning districts.

Area 3 - Westside Residential Target Area

All properties located along Harrison Avenue which are currently bounded by: Cushing Street on the west; Foote Street on the east; extending only two lots deep both north and south of Harrison Avenue. Also included is the third lot north, located at the northeast corner of Harrison Avenue and Milroy Street; the third and fourth lot north, located at the northeast corner of Harrison Avenue and Decatur Street; the third and

fourth lots south, located at the southwest corner of Harrison Avenue and Decatur Street; and the block bounded by Perry Street on the west, Garfield Street on the north, Plymouth Street on the east and Harrison Avenue on the south; EXCEPT any portion lying within Woodruff Park. ALSO, all properties within the HDC-3 zoning district west of Cushing St. and east of Division St.; ALSO, all properties within the HDC-3 and HDC-4 zoning districts north of Harrison Avenue, west of Division St. and east of Yauger Way; ALSO, all properties in the area bounded by Harrison Avenue, Black Lake Blvd, and Cooper Point Rd.; ALSO, all properties west of Cooper Point Rd., south of Harrison Avenue, and north and east of Yauger Park; ALSO, all properties with frontage on the west side of Cooper Point Rd. south of Capital Mall Drive and north of 12<sup>th</sup> Avenue, and the property west of Cooper Point Rd. and south of 12<sup>th</sup> Avenue with frontage on both of those streets; ALSO, all properties within the HDC-4 zoning district east of Black Lake Blvd., north of Cooper Point Rd. and south of 9<sup>th</sup> Avenue with frontage on Black Lake Blvd., 12<sup>th</sup> Ct., Parkmont Lane, or 9<sup>th</sup> Avenue. EXEMPTING THEREFROM the property with frontage on both Black Lake Blvd. and Cooper Point Rd.

In addition, the City Council intends to designate four “Neighborhood Centers” as Residential Target Areas. Those four Neighborhood Centers are to be located at: Division and 20th Streets (Handy Pantry), San Francisco and Bethel Streets, Fones Road and 18th Avenue, and 3900 Boulevard Road. The areas that will be designated as Residential Target Areas, should these additional areas be added, are shown on the map attached to this Resolution as Exhibit 1 (the Neighbor Centers are shown on the map with stars).

**NOW, THEREFORE, THE OLYMPIA CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:**

The City Council hereby sets November 14, 2023, at 6:00 p.m., or thereafter, as stated upon the City Council’s agenda, at the Olympia City Hall Council Chambers, 601 4<sup>th</sup> Avenue E, Olympia, Washington, as the time and place for the public hearing on the proposed designation of certain additional areas as Residential Targeted Areas for purposes of multi-family tax exemption, such date being not fewer than seven days nor more than 30 days after the passage of this Resolution.

**PASSED BY THE OLYMPIA CITY COUNCIL** this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

\_\_\_\_\_  
MAYOR

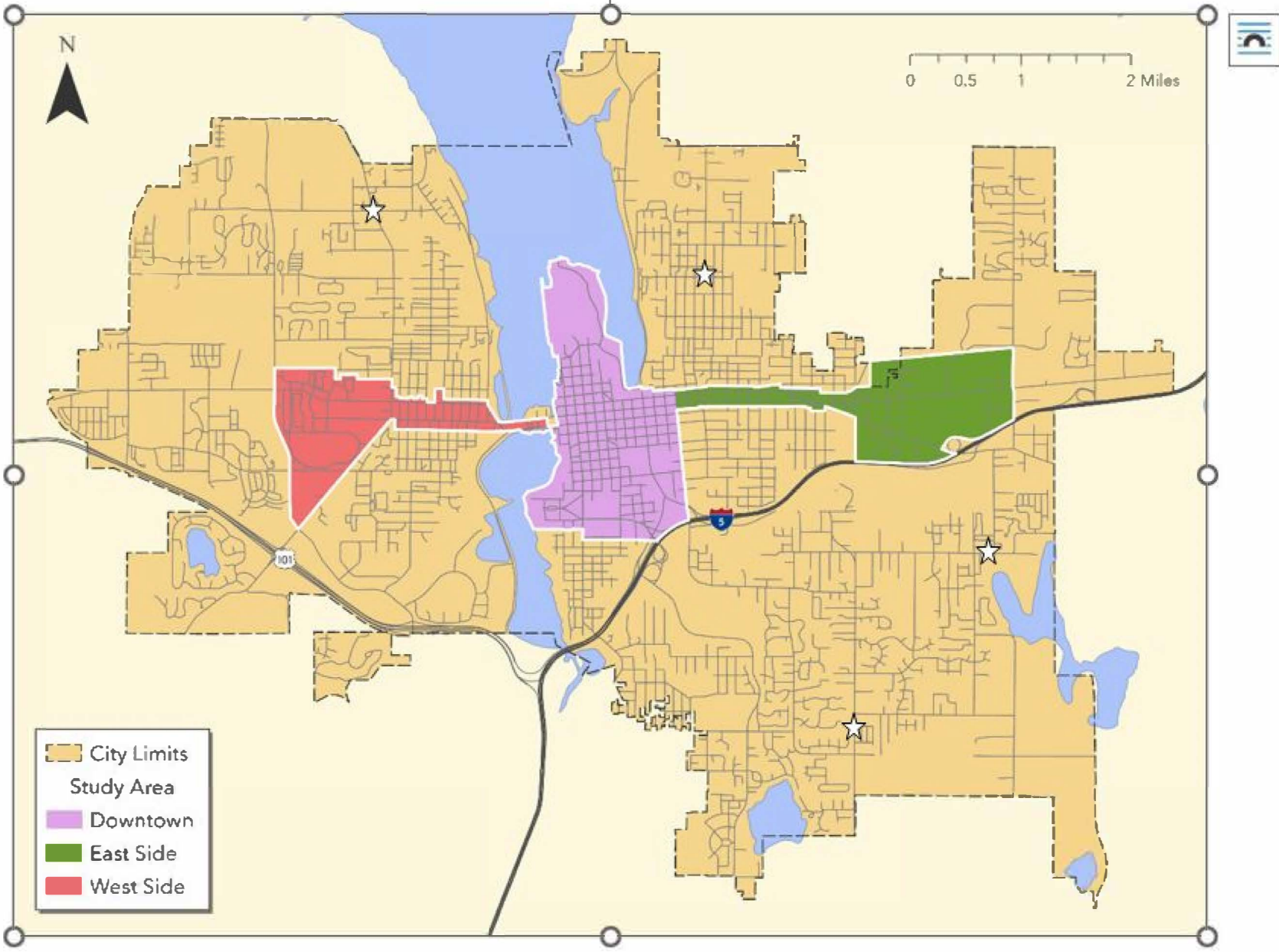
ATTEST:

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

*Michael M. Young*  
\_\_\_\_\_  
DEPUTY CITY ATTORNEY

**Proposed Expanded MFTE Boundary**



**Neighborhood Centers**

1. Division and 20<sup>th</sup> Streets (Handy Pantry)
2. San Francisco and Bethel Streets
3. Fones Road and 18<sup>th</sup> Avenue
4. 3900 Boulevard Road



## City Council

### Approval a Resolution Authorizing a Modification to a Second Amendment to an Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers

**Agenda Date:** 10/24/2023  
**Agenda Item Number:** 4.E  
**File Number:**23-0917

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**Type:** resolution **Version:** 1 **Status:** Passed

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#### **Title**

Approval a Resolution Authorizing a Modification to a Second Amendment to an Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Move to approve the Resolution authorizing a modification to second amendment to an amended Interlocal Agreement regarding creation of a Public Facilities District for Regional Centers to incorporate 2017 legislative changes to RCW 82.14.390 and 82.14.485.

#### **Report**

##### **Issue:**

Whether to approve the Resolution authorizing a modification to second amendment to an amended Interlocal Agreement regarding creation of a Public Facilities District for Regional Centers to incorporate 2017 legislative changes to RCW 82.14.390 and 82.14.485.

##### **Staff Contact:**

Mark Barber, City Attorney, 360.753.8338

##### **Presenter(s):**

None - Consent Calendar Item.

##### **Background and Analysis:**

The cities of Olympia, Lacey, Tumwater, and Thurston County created a public facilities district ("PFD") known as the Capital Area Regional Public Facilities District by an Interlocal Agreement for the Creation of a Public Facilities District for a Regional Center dated June 26, 2002. This Interlocal Agreement was amended by the parties by an Amended Interlocal Agreement Regarding Creation of



a Public Facilities District for Regional Centers dated March 10, 2003, which was Amended by Amendment to Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers dated August 25, 2004.

Subsequently, the parties entered into a Second Amendment to Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers dated July 12, 2006 (“the PFD Second Amendment”) The PFD related to the Hands on Childrens Museum in Olympia and Lacey’s Regional Athletic Complex (“RAC”).

After the parties executed the PFD Second Amendment, on July 12, 2006, the Washington State Legislature passed Engrossed House Bill 1201 (EHB 1201), Chapter 164, Laws of 2017 of the 65<sup>th</sup> Legislature, 2017 Regular Session, which became effective July 23, 2017.

EHB 1201 amended RCW 82.14.390 and 82.14.485 to permit the tax imposed to finance or refinance the construction, improvement, rehabilitation or expansion of the regional center and related parking facilities, and that the tax would not expire until 40 years after it was first collected. Prior to the legislative changes in EHB 1201, the tax expired 25 years after it was first collected, and it could not be used to refinance improvements or to rehabilitate or expand a regional center. EHB 1201 changed those limitations.

The proposed Modification to the PFD Second Amendment modifies the agreement to incorporate the Legislature’s 2017 changes in EHB 1201 to RCW 82.14.390 and 82.14.485 to permit financing or refinancing of construction, improvements, rehabilitation, or expansion of the Hands on Childrens Museum and the RAC in Lacey, and to extend the time period for collection of the tax from when it was first collected.

**Climate Analysis:**

Adoption of this resolution will not impact the climate.

**Equity Analysis:**

Approval of this resolution to modify the PFD Second Amendment will permit the parties (Olympia, Lacey, Tumwater, and Thurston County) to incorporate the 2017 legislative changes to RCW 82.14.390 and 82.14.485 to make improvements to the Hands on Childrens Museum and the RAC which will provide opportunities to all persons using said regional facilities.

**Neighborhood/Community Interests (if known):**

The Hands on Childrens Museum has requested this modification.

**Financial Impact:**

The time period for collection of the tax will be extended from 25 years to 40 years from when the tax was first collected. Tax monies may be spent on improvements, rehabilitation, or expansion of the Hands on Childrens Museum and the RAC.

**Options:**

1. Approve the resolution to modify the Second Amendment to the Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers to incorporate changes by the 2017 Legislature to state law.
2. Direct staff to make further or different changes to the resolution.

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**Type:** resolution **Version:** 1 **Status:** Passed

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3. Do not approve the resolution to incorporate legislative changes to state law to the Second Amendment to the Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers.

**Attachments:**

Resolution  
Agreement

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON, APPROVING A MODIFICATION TO SECOND AMENDMENT TO AMENDED INTERLOCAL AGREEMENT REGARDING CREATION OF A PUBLIC FACILITIES DISTRICT FOR REGIONAL CENTERS**

**WHEREAS**, the cities of Olympia, Lacey, Tumwater, and Thurston County (hereafter “County”) created a public facilities district (“PFD”) known as the Capital Area Regional Public Facilities District (the “District”) by an Interlocal Agreement for the Creation of a Public Facilities District for a Regional Center dated June 26, 2002; and

**WHEREAS**, the aforesaid Interlocal Agreement was subsequently amended by the parties by an Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers dated March 10, 2003, which said Amended Interlocal Agreement was Amended by Amendment to Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers dated August 25, 2004; and

**WHEREAS**, subsequently the parties entered into a Second Amendment to Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers dated July 12, 2006; and

**WHEREAS**, the Parties have previously determined that the Hands On Children’s Museum to be sponsored by Olympia should, together with the Lacey Area Athletic, Recreation, and Special Events Complex (commonly referred to as “the RAC”), constitute the Regional Centers under said Interlocal Agreement as amended; and

**WHEREAS**, after the parties executed the Second Amendment to Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers on July 12, 2006, the Washington State Legislature passed Engrossed House Bill 1201 (“EHB 1201”), Chapter 164, Laws of 2017 of the 65<sup>th</sup> Legislature, 2017 Regular Session; and

**WHEREAS**, EHB 1201 became effective on July 23, 2017, following signature of Governor Jay Inslee and filing on May 4, 2017, as “An Act Relating to the taxing authority of public facilities districts; and amending RCW 82.14.390 and 82.14.485, and said legislation effects the Public Facilities District to whom the parties previously entered into including the Second Amendment to Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers on July 12, 2006; and

**WHEREAS**, EHB 1201 amended RCW 82.14.390 to provide in part that “[t]he tax imposed in this section expires when ((the)) bonds issued ((for)) to finance or refinance the construction, improvement, rehabilitation, or expansion of the regional center and related parking facilities are retired, but not more than ((twenty-five)) forty years after the tax is first collected”; and

**WHEREAS**, EHB 1201 also amended RCW 82.14.485 in part to read that the “. . . tax imposed in this section ((shall)) expires when ((the)) bonds issued ((for)) to finance or refinance the construction, improvement, rehabilitation, or expansion of the regional center and related parking facilities are retired, but not more than ((twenty-five)) forty years after the tax is first collected; and

**WHEREAS**, the parties wish to modify the Second Amendment to Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers as provided in Paragraph 14 of the aforesaid Agreement to incorporate the Legislature’s 2017 amendments in EHB 1201 to RCW 82.14.390 and 82.14.485 to permit the tax imposed to finance or refinance the construction, improvement, rehabilitation, or expansion of the regional center and related parking facilities for not more than forty years after the tax is first collected, and to modify and amend their Second Amendment to Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers to fully incorporate the legislative changes made by EHB 1201 to RCW 82.14.390 and 82.14.485 to permit financing or refinancing of construction, improvement, rehabilitation, or expansion of the Hands on Children’s Museum and the Lacey Area Athletic, Recreation, and Special Events Complex (“RAC”), and to extend collection of the tax to no more than forty (40) years after the tax was first collected, as provided by law;

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

1. The Olympia City Council hereby approves the Modification to Second Amendment to Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers to incorporate the legislative changes permitted by EHB 1201 to RCW 82.14.390 and 82.14.485.
2. All other terms of the Second Amendment to Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers remain in full force and effect.
3. The City Manager is directed and authorized to execute on behalf of the City of Olympia the Modification to Second Amendment to Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers, or to make any amendments or minor modifications as may be required and are consistent with the intent of the Modification to Second Amendment to Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers, or to correct any scrivener’s errors.

**PASSED BY THE OLYMPIA CITY COUNCIL** this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

Mark Barber  
CITY ATTORNEY

**MODIFICATION TO SECOND AMENDMENT TO AMENDED INTERLOCAL  
AGREEMENT REGARDING CREATION OF A  
PUBLIC FACILITIES DISTRICT FOR  
REGIONAL CENTERS**

**THIS MODIFICATION** to the Second Amendment to Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers is made and entered into by and between the City of Olympia, a municipal corporation (hereafter “Olympia”), the City of Lacey, a municipal corporation (hereafter “Lacey”), the City of Tumwater, a municipal corporation (hereafter “Tumwater”), and Thurston County (hereafter “the County”). The term “Parties” shall refer to all parties to this modification. The term “Party” shall refer to a party to this modification.

**WHEREAS**, the Parties hereto previously entered into an Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers dated March 10, 2003, which Agreement was amended by Amendment to Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers dated August 24, 2004;

**WHEREAS**, the Parties have previously determined that the Hands On Children’s Museum to be sponsored by Olympia should, together with the Lacey Area Athletic, Recreation, and Special Events Complex (commonly referred to as “the RAC”), constitute the Regional Centers under said Interlocal Agreement; and

**WHEREAS**, since the Parties executed the Second Amendment to Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers on July 12, 2006, and said Agreement was recorded with the Thurston County Auditor under No. 3854338 on August 3, 2006, the Washington State Legislature passed Engrossed House Bill 1201 (“EHB 1201”), Chapter 164, Laws of 2017, of the 65<sup>th</sup> Legislature, 2017 Regular Session; and

**WHEREAS**, EHB 1201 became effective on July 23, 2017, following signature of Governor Jay Inslee and filing on May 4, 2017, as “An Act Relating to the taxing authority of public facilities districts; and amending RCW 82.14.390 and 82.14.485, and said legislation effects the Public Facilities District to whom the Parties previously entered into an Amended Interlocal Agreement; and

**WHEREAS**, EHB 1201 amended RCW 82.14.390 to provide in part that “[t]he tax imposed in this section expires when ~~((the))~~ bonds issued ~~((for))~~ to finance or refinance the construction, improvement, rehabilitation, or expansion of the regional center and related parking facilities are retired, but not more than ~~((twenty-five))~~ forty years after the tax is first collected”; and

**WHEREAS**, EHB 1201 also amended RCW 82.14.485 in part to read that the “. . . tax imposed in this section (~~shall~~) expires when (~~the~~) bonds issued (~~for~~) to finance or refinance the construction, improvement, rehabilitation, or expansion of the regional center and related parking facilities are retired, but not more than (~~twenty-five~~) forty years after the tax is first collected;

**NOW THEREFORE**, the Parties hereby agree to modify the Second Amendment to Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers, as follows:

1. Modification. Lacey, Olympia, Tumwater, and the County, through their respective legislative bodies, agree to modify the terms of the Second Amendment to Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers as provided in Paragraph 14 of the aforesaid Agreement, to incorporate the Legislature’s amendments in EHB 1201 to RCW 82.14.390 and 82.14.485.

2. Tax imposed for finance, refinance, construction, improvement, rehabilitation or expansion. RCW 82.14.390 and 82.14.485 currently provide that the “tax imposed in this section expires when bonds issued to finance or refinance the construction, improvement, rehabilitation, or expansion of the regional center and related parking facilities are retired, but not more than forty years after the tax is first collected.” The Parties hereby modify and amend their Second Amendment to Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers to fully incorporate the legislative changes made by EHB 1201 to RCW 82.14.390 and 82.14.485 to permit financing or refinancing of construction, improvement, rehabilitation, or expansion of the Hands On Children’s Museum and the Lacey Area Athletic, Recreation, and Special Events Complex (“RAC”), and to extend collection of the tax to no more than forty (40) years after the tax was first collected.

3. All other terms remain in effect. All other terms of the Second Amendment to Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers remain in full force and effect.

4. Counterparts and digital or electronic signature. This modification to the Second Amendment to Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Parties may execute this agreement by digital or electronic signature, as permitted by law.

5. Effective date of modification. This modification shall become effective as of the date of the last Party’s signature below.

6. Filing of modification with County Auditor. A final, executed Modification To Second Amendment to Amended Interlocal Agreement Regarding Creation of a Public Facilities District for Regional Centers shall be filed by Olympia with the Thurston County Auditor as required by RCW 39.34.040.

**CITY OF OLYMPIA**

**CITY OF LACEY**

\_\_\_\_\_  
Steven J. Burney, City Manager  
Dated \_\_\_\_\_

\_\_\_\_\_  
Rick Walk, City Manager  
Dated \_\_\_\_\_

Approved as to form:

Approved as to form:

**Mark Barber**  
\_\_\_\_\_  
Mark Barber, City Attorney

\_\_\_\_\_  
David Schneider, City Attorney

**CITY OF TUMWATER**

**THURSTON COUNTY**

\_\_\_\_\_  
Debbie Sullivan, Mayor  
Dated \_\_\_\_\_

\_\_\_\_\_  
Dated \_\_\_\_\_

Approved as to form:

Approved as to form:

\_\_\_\_\_  
Karen Kirkpatrick, City Attorney

\_\_\_\_\_  
Scott Cushing, Deputy Prosecuting  
Attorney



## City Council

### Public hearing for a Grant Application to the Department of Housing and Urban Development to Pursue funding for affordable homeownership

**Agenda Date:** 10/24/2023  
**Agenda Item Number:** 5.A  
**File Number:**23-0873

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**Type:** public hearing **Version:** 1 **Status:** Filed

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#### **Title**

Public Hearing for a Grant Application to the Department of Housing and Urban Development to Pursue Funding for Affordable Homeownership

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Hold a public hearing for a grant application to the Department of Housing and Urban Development to pursue funding for affordable homeownership.

#### **Report**

##### **Issue:**

Whether to hold a public hearing for a grant application to the Department of Housing and Urban Development to pursue funding for affordable homeownership.

##### **Staff Contact:**

Darian Lightfoot, Director of Housing and Homeless Response, 360-753-8033

##### **Presenter(s):**

Jacinda Steltjes, Affordable Housing Program Manager, 360.790.5224

Darian Lightfoot, Director of Housing and Homeless Response, 360-753-8033

##### **Background and Analysis:**

City of Olympia is a strong believer that housing is a basic human right. Olympians are struggling and now is the time to act. Knowing this, the City has extensively gathered and analyzed data and engaged our residents to assess the community's housing needs.

A Housing Needs Assessment identified, among other things, the need for more housing production and preservation and a need for a range of housing types to meet current and anticipated demand.



The 2023-2027 Consolidated Plan deepened our knowledge about housing need and instability in Olympia. It provided data on the cost to produce and preserve housing as well as data on housing cost burden. The Assessment of Fair Housing highlighted populations of our community who experience barriers to accessing housing, housing insecurity, housing cost burden and ongoing disparities in homeownership. Through this work the City has remained resolute in our commitment to reducing barriers to affordable housing. We've adopted a Housing Action Plan identifying 71 actions intended to meet the community's affordable housing needs. Within two years we've completed 19 of these actions and we are actively making progress on another 20. We've adopted development incentives to encourage production of housing. We've established a dedicated funding source to assist in the costs to develop housing. We've provided funding to ensure residents' homes are safe and healthy for them to live in. We've launched new programs and expanded existing ones, built relationships with housing developers, and implemented tenant protections. We've expanded the number of staff doing housing related work and have made conscious and purposeful efforts to collaborate across departments with planning, climate, and economic development staff to increase and preserve a range of housing so that all Olympians have access to safe, affordable housing.

These efforts have largely focused on rental housing and while the City has made significant strides in this sector, there is still much work to be done around homeownership. This is why the City's proposal for PRO Housing grant funding is focused on homeownership.

Homeownership is the primary means for wealth building in the United States. The average homeowner's net worth is forty times that of a typical renter. It's a way to increase housing security and deter upstream housing instability that can lead to homelessness. Homeownership provides financial stability and a sense of community belonging. Homeownership creates opportunities. It builds intergenerational wealth that can be leveraged to improve health, education, and employment. It provides generations of children a life more secure than that led by their parents and grandparents. Owning a home promotes both intergenerational homeownership and wealth building.

Yet, several factors impact a low-income household's ability to become homeowners and the nation's long-standing, discriminatory real estate and lending practices have resulted in disparities between homeownership among whites and homeownership among Black, Indigenous, and people of color (BIPOC). Olympia is not immune to this nation-wide problem. Discriminatory practices are not the only barriers to homeownership for City of Olympia residents.

The City recognizes our housing work is not complete. To meet the demand for homeownership housing there is a need for increased organizational capacity among housing developers. There is a need for capital funding to build and preserve new units. Lastly, there is a need for more robust sources of funding subsidies and resources necessary to make homeownership a reality for low-income households.

This grant application outlines the City's strategy to remove these barriers. With PRO Housing funds the City will undertake the following activities:

1. Provide capacity building support to Thurston Housing Land Trust
2. Provide capital funding to support the creation of new and preservation of existing homeownership housing
3. Develop an implementation plan to carry out recommendations from the City's Affordable Homeownership Research Study

This proposal aligns with 8 of the 11 U.S. Department of Housing and Urban Development's (HUD) 2022- 2026 Strategic Plan goals and objectives outlined in HUD's Pathways to Removing Obstacles to Housing (PRO Housing) Notice of Funding Opportunity.

### **Climate Analysis:**

In an effort to work with the Thurston County Land Trust, the housing team sees this as an opportunity to preserve low-income housing. The organization would be able to make the needed energy retrofits the homes need, and then sell to a resident, both addressing built environment carbon emission concerns and providing housing stability. All new development would be required to meet the City's energy code and funds would be provided to help offset those costs.

### **Equity Analysis:**

In partnership with Thurston County and the Housing Authority of Thurston County, the City of Olympia completed a countywide Assessment of Fair Housing (AFH) in early 2023. The AFH found that people of color, people with disabilities, people who are transgender, and single mothers are more likely to face housing insecurity through risk of displacement, housing cost burden, and gaps in homeownership. These groups are more likely to experience homelessness, eviction, and are more likely to be renters than homeowners.

In Thurston County, the homeownership rate for white, non-Hispanic households is 69 percent, while the homeownership rate for people of color is 58 percent. The homeownership rate is lowest for Black or African American households (45 percent). The Washington State Department of Commerce report *Improving Homeownership Rates for Black, Indigenous, and People of Color in Washington* finds that 2,866 Black, Indigenous and other People of Color (BIPOC) households would need to become homeowners in Thurston County to equal the rate of white, non-Hispanic homeownership. Only 38 percent of single female-headed households in Thurston County own their homes. Disability advocates provided feedback that family members who care for a household member with disabilities often are forced to leave the workforce to provide support and are at risk of losing housing. Affordable homeownership could help stabilize these caregiving families.

### **Neighborhood/Community Interests (if known):**

Affordable housing, particularly homeownership, is very important to the community. All of the progress outlined is being followed closely by community stakeholders, many have added letters of support to help bolster the application to the Department of Housing and Urban Development.

### **Financial Impact:**

The max grant request for PRO Housing is \$10 million, and the City is intending to ask for the full amount. The funding is intended to be spent over a five-year period and consists of four areas:

#### Capacity Building Support to Thurston Housing Land Trust

The budget associated with this activity is **\$1,500,000** distributed over the period of performance, via a subrecipient agreement between the City of Olympia and Thurston Housing Land Trust.

#### Capital Funding

The budget associated with this activity is **\$5,000,000** to be distributed over the period of performance. The City of Olympia intends to use these funds to acquire property for affordable housing projects that meet a need identified in the Housing Needs Assessment, Assessment of Fair

Housing, Consolidated Plan, or other needs-based local data. The City will then partner with a housing developer to create or preserve homeownership housing. PRO Housing funds for this activity will be used only for acquisition and are anticipated to be leveraged by state, federal, and local funds.

Affordable Housing Research Study Implementation

The budget associated with this activity is **\$2,500,000** over the period of performance. The activity will include homebuyer assistance and homebuyer counseling.

Administration

The City is requesting the maximum allowable funds of **\$1,000,000** (10 percent of the grant request) over a five-year period to administer the activities outlined in this proposal.

There is no local match required for this application.

**Options:**

1. Hold a public hearing to review the Grant Application to the Department of Housing and Urban Development to Pursue Funding for Affordable Homeownership as proposed.
2. Hold a public hearing to review the Grant Application to the Department of Housing and Urban Development to Pursue Funding for Affordable Homeownership with amendments.
3. Don't hold the public hearing.

**Attachments:**

Application

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## **Attachments**

Not included in draft application. Will be submitted to HUD with completed grant application.

Attachment A: Summary of Comments Received

Attachment B: Budget

Attachment C: Interlocal Agreement Between Thurston County and the City of Olympia to form a HOME Consortium

## **Certifications, Assurances, and Standard Forms**

Not included in draft application. To be submitted to HUD with completed grant application.

## **Partnership Letters**

Not included in draft application. To be submitted to HUD with completed grant application.

## **Letters of Support**

Not included in draft application. To be submitted to HUD with completed grant application.

## Exhibit A: Executive Summary

City of Olympia is a strong believer that housing is a basic human right. Olympians are struggling and now is the time to act. Knowing this, the City has extensively gathered and analyzed data and engaged our residents to assess the community's housing needs. These endeavors included a Missing Middle Initiative, an effort to increase housing production and range of housing options by allowing more than one housing unit per lot. The City engaged Olympians on the issue of homelessness and from the engagement emerged the One Community plan, a roadmap for addressing homelessness. A Housing Needs Assessment identified, among other things, the need for more housing production and preservation and a need for a range of housing types to meet current and anticipated demand. The 2023-2027 Consolidated Plan deepened our knowledge about housing need and instability in Olympia. It provided data on the cost to produce and preserve housing as well as data on housing cost burden. The Assessment of Fair Housing highlighted populations of our community who experience barriers to accessing housing, housing insecurity, housing cost burden and ongoing disparities in homeownership.

Through this work the City has remained resolute in our commitment to reducing barriers to affordable housing. We've adopted a Housing Action Plan identifying 71 actions intended to meet the community's affordable housing needs. Within two years we've completed 19 of these actions and we are actively making progress on another 20. We've adopted development incentives to encourage production of housing. We've established a dedicated funding source to assist in the costs to develop housing. We've provided funding to ensure residents' homes are safe and healthy for them to live in. We've launched new programs and expanded existing ones, built relationships with housing developers, and implemented tenant protections. We've expanded the number of staff doing housing related work and have made conscious and purposeful efforts to collaborate across departments with planning, climate, and economic development staff to increase and preserve a range of housing so that all Olympians have access to safe, affordable housing.

These efforts have largely focused on rental housing and while the City has made significant strides in this sector, there is still much work to be done around homeownership. This is why the City's proposal for PRO Housing grant funding is focused on homeownership.

Homeownership is the primary means for wealth building in the United States. The average homeowner's net worth is forty times that of a typical renter<sup>1</sup>. It's a way to increase housing security and deter upstream housing instability that can lead to homelessness. Homeownership provides financial stability and a sense of community belonging. Homeownership creates opportunities. It builds intergenerational wealth that can be leveraged to improve health, education, and employment. It provides generations of children a life more secure than that led by their parents and grandparents. Owning a home promotes both intergenerational homeownership and wealth building.

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<sup>1</sup> The Racial Wealth Gap is the Housing Gap:

<https://www.ltgov.wa.gov/s/The-Racial-Wealth-Gap-is-the-Housing-Gap.pdf>

Yet, several factors impact a low-income household's ability to become homeowners and the nation's long-standing, discriminatory real estate and lending practices have resulted in disparities between homeownership among whites and homeownership among Black, Indigenous, and people of color (BIPOC). Olympia is not immune to this nation-wide problem. Discriminatory practices are not the only barriers to homeownership for City of Olympia residents.

The City recognizes our housing work is not complete. To meet the demand for homeownership housing there is a need for increased organizational capacity among housing developers. There is a need for capital funding to build and preserve new units. Lastly, there is a need for more robust sources of funding subsidies and resources necessary to make homeownership a reality for low-income households.

This grant application outlines the City's strategy to remove these barriers. With PRO Housing funds the City will undertake the following activities:

1. Provide capacity building support to Thurston Housing Land Trust
2. Provide capital funding to support the creation of new and preservation of existing homeownership housing
3. Develop an implementation plan to carry out recommendations from the City's Affordable Homeownership Research Study

This proposal aligns with 8 of the 11 U.S. Department of Housing and Urban Development's (HUD) 2022- 2026 Strategic Plan goals and objectives outlined in HUD's Pathways to Removing Obstacles to Housing (PRO Housing) Notice of Funding Opportunity. Proposed activities will accomplish Strategic Goal 1: Support Underserved Communities; Strategic Goal 1A: Advance Housing Justice; Strategic Goal 1C: Invest in the Success of Communities; Strategic Goal 2: Ensure Access to and Increase Production of Affordable Housing; Strategic Goal 2A: Increase the Supply of Housing; Strategic Goal 3: Promote Homeownership; Strategic Goal 3A: Advance Sustainable Homeownership; and Strategic Goal 4B: Strengthen Environmental Justice

## Exhibit B: Threshold Eligibility Requirements

The City of Olympia attests it does not have any of the charges, cause determinations, lawsuits, or letters of finding referenced in subparagraph 1-5, concerning the Fair Housing Act, the Department of Justice, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974; Violence Against Women Act; or the Americans with Disabilities Act, of the PRO Housing NOFO. Furthermore, the City confirms its intent to submit all the required Assurances, Certifications and Disclosures required by the PRO Housing program NOFO and comply with all requirements found in Section IV.G of the PRO Housing NOFO.

The City of Olympia is applying for funds as a multijurisdictional entity. PRO Housing funds will be made available in Olympia and across Thurston County. The partnership between the

City and Thurston County is illustrated through a HOME Consortium Agreement. City of Olympia will administratively carry out the activities detailed in this grant proposal.

## Exhibit C: Need

### Efforts to Identify, Mitigate and Remove Barriers to Housing Production & Preservation

#### A. Efforts to Identify Barriers

The City of Olympia has been proactive in working to identify barriers to the production and preservation of affordable housing. Among other actions, we've explored how city regulations impose barriers to affordable housing via our Missing Middle Initiative. We further explored barriers and extensively engaged our public through the One Community Plan, which gave residents the space to share barriers they've experienced or seen. We also listened to their suggested solutions to remove the barriers. The Housing Needs Assessment built upon prior work and identified barriers to the production and preservation of housing as well as barriers to accessing affordable housing. Lastly, the 2023-2027 HUD Consolidated Plan and Fair Housing Assessment relied on extensive data and public engagement to build upon the Housing Needs Assessment.

##### 1. Missing Middle Initiative

Due to zoning regulations, permitting processes, loan practices, market factors, and high fixed costs of building, suppliers across the country have targeted the construction of single-family and high-rise multifamily buildings for the past several decades. There has been little construction of mid-sized housing types—known as “missing middle” housing. This term refers to a range of housing types - such as duplexes, triplexes, courtyard apartments, and townhomes - that can provide more than one housing unit per lot in a way that is compatible in scale with single-family homes. Missing middle housing is generally more affordable for the average family than single-family houses. It is also the main residence types purchased by BIPOC homeowners. Nationwide, only 54.5% of Black households live in single-family homes compared to 74.5% of white households<sup>2</sup>. Missing middle housing is therefore a key component of the City of Olympia's housing strategy, as it supports housing affordability for households across all income levels - a key community vision in Olympia's Comprehensive Plan.

Olympia's efforts to identify barriers to affordable housing began in earnest in 2016 with its Missing Middle Initiative, an effort to analyze and consider changing city codes to allow more than one housing unit per lot, thereby allowing for a range of housing options and helping to ensure housing availability and affordability for Olympia residents.

The goals of the work were to:

- Identify how much missing middle housing currently exists in Olympia

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<sup>2</sup> The Racial Wealth Gap is the Housing Gap:

<https://www.ltgov.wa.gov/s/The-Racial-Wealth-Gap-is-the-Housing-Gap.pdf>

- Determine how much more will be needed to accommodate future population growth affordably
- Determine how Olympia’s regulations and fees may be impacting property owners’ decisions on whether to build missing middle housing
- Examine how additional missing middle housing can be added in a way that is compatible with existing neighborhoods

The effort involved an analysis of missing middle housing by type; analysis of available buildable lands by housing type; and a citizen work group which reviewed existing city regulations, such as zoning, permit fees, and utility connection charges, for effects on housing affordability, city livability and sustainability.

The initiative included two public surveys. The surveys polled residents’ support for proposed code changes regarding accessory dwelling units, duplexes, triplexes, fourplexes, and cottage housing, for example. The results showed strong support for many of the proposed code changes. City Council adopted a Missing Middle Infill Housing ordinance in late 2018. In 2019, the ordinance was challenged by a small group of residents and ultimately invalidated by the Washington State Growth Management Hearings Board (GMHB), despite the 2019 Washington State Legislature’s passage of a bill (House Bill 1923) encouraging missing middle housing.

In May 2022, the Thurston County Superior Court’s Order of Judicial Review reversed and vacated the GMHB’s decision. An appeal of the Superior Court’s ruling was filed with the WA State Court of Appeals, which affirmed the Superior Court’s ruling in an opinion dated June 26, 2023. The Missing Middle Infill Housing Ordinance has been upheld, and the appeal is being remanded to the GMHB to be dismissed.

While the appeals of the Missing Middle Infill Housing were pending in the courts, the City Council adopted another ordinance, known as the Housing Options Code Amendments. This ordinance was protected from appeals by House Bill 1923. It allows middle housing types in all residential zoning districts and has been in effect since 2020. The 2023 State Legislature also passed House Bill 1110, which further mandates middle housing types to be permitted by cities and counties throughout the state.

## 2. One Community Plan

In 2018, community concerns about homelessness grew as houseless individuals became more visible throughout the city. The City Council declared homelessness a public health emergency. Several emergency actions were taken to help house the city’s houseless population. The City Council recognized a more planned and coordinated long-term response was necessary to have a lasting and sustainable impact.

In March 2019, the City of Olympia launched a yearlong planning effort directed at finding community agreement around how to respond to the homeless crisis. A participatory leadership approach was used to identify community-based solutions to the myriad of complex challenges associated with the homeless crisis. The process embraced a community work group and listening to the voices, including those with lived experience, of more than



1,200 people who shared their concerns and their suggestions. From this process emerged the One Community Plan, which was adopted by ordinance in 2020. One focus of the Plan is the expansion of affordable housing options. Here the City pledged to formally study community housing needs and barriers and to draft a housing action plan. Today, the One Community Plan is the City’s roadmap for addressing homelessness. In 2021, the Washington Chapter of the American Planning Association recognized the One Community Plan under the community engagement category for its outstanding contributions to the field of planning.

### 3. Housing Needs Assessment

Efforts to identify local housing needs and barriers to affordable housing continued in 2020 when the cities of Olympia, Lacey, and Tumwater, recognizing that the cities are geographically part of the same housing market, partnered with Thurston Regional Planning Council (TRPC) to conduct a Housing Needs Assessment. In 2021 the Assessment was published. The document is a comprehensive analysis of local population, household, and workforce characteristics; unique housing needs; housing supply; a housing gap analysis; and a land capacity analysis. The Assessment is the foundation on which the cities of Olympia, Lacey, and Tumwater built their respective Housing Action Plans. Key findings of the Housing Needs Assessment include:

#### *a. Weighing the decision to rent or buy*

More than 83,000 housing units are found in Lacey, Olympia, Tumwater, and their unincorporated urban growth areas. TRPC projects 34,000 new units will be needed by 2045 to accommodate the region’s growing population. Half of all occupied housing units in Lacey, Olympia, and Tumwater are rented, the other half are owned by an occupant of the unit. However, the smaller the household income, the fewer options there are for home ownership – a key factor for many households in building wealth. Housing units with two or fewer bedrooms are typically rented, and renters are more likely to be cost burdened, meaning they spend more than 30 percent of their income on rent and other housing expenses.

#### *b. Smaller Households, Larger Homes*

Over the last 40 years, the average household in Thurston County has gotten smaller – about 2.5 people per household in 2014-2018. During the same period, homes have gotten bigger. In the 1980s, more than half of all houses built were less than 1,500 square feet. In the 2010s, only 11 percent were less than 1,500 square feet. There is a need for right-sized housing to better accommodate smaller households and free up larger homes for bigger households.

#### *c. Higher Wages – and Higher Rents and Mortgages*

According to the U.S. Bureau of Economic Analysis, Thurston County is home to more than 148,000 jobs. TRPC estimates this will grow to about 200,000 by 2045. Employment Security Department figures indicate wages have generally increased over the last 17 years when adjusted for inflation – about 0.6 percent per year. However, so has the cost of housing – whether you rent or own. Between 2001 and 2018, average rents increased about 1.7% per year while the average sale price for a home increased by about

4.1% per year. Today, Thurston County is not considered affordable for first-time home buyers.

*d. All Things Not Being Equal*

About one in four Thurston County residents is a person of color – those who are Hispanic or Latino of any race and those who are any race other than white alone. Those who are Hispanic or Latino, Asian, Black, and multiracial are the largest minority populations in Thurston County. People of color generally have more people in their household, are less likely to own their own home, have a smaller household income, and are more likely to experience homelessness than their white, non-Hispanic counterparts.

*e. The Challenge: Meeting the Greatest Need*

More than 6,000 households in Lacey, Olympia, and Tumwater are extremely low income – earning less than 30 percent of the area median family income. By 2045, another 3,000 households are expected to fall into this category. There are approximately 1,857 units available at below-market rents – far fewer than the 6,000 plus households with extremely low income, who are those most at risk of becoming homeless – and there are at least 800 people experiencing homelessness today, according to the 2022 Point in Time Count. Both subsidized and permanent supportive housing are needed to support these vulnerable populations

#### 4. 2023- 2027 Consolidated Plan and Assessment of Fair Housing

As a recipient of federal Community Development Block Grant funds and as a HOME consortium member, City of Olympia partnered with Thurston County and Housing Authority of Thurston County to prepare a five-year Consolidated Plan and an Assessment of Fair Housing. The Consolidated Plan includes a Housing Needs Assessment and a Market Analysis. It provides a community profile and explores topics such as cost to purchase housing, housing cost burden, increase in rental rates, rental vacancy rates, and change in housing cost versus change in income. Some key findings from the Consolidated Plan were:

- Approximately 31% of Thurston County households, and 36% of Olympia households, pay more than 30% of their income on housing.
- Thirteen percent of Thurston County households, and 17% of Olympia households, are severely cost burdened, paying more than 50% of their income toward housing.
- Rents have increased 32-35% in Thurston County since 2017 and the vacancy rate for Thurston County has decreased. In Fall 2021 the vacancy rate was 3.7%.
- Across Thurston County, the median home purchase price increased 55% from 2015 to 2020. Average rental rate increased 39% during this same timeframe. Median household income increased by only 13% between 2015 and 2020.
- The sharpest increases in home purchase prices happened in 2020 and 2021, during the middle of the global COVID-19 pandemic that threatened job security statewide.

The Assessment of Fair Housing explored census and other data to identify barriers to integration and housing opportunities. Over 600 community members participated in a survey to assess fair housing barriers and priorities in Thurston County. Respondents rated

access to homeownership as the second highest priority to address housing disparities in Thurston County. The Assessment calls attention to how historic practices such as redlining, racially restrictive covenants, and zoning laws intended to preserve the character of primarily white neighborhoods negatively impact the well-being of Black and other marginalized groups. These practices, though many are illegal now, restricted access to BIPOC homeownership opportunities, slowed the accumulation of generational wealth associated with homeownership, and increased development costs while decreasing housing choices in predominately white neighborhoods.

These extensive efforts to identify barriers have positioned the City well to begin taking meaningful actions to mitigate obstacles to housing production and preservation.

## B. Efforts to Address and Mitigate Barriers

In recent years the City of Olympia has taken several actions to address and mitigate barriers to affordable housing production and preservation. Some of these measures are described below.

### 1. Dedicated Funding Source

In 2018, voters approved a ballot measure that created the Home Fund, a local funding source that is solely used for the construction and preservation of housing units affordable to Olympia residents whose incomes do not exceed 60% of area median income by household size. The funding originates from the collection of one-tenth of one percent sales and use tax. Until 2023, funding awards were made by an Olympia Home Fund board comprised of residents with knowledge and expertise in the affordable housing field. From 2018 through 2022, Olympia's Home Fund supported the creation of approximately 202 permanent rental units.

In 2022, Thurston County adopted its own Home Fund and in 2023 the Olympia and Thurston County Home Funds were merged, thereby creating a local funding mechanism that offers an anticipated \$8 million annually toward the construction and preservation of affordable housing in Thurston County. In 2023, seven projects that will produce 137 new units of housing by 2027 were awarded funds.

Funding awards for the newly merged Home Fund are now recommended by a citizen advisory board known as the Thurston Affordable Housing Advisory Board. The board is comprised of residents of Olympia, Lacey, Tumwater, and Yelm who have a wide range of expertise in the affordable housing field. In establishing the board, priority was placed on including board members with lived experience of homelessness or housing insecurity and individuals who represent a population which is overly represented in Thurston County's homeless system. Examples of such populations are BIPOC and LGBTQIA+.

### 2. Housing Action Plan

The cities of Olympia, Lacey, and Tumwater partnered with Thurston Regional Planning Council (TRPC) in 2021 to create Housing Action Plans. Because the cities are so closely geographically located and operate within the same housing market constraints, the decision was made for each city's Plan to include the same six strategies for increasing the production and preservation of affordable housing. The strategies are:

- Increase the supply of permanently affordable housing for households that make 80 percent or less of the area median income.
- Make it easier for households to access housing and stay housed.
- Expand the overall housing supply by making it easier to build all types of housing projects.
- Increase the variety of housing choices.
- Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies.
- Establish a permanent source of funding for low-income housing.

Cities then individually identified several actions their jurisdiction would take to support these six broad strategies. The City of Olympia’s Housing Action Plan includes 71 actions. Staff across the organization recognize the need for affordable housing and they work collaboratively to carry out the Housing Action Plan.

### 3. Founding Member of Regional Housing Council

In January 2021, the cities of Olympia, Lacey, Tumwater and Yelm and Thurston County executed an interlocal agreement creating the Regional Housing Council (RHC). The RHC was created with the primary purpose to leverage resources and partnerships through policies and projects promoting equitable access to safe and affordable housing in Thurston County. The Regional Housing Council considers issues related to funding a regional response to homelessness and affordable housing and considers how to better coordinate existing funding programs to implement the county's Five-Year Homeless Crisis Response Plan.

### 4. Funding for Housing Preservation

The City of Olympia’s CDBG formula allocation is approximately \$350,000 - \$450,000 annually. In decades past, the City had a robust housing rehabilitation program funded in part by CDBG. Housing preservation activities included both rental and homeowner rehabilitation for low- and moderate-income residents. Following the recession in the 2000s, the CDBG program pivoted to support primarily economic development activities and public facilities improvements. In the past two program years, the City has shifted funding priorities back to housing preservation. The City has reinstated its revolving loan fund program which funds rehabilitation and improvements to properties rented to low- and moderate-income tenants. The City’s CDBG program is also funding multiple home repair programs administered by subrecipients. Subrecipient partners currently include South Puget Sound Habitat for Humanity and Rebuilding Together Thurston County. Subrecipient programs provide critical home repair to low-income homeowners within the City. Following the results of the most recent 2023-2027 Consolidated Plan update, which mirrored HUD’s priorities around proactive prevention, the City will continue to prioritize funding CDBG activities that support housing preservation in our community

These efforts have laid a strong foundation for the City to continue to expand our work.

### C. Efforts to Remove Barriers

Across the City of Olympia organization, it’s widely accepted that identifying barriers is not enough; we must actively work to remove barriers to the production and preservation of

affordable housing. Three primary areas in which this effort is occurring are the implementation of the City’s Housing Action Plan; the Affordable Homeownership Research Study; and staff’s efforts to keep abreast of newly adopted state legislation, best practices, and work being done across the state by our peers.

### 1. Implementing the Housing Action Plan

In just a few short years, the City has taken several actions identified in its Housing Action Plan. Frequent collaboration between the City’s housing and homeless response, community planning and development, climate mitigation, and economic development staff has made this possible. The tone for this support is set by the City Council, which annually adopts an annual work plan that routinely includes several affordable housing projects and priorities. That commitment is carried on by the City Manager and leadership staff.

Much of the City’s work is guided by the Housing Action Plan. Of the 71 actions included in the Plan, 19 have been completed and 20 are currently in progress. Following is a sampling of actions that have already been accomplished or are actively in progress within each of the six Housing Action Plan strategies:

*a. Strategy 1: Increase the Supply of Permanently Affordable Housing for Households Whose Income is 80% or Less of Area Median Income*

*i. Donate or lease surplus or underutilized jurisdiction-owned land to developers that provide low-income housing*

The City of Olympia has experienced great success with this model. Two multi-family rental projects are currently being developed in partnership with housing developers. One project will provide 71 permanent supportive housing units in perpetuity for extremely low-income individuals. The project will prioritize individuals who were relocated from state rights-of-way through a Washington state initiative. The other project will provide 83 permanent rental units for homeless, disabled, and low-income populations whose income does not exceed 50% area median income. This project is occurring on a vacant parking lot adjacent to Olympia’s downtown transportation center.

*ii. Fund development projects that increase low-income housing through grants or loans.*

The City participates as a member of the Regional Housing Council. As such, the City pools local funding generated from property taxes and sales and uses tax with other Regional Housing Council members. Funds are then awarded through a request for proposals process as grants to developers constructing and preserving affordable housing for households whose income does not exceed 80% area median income.

*iii. Partner with low-income housing developers to expand homeownership*

The City is partnering with South Puget Sound Habitat for Humanity to produce more than 120 units of homeownership housing on property formerly owned by the City of Olympia. Habitat was awarded the project through a request for proposals process. The first of the units will come online in 2025.

*b. Strategy 2: Make it Easier for Households to Access Housing and Stay Housed*

i. Identify and implement appropriate tenant protections that improve household stability.

In 2021, City of Olympia conducted a renter protection study and extensive community engagement. The study then became the basis of a tenant protection ordinance passed in 2022. The ordinance caps the amount of move-in fees to one month's worth of rent and prohibits non-refundable one-time fees at move-in. The ordinance limits pet deposits to 25% of monthly rent and requires that deposits are refundable. Under the new ordinance, landlords must provide a 120-day notice for rent increases over 5% and a 180-day notice for rent increases over 10%. Council has also directed staff to bring an ordinance in Fall 2023 that establishes a rental housing registration and inspection program. The inspection program will require the housing unit to pass basic habitability standards, as well as establish a baseline energy efficiency. As part of the registry proposal, Council will consider a tenant relocation assistance program that will be required if a housing unit is demolished, condemned, or requires substantial rehabilitation that results in tenant displacement. Staff is developing code language that will prohibit rent increases if a unit fails to meet habitability standards. Olympia's CDBG program has implemented a Revolving Loan Fund for unit repairs and upgrades that is available to landlords who rent to low-income tenants. CDBG funding has also subsidized installation of high-efficiency heat pumps in rental housing units for landlords renting to low-income tenants to decrease energy costs and increase climate resilience.

*c. Strategy 3: Expand the overall housing supply by making it easier to build all types of housing projects*

i. Lower impact fees for affordable multifamily housing projects.

The City offers an 80% exemption of school, park, and transportation impact fees for affordable housing development that creates new units when all units are reserved for low-income households earning 80% or less of area median income. Similarly, a pilot project with LOTT Clean Water Alliance exempts 50% of wastewater connection fees for affordable housing meeting the same requirements.

ii. Residential Parking Reductions

In 2023, the Olympia City Council adopted reductions in parking requirements for residential developments across most of the City. This followed significant public input regarding the proposed changes. The cost of constructing parking to meet local requirements is one of the most significant costs to housing construction, and surface parking lots often occupy a large share of a residential building site – which could be put to better use as housing units.

iii. Improve permitting process



Also in 2023, the Olympia City Council approved an ordinance that greatly simplifies the City’s permit processes. These changes combined eight separate sections of the City’s codes into one section describing the permit process. It also consolidated dozens of permit types into four types, making it simpler for housing developers to understand the type of permit they need and the process for applying for that permit.

- iv. **Expand the multifamily tax exemption to make it available in all transit corridors.** The City’s multifamily tax exemption program offers a 12-year exemption of property taxes associated with residential development when all new units are affordable to households whose income does not exceed 115% area median income. Olympia City Council is currently considering programmatic changes that would require all units be affordable to households whose income does not exceed 80% area median income. The Council is also considering adding a 20-year tax exemption for affordable homeownership projects and expanding the geographic target areas of the program to include a handful of areas zoned as neighborhood centers.

*d. Strategy 4: Increase the Variety of Housing Choice*

- i. **Provide pre-approved plan sets for accessory dwelling units**  
The City makes pre-approved plans available for accessory dwelling units. This helps reduce both the cost and permitting time associated with adding an accessory dwelling unit to one’s property.

*e. Strategy 5: build on resources, collaboration, and public understanding to improve implementation of housing strategies.*

- i. **Identify and develop partnerships with organizations that provide or support low income, workforce, and senior housing as well as other populations with unique housing needs.**  
City staff are consistently identifying and developing partners to assist the City in its mission to create and preserve more affordable housing for populations with unique housing needs. In 2023, partnerships of this kind have resulted in an ongoing project offering 83 units for homeless, disabled, and low-income residents.

*f. Strategy 6: Establish a permanent source of funding for low-income housing*

- i. **Establish an affordable housing sales tax.**  
In 2018, City of Olympia residents passed a ballot measure approving a one-tenth of one percent sales and use tax used to create and preserve affordable housing for households whose income is 60% or less of area median income. In 2022, Thurston County’s Board of County Commissioners adopted its own one-tenth of one percent sales and use tax. Beginning in 2023, the funds have been combined and will be made available annually via a request for proposals process.

- ii. [Use Community Development Block Grant \(CDBG\), Section 108 loans and other federal resources for affordable housing.](#)

City staff completed a comprehensive update of the five-year Consolidated Plan in 2023. The results of the report overwhelmingly indicate that creation of affordable housing and preservation of existing affordable housing is the top priority in our community. Staff are working closely with nonprofit service providers to ensure capacity and funding is available for housing preservation. The City launched the Rental Rehabilitation Program in 2021 to utilize CDBG revolving loan funds to make improvements to housing rented to low- and moderate-income tenants. City staff are exploring how to leverage Section 108 loans to complete CDBG projects that are normally out of reach with the City's limited CDBG formula allocation.

## 2. [Conducting an Affordable Homeownership Research Study](#)

A consultant is currently performing an analysis of efforts that could be taken by the City to increase the production of homeownership units and to identify strategies to support long-term housing affordability through homeownership for low and moderate-income households. Anticipated outcomes of the consultant's work include recommendations of new programs; best practices for expanding homeownership, specifically for low-income BIPOC residents; exploration of promising homeownership models; and suggestions for funding mechanisms that could support increasing homeownership for low-income households. Staff meet with the consultant monthly to discuss the progress of the study. A few recommendations have already been identified. Among them, establishing a homebuyer or down payment assistance program and increasing homebuyer counseling. The study will conclude in December 2023. There is significant energy and a desire to begin implementing the recommendations in early 2024. However, an implementation plan outlining how the work will be carried out is necessary.

## 3. [Tracking State Legislation, Best Practices, and Recent Research](#)

Washington State experienced huge housing successes in the 2023 legislative year, with the year being dubbed the *year of housing*. Increasing the production and preservation of housing as well as increasing homeownership opportunities for low and moderate-income populations, particularly for marginalized groups who have historically been largely excluded from homeownership, has great momentum state-wide. City of Olympia leaders and staff recognize now is the time for listening, learning, and taking action. Staff are closely following key legislation and movements.

### [a. Washington State House Bill 1474](#)

House Bill 1474 calls for the creation of a covenant homeownership account and program to address the history of housing discrimination due to racially restrictive real estate covenants in Washington State. The bill outlines that a Covenant Homeownership Account will be created and funded by way of a \$100 fee charged every time a document is recorded. The Washington State Department of Commerce will contract with the Washington State Housing Finance Commission to provide a special purpose credit program(s) to disburse the funds as down payment and closing cost assistance to one or more economically disadvantaged populations. The Commission is currently working to establish the Covenant Homeownership Program and is slated to release more



information about how the program could operate in March 2024. The account will be established and the program rolled out over the remaining part of 2024. A study on the program’s progress will be released every five years.

The bill is supported by data from the Racial Restrictive Covenants Project, an effort authorized by House Bill 1335 in 2021 and conducted by researchers at the University of Washington and Eastern Washington University. Through the Project, more than 50,000 deed provisions and restrictive covenants used to enforce segregation in communities across Washington State have been uncovered to date.

Like other Washington State cities, Olympia is closely following how House Bill 1474 will be implemented. The City is taking the time now to plan for how we can leverage the Covenant Homeownership Program when it becomes available.

#### *b. Recommendations from the Homeownership Disparities Work Group*

In 2021 the Washington State Legislature provided funding and tasked the Department of Commerce to convene a work group to research and provide a report along with recommendations to reduce disparities in homeownership in Washington state. In September 2022 *Improving Homeownership Rates for Black, Indigenous, and People of Color in Washington: Recommendations from the Homeownership Disparities Work Group* was published.

The research found that racist government policies such as zoning, redlining, deed restrictions, and discrimination in lending practices, among other things, have systemically and severely created barriers to homeownership for BIPOC individuals. The group also found that for several decades Washington’s housing market has failed to produce enough housing units needed to match the state’s economic growth. According to the report, “By some estimates, Washington has produced the fewest housing units relative to its household growth than any other state in the country.”<sup>3</sup>

The group found the two most significant barriers to BIPOC homeownership are the lack of affordable homeownership supply and insufficient assistance for BIPOC households who want to become homeowners. The work group provided 27 recommendations for overcoming these barriers.

#### *c. Black Home Initiative*

The Black Home Initiative is a demonstration pilot project occurring in South Seattle, South King and North Pierce Counties. It aims to assist 1,500 low and moderate-income Black households to become first-time homeowners within the three geographic areas in the next five years. The Black Home Initiative is focused on three goals: growing the number of homes available for purchase, supporting Black households who wish to buy a home and obtain a mortgage, and improving the collaboration among public, private, and non-profit organizations needed to create the ecosystem necessary to facilitate the goals

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<sup>3</sup>Improving Homeownership Rates for Black, Indigenous, and People of Color in Washington: [https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Homeownership%20Disparities%20Recommendations%20Report%20-%20FINAL%20-%20Sep2022\\_e0b6a028-62cf-478c-aa9b-52e5e5c66609.pdf](https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Homeownership%20Disparities%20Recommendations%20Report%20-%20FINAL%20-%20Sep2022_e0b6a028-62cf-478c-aa9b-52e5e5c66609.pdf)

of the Black Home Initiative. The Black Home Initiative will focus its energy on marketing and outreach, pre-/post-purchase counseling, purchase supports and tools, credit and lending, policies and practices, and sustaining existing homeowners. While the demonstration project is not currently taking place in Thurston County, the need for this work locally is apparent.

Despite the many barriers the City has successfully removed, we know acute demand still exists. We're emboldened in our efforts to meet the demand.

## Acute Demand for Housing and Affordable Housing Needs

Several of the above-mentioned plans and studies have pointed to the acute need for not only more affordable housing but more affordable homeownership housing and resources to access it. This is acutely true for BIPOC households.

### A. Acute Demand for Significantly Increased Housing Production

In Thurston County between the years 2010 and 2020 only .88 new housing units were produced for every 1 new household to the county.<sup>4</sup> The increase in population to Thurston County is not expected to slow anytime soon. In preparation for population growth, the jurisdictions of Thurston County are currently in the process of updating their Comprehensive Plans to meet Growth Management Act requirements. House Bill 1220 requires jurisdictions to outline within their Comprehensive Plan how many new housing units are needed regionally and how the region will meet the need. Washington State has issued the Housing All Planning Tool (HAPT),<sup>5</sup> a population and housing need forecasting tool, to guide jurisdictions in this process.

According to the tool, Thurston County's population will grow from 294,793 to 389,659 by the year 2045. To accommodate the population growth approximately 54,347 new units are needed by the year 2045. Approximately 12,351 new units will be needed for households earning 0-30% of Area Median Income, adjusted for household size. Another 8,430 units are needed for households whose income is between 31% and 50% of Area Median Income. Yet another 8,269 units are necessary for households whose income is between 51% and 80%. Still more units are needed for households whose income exceeds 80% of area median income.

Thurston Regional Planning Council anticipates that nearly 23% of Thurston County's growth from year 2023 to 2045 will occur within the City of Olympia. Olympia will need 12,500 new units to meet the City's projected population growth (HAPT). Of these, 2,347 are needed for households whose income is 0- 30% of area median income. Another 2,758 units are needed for households whose income is between 31% and 50% of area median income. An additional 224 units are needed for households whose income falls between 51% and 80% of area median income. Yet another 940 units are needed for households making 81%-100% of area median income. Remaining units are needed for households whose income exceeds 100%. To adequately respond to the projected population growth and accompanying housing needs the City of

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<sup>4</sup>Improving Homeownership Rates for Black, Indigenous, and People of Color in Washington: [https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Homeownership%20Disparities%20Recommendations%20Report%20-%20FINAL%20-%20Sep2022\\_e0b6a028-62cf-478c-aa9b-52e5e5c66609.pdf](https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Homeownership%20Disparities%20Recommendations%20Report%20-%20FINAL%20-%20Sep2022_e0b6a028-62cf-478c-aa9b-52e5e5c66609.pdf)

<sup>5</sup>HAPT tool: <https://deptofcommerce.app.box.com/s/48o8fzedzxn63xth6aofi2jc2npcjoa>

Olympia must increase the number of housing units annually permitted for construction from 300 to 600. It's not appropriate nor feasible for all new units to be rental units.

**Housing Needs Projections for Selected County, Projection Year, and Population Target**  
Complete Steps 1, 2, and 3 to access countywide projections

**Step 1**  
Select a County  
Thurston ✓

**Step 2**  
Select a Projection Year  
2045 ✓

**Step 3**  
Enter Population Target in Range  
389,659 ✓

**Table 1: OFM GMA Population Projections, 2045**  
Thurston County Projected Population, 2045

	Low	Medium	High
Projected Population (2045)	345,246	389,659	431,732

**Table 2: Projected Countywide Housing Needs Based on User Inputs**  
Thurston County  
Population Target = 389,659

	Total	Affordability Level (% of Area Median Income)						Emergency Housing/Shelter Beds	
		0-30%	30-50%	50-80%	80-100%	100-120%	120%+		
Total Future Housing Needed (2045)	174,682	11,636	3,774	20,858	46,625	30,824	19,898	41,067	1,562
Estimated Housing Supply (2020)*	120,334	2,879	180	12,428	38,356	26,452	15,518	24,522	626
Net New Housing Needed (2020-2045)	54,347	8,757	3,594	8,430	8,269	4,372	4,380	16,545	936

\* Note: Supply of PSH in 2020 is beds. However, projections of Net New Housing Needed (2020-2045) are in housing units. See Overview tab for details.

### B. Acute Demand for Housing for Homeownership

Homeownership is an equity issue; it's the primary way in which low-income households can build generational wealth. When a household can access appropriately priced ownership housing, it's also an effective way to ensure a household's long-term stability and to decrease housing cost burden. According to HUD CHAS data, 27% of Olympia renters are severely cost burdened, spending more than 50% of their monthly income on housing needs. In comparison, the same data indicates only 7% of Olympia homeowners are severely cost burdened. Similarly, 50% of Olympia renters are cost burdened, spending more than 30% of their monthly income on housing needs, compared to 19% of homeowners.<sup>6</sup> Black, Indigenous, and people of color are more likely to be renters than white residents in Thurston County: 31% of white Thurston County residents rent compared to 42% of BIPOC residents.<sup>7</sup> An analysis by Homestead Community Land Trust as part of its Closed Doors project,<sup>8</sup> found there were 2,157 two-plus bedroom homes listed in Thurston County between March and June 2021. Of those, 71 were priced affordably for households with incomes between 50% and 80% area median income. For perspective, this means for every 1 home there were up to 131 potential low-income homebuyers.

### C. Acute Demand in Grand Mound/Rochester Area

The Rochester/Grand Mound area of unincorporated Thurston County is a priority geography that has an affordable housing need greater than HUD's threshold calculation measures. Affordable housing is not keeping pace with demand in this area. There is insufficient affordable housing available and there is widespread housing cost burden or substandard housing.

In part, housing conditions are influenced by the lack of a sewer system, which requires residential properties use septic tanks. This inhibits opportunity for multifamily development and publicly funded housing. Due to the demand for affordable housing outpacing the supply, affordable housing options in this geographic area often include mobile homes, substandard single-family homes, or non-traditional situations. According to community partners at Rochester Organization of Families (ROOF), the lack of affordable housing options and rural

<sup>6</sup> 2015-2019 HUD CHAS Data

<sup>7</sup> American Community Survey 5-Year Estimates 2017-2021, Tables B25003, B25003a through B25003H

<sup>8</sup> Closed Doors Report:

[https://www.closeddoorsreport.com/\\_files/ugd/65c53d\\_97cc06dea28b4ab283d9fetc1a5ec800.pdf](https://www.closeddoorsreport.com/_files/ugd/65c53d_97cc06dea28b4ab283d9fetc1a5ec800.pdf)

nature of the area often leads to unsafe housing arrangements, such as a landowner allowing multiple recreational vehicles to park in a field with no utility or waste services, multiple generations of family members living in barns or sheds, renting space out in a carport or renting out a place to sleep on a recliner in a private owner's living room.

The City has identified Grand Mound/Rochester as one area to target homebuyer counseling services through a partnership with ROOF. The services will help educate Grand Mound/Rochester residents on their options and resources available to purchase a home. The area will also be considered for capital fund investments should property become available.

## Key Barriers to Producing and Preserving More Affordable and Accessible Homeownership Housing

The City of Olympia has made great strides in confronting barriers to producing and preserving multi-family rental units but more work is needed to produce homeownership housing and to remove barriers that low-income households face in accessing homeownership. Increasing homeownership provides a unique opportunity to equitably provide affordable, sustainable, healthy and safe housing while assisting low and moderate-income households to begin building wealth and exiting poverty. The three key barriers to homeownership that still exist are the reduced organizational capacity of housing developers to create new homeownership housing, insufficient availability of financing and subsidies needed to produce new housing, and insufficient availability of resources needed to purchase a house. These barriers are present in Olympia but also seen statewide and have been called out in Homestead Community Land Trust's Closed Doors report, the Black Home Initiative, and the State's Homeownership Disparities Work Group study, among other research.

### A. Reduced Organizational Capacity of Thurston Housing Land Trust

The two primary developers of homeownership housing in Thurston County and Olympia are South Puget Sound Habitat for Humanity and Thurston Housing Land Trust (THLT). THLT is a non-profit, community-based organization established in 2018. The organization operates under a shared-equity housing model in which homebuyers purchase their home and THLT retains ownership of the land on which the home sits. The homebuyer pays a nominal long-term ground-lease to THLT. This model reduces the cost of homeownership, thereby making homeownership more attainable. Homebuyers are held to affordable resale agreements to ensure homes in THLT's portfolio remain affordable long-term to subsequent homebuyers. The model increases the likelihood of low-income households attaining and sustaining homeownership, builds wealth among low-income and Black, Indigenous, People of Color (BIPOC), and stretches public investment so that fewer dollars can help more homeowners.<sup>9</sup>

THLT operates with a Board of Trustees responsible for policy and decision-making and a small staff of enthusiastic, passionate, and energized volunteers responsible for carrying out the organization's mission. Thus far THLT operations have focused on building their program model, establishing presence in the community, developing relationships, seeking technical assistance from established community land trusts, and creating legal documents. THLT recently completed its first successful home sale.

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<sup>9</sup> <https://groundedsolutions.org/strengthening-neighborhoods/shared-equity-homeownership>

Because the organization is young and volunteer-based, it isn't fully realizing its potential. The organization requires assistance to overcome the steep learning curve associated with attracting funding, acquiring properties, and establishing and carrying out strong policies and procedures.

The City of Olympia recognizes the immense value THLT brings our community. Nationwide, there are just over 300 community land trusts.<sup>10</sup> In Washington state there are 29.<sup>11</sup> While many other communities across the nation are focused on establishing a community land trust, that difficult work has already been done in Olympia and the City cannot afford to lose this valuable asset. The PRO Housing grant is necessary for THLT to expand its capacity and ensure its longevity while producing and preserving homeownership opportunities.

## B. Insufficient Availability of Financing and Subsidies to Produce Homeownership Housing

There is an insufficient supply of affordable homeownership housing in Olympia. Capital funding is needed to help increase supply of new units and preserve existing homeowner occupied housing. In Washington state, public subsidy programs intended to increase the supply of affordable, homeownership units exist but do not provide enough financing to meet demand. One of the most significant sources of financing is Washington State's Housing Trust Fund program, which provides low-interest loans and grants to housing developers. The Housing Trust Fund program typically includes a set-aside appropriation dedicated to affordable homeownership development, but the amount of funding made available and the many restrictions that govern the program, such as per project and per-unit funding caps, has been insufficient to meet the need.<sup>12</sup> For example, in 2023, Housing Trust Fund financing set aside for homeownership was at a record high of \$38.8 million but still only accounted for 10% of the total \$400 million appropriated to the Housing Trust Fund. The Washington State Department of Commerce reports applicants requested \$93.2 million, more than double the funds available. Additionally, there was a 14.2% increase in the number of projects submitted for funding, a 58% increase over 2022 in the funding sought, and an 11% increase in the number of organizations applying for funds.

Without sufficient funding, developers cannot afford to build or preserve units. Households with incomes between 50% to 80% AMI are typically considered candidates for homeownership opportunities.<sup>13</sup> In other words, these households typically have a steady source of income, a favorable credit history, and are regularly paying their debts. Many of these same households are unable to become homeowners though due to the lack of available homes priced at a point the household can afford. The lack of supply in Olympia is supported

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<sup>10</sup> <https://groundedsolutions.org/strengthening-neighborhoods/community-land-trusts>

<sup>11</sup> <https://groundedsolutions.org/strengthening-neighborhoods/community-land-trusts>

<sup>12</sup> Improving Homeownership Rates for Black, Indigenous, and People of Color in Washington: [https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Homeownership%20Disparities%20Recommendations%20Report%20-%20FINAL%20-%20Sep2022\\_e0b6a028-62cf-478c-aa9b-52e5e5c66609.pdf](https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Homeownership%20Disparities%20Recommendations%20Report%20-%20FINAL%20-%20Sep2022_e0b6a028-62cf-478c-aa9b-52e5e5c66609.pdf)

<sup>13</sup> [https://www.closeddoorsreport.com/\\_files/ugd/65c53d\\_97cc06dea28b4ab283d9fefc1a5ec800.pdf](https://www.closeddoorsreport.com/_files/ugd/65c53d_97cc06dea28b4ab283d9fefc1a5ec800.pdf)



by the fact that Olympia has the highest proportion of renters of any jurisdiction in Thurston County (53.3% rent).<sup>14</sup>

“The single biggest barrier to increasing homeownership rates for lower- and middle-income community members, especially Black, Indigenous and People of Color (BIPOC) households, in our region is a critical lack of supply of income-appropriate priced homes. Efforts to provide down payment assistance, buyer readiness and other supports fall short of achieving net new homeowners when there are simply no homes that are priced for lower-income households.”<sup>15</sup>

### C. Insufficient Availability of Financing, Subsidies, and Resources for Homebuyers to Purchase a House

An insufficient housing supply in turn results in home purchase prices that put homeownership out of reach for many low-income households. The median home price in Olympia at the time of this grant application is \$532,500, according to Redfin. Between 2019 and 2021, the median home price in Thurston County averaged 6.1 times the median annual household income.<sup>16</sup> In fact, Olympia has the highest median home sale price of any jurisdiction in the county. Home sale prices increased 41% (adjusted for inflation) between 2017 and 2022.<sup>17</sup> The Housing Affordability Index (HAI) tracks the ability of a middle-income family to afford the mortgage payment on a median-price home. An index of 100 reflects a balance between the family’s ability to pay and the mortgage payment. Higher indices signify that housing is more affordable. Thurston and nearby counties’ HAI have been generally decreasing since 2013. From the first quarter of 2022 to the first quarter of 2023, Thurston County’s HAI decreased 22 percent. The last year Thurston County was considered affordable for first-time homebuyers was 2013.<sup>18</sup>

For members of protected classes, becoming homeowners is especially challenging. Members of protected classes are more likely to have lower incomes and less likely to qualify for a mortgage loan sufficient to purchase a home in the current market. Female-headed households have a poverty rate of 28% in Olympia and 23% of Olympia residents with disabilities have income below the federal poverty level.<sup>19</sup> Over 20% of Olympia residents who are Black or African American, Native Hawaiian or other Pacific Islander, or those who self-identified as some other race unlisted in the U.S. census have income below the federal poverty level.<sup>20</sup> While census data does not capture the experience of transgender individuals, local data indicates that housing insecurity, housing cost burden, homelessness,

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<sup>14</sup> 2020 Census, Table DP1

<sup>15</sup> [https://www.closeddoorsreport.com/files/ugd/65c53d\\_97cc06dea28b4ab283d9fefc1a5ec800.pdf](https://www.closeddoorsreport.com/files/ugd/65c53d_97cc06dea28b4ab283d9fefc1a5ec800.pdf)

<sup>16</sup> Improving Homeownership Rates for Black, Indigenous, and People of Color in Washington: [https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Homeownership%20Disparities%20Recommendations%20Report%20-%20FINAL%20-%20Sep2022\\_e0b6a028-62cf-478c-aa9b-52e5e5c66609.pdf](https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Homeownership%20Disparities%20Recommendations%20Report%20-%20FINAL%20-%20Sep2022_e0b6a028-62cf-478c-aa9b-52e5e5c66609.pdf)

<sup>17</sup> Northwest Multiple Listing Service, accessed at: <https://www.trpc.org/455/Thurston-County-Home-Sales>

<sup>18</sup> <http://realestate.washington.edu/research/wcrer/housing-reports/>

<sup>19</sup> American Community Survey 2016-2020 5-Year Estimates, Table S0901 and Table S1703

<sup>20</sup> American Community Survey 2016-2020 5-Year Estimates, Table S1703

and unemployment/underemployment are disproportionately experienced by transgender community members.<sup>21</sup>

Homeownership for BIPOC households is especially challenging, in large part due to systemic racism in real estate and lending. Historical practices of redlining and restrictive covenants created segregated housing patterns both locally and nationally. Redlining ‘was a government-sponsored practice where the Home Owners Loan Corporation specified whether neighborhoods were appropriate for investment based on the incomes and races of residents.’<sup>22</sup> Racially restrictive covenants are a type of agreement that limits the sale, rental, or occupancy of housing to people of a particular racial or ethnic group. Olympia staff has reviewed racially restricted deeds and covenants in neighborhoods or subdivisions identified by researchers at the University of Washington.<sup>23</sup> Over 1,500 parcels in Thurston County have racially restricted covenant language. In her book ‘Blacks in Thurston County, Washington,’ local historian Dr. Thelma Jackson recounts experiences of realtors steering Black community members to Olympia’s neighboring city (Lacey) in the 1950s and 1960s.

Both regional and national reports highlight the challenges for BIPOC individuals in accessing homeownership due to lack of credit history caused by systemic disparities. Debt-to-income ratios are the most common reason Black applicants are denied loans.<sup>24</sup> Lack of credit and poor credit present as barriers to accessing a lower interest rate loan for many prospective buyers of color. Researchers highlight how “decades of discrimination in employment, lending policies, debt collection, and criminal prosecution have left generations of Black families vulnerable to financial insecurity and negatively impacted median credit scores.”<sup>25</sup> The Urban Institute’s report Explaining the Black-White Homeownership Gap finds that more than 50 percent of white households have a FICO credit score above 700, compared with only 20.6 percent of black households. Thirty-three percent of black households with credit histories have insufficient credit and lack a credit score, while only 17.9 percent of white households have missing credit scores. The report goes on to explain: ‘This is a key point because in the housing context, we know that most black households are renters and that rental payments are largely unreported to traditional credit bureaus. A black household may not own a home and pays only for rent, utilities, cell phones, and similar recurring expenses, but these transactions are not reported to credit bureaus in any positive way. Derogatory and negative credit reporting is common, but no credit is given for on-time

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<sup>21</sup>Assessment of Fair Housing 2023-2027:

[https://www.olympiawa.gov/Document\\_center/Community/Housing%20&%20Homelessness/Fair%20Housing%20Assessment%20-%202023-2027.pdf](https://www.olympiawa.gov/Document_center/Community/Housing%20&%20Homelessness/Fair%20Housing%20Assessment%20-%202023-2027.pdf)

<sup>22</sup> Improving Homeownership Rates for Black, Indigenous, and People of Color in Washington:

[https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Homeownership%20Disparities%20Recommendations%20Report%20-%20FINAL%20-%20Sep2022\\_e0b6a028-62cf-478c-aa9b-52e5e5c66609.pdf](https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Homeownership%20Disparities%20Recommendations%20Report%20-%20FINAL%20-%20Sep2022_e0b6a028-62cf-478c-aa9b-52e5e5c66609.pdf)

<sup>23</sup> [https://depts.washington.edu/covenants/county\\_thurston.shtml](https://depts.washington.edu/covenants/county_thurston.shtml)

<sup>24</sup> Improving Homeownership Rates for Black, Indigenous, and People of Color in Washington:

[https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Homeownership%20Disparities%20Recommendations%20Report%20-%20FINAL%20-%20Sep2022\\_e0b6a028-62cf-478c-aa9b-52e5e5c66609.pdf](https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Homeownership%20Disparities%20Recommendations%20Report%20-%20FINAL%20-%20Sep2022_e0b6a028-62cf-478c-aa9b-52e5e5c66609.pdf)

<sup>25</sup> Improving Homeownership Rates for Black, Indigenous, and People of Color in Washington:

[https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Homeownership%20Disparities%20Recommendations%20Report%20-%20FINAL%20-%20Sep2022\\_e0b6a028-62cf-478c-aa9b-52e5e5c66609.pdf](https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Homeownership%20Disparities%20Recommendations%20Report%20-%20FINAL%20-%20Sep2022_e0b6a028-62cf-478c-aa9b-52e5e5c66609.pdf)

payments of such critical and basic household items that would continue to apply in ownership.<sup>26</sup>

For all these reasons—skyrocketing housing prices, higher poverty rates among protected classes and BIPOC households, racial discrimination in real estate and lending, derogatory and negative credit reporting— financing and subsidies to make homeownership a reality is essential for low-income households. Here again, state resources such as a handful of down payment assistance programs offered by the Washington State Housing Finance Commission are available but, in part due to state regulations guiding the availability of funds, do not come close in and of themselves to meeting the existing subsidy needs. First-time homebuyer programs are offered by some primary mortgage lenders as well but rarely are these specialized programs or subsidies enough to overcome the numerous barriers to homeownership for those most in need and those most impacted by housing instability.

## Exhibit D: Soundness of Approach

### Vision For Use of Pro Housing Funds

The City recognizes homeownership is a way to provide immediate housing stability that can prevent homelessness and a way to increase generational wealth. We acknowledge access to homeownership is much more difficult for low-income households. For these reasons this grant proposal outlines our strategy for removing barriers to homeownership for populations whose income is 80% or below area median income, which is \$82,000 for a four-person household in the Olympia-Tumwater metropolitan statistical area.

Our strategy includes three activities:

1. Provide capacity building support to Thurston Housing Land Trust
2. Provide capital funding to support the creation of new and preservation of existing homeownership housing
3. Develop an implementation plan to carry out the recommendations emerging from the City’s Affordable Homeownership Research Study

All activities funded by the PRO Housing grant will meet eligibility criteria listed in 24 CFR 570. Activities requiring a National Objective to be met will have adequate documentation demonstrating the appropriate National Objective.

#### A. Capacity Building Support for Thurston Housing Land Trust

The City will provide funding and technical assistance to the Thurston Housing Land Trust to assist the organization in expanding its capacity to produce and preserve affordable homeownership units. This activity improves upon an existing strategy included in Olympia’s Housing Action Plan, will lower housing costs for low-income households, and will facilitate production of affordable homeownership units.

Funds will be used for:

- Community outreach

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<sup>26</sup> Explaining the Black-White Homeownership Gap:  
[https://www.urban.org/sites/default/files/publication/101160/explaining\\_the\\_black-white\\_homeownership\\_gap\\_2.pdf](https://www.urban.org/sites/default/files/publication/101160/explaining_the_black-white_homeownership_gap_2.pdf)



- Strategic planning
- Staffing and operational costs
- Other costs related to increasing the capacity of Thurston Housing Land Trust.

Thurston Housing Land Trust will contribute its own resources to leverage those provided by the City. Key outputs and outcomes associated with each of these four uses of funding are found below and will be carried out over the period of performance, with a focus on staffing and operational costs and strategic planning in 2024 and 2025.

#### 1. Community Outreach

- Develop and implement a targeted donor outreach system for charitable donations of financing and property.
- Develop a homebuyer list
- Recruit additional board members with expertise in areas such as housing development, financing and lending, and government

#### 2. Strategic Planning

- Develop an acquisition strategy
- Establish strong development partnership(s)
- Create a framework for community land trust ownership of multi-unit properties beyond the cooperative model (e.g., including townhouses and condominiums)
- Develop strong relationships with financial partners committed to housing affordability such as Olympia Federal Savings or WSECU
- Pursue land acquisition for development of new homeownership housing

#### 3. Staffing and Operational Costs

- Contract with a strategic and organizational development consultant to ensure shared and aligned staff and board vision and plans
- Develop an advanced set of organizational documents, policies, procedures, and boilerplate statements.
- Convert current part time contracted Operations Manager to full-time staff position in 2024
- Hire Executive Director in 2024
- Engage Americorps/VISTA volunteer in 2025
- Contract with necessary legal, development and grant writing expertise as needed

#### 4. Other Costs

- Engage with acquisition/development consultants, including the Northwest Cooperative Development Center and other nonprofit and for profit pre-development and development organizations
- Review buildable land opportunities with other nonprofit and private sector partners

The City will execute a subrecipient agreement with Thurston Housing Land Trust and will meet with the land trust staff quarterly, at minimum, to keep abreast of the organization's progress. In relation to this capacity-building assistance, the City and THLT will consider the subrecipient

agreement a success if the land trust is able to increase its staffing capacity as well as its housing portfolio by 20 units within the period of performance.

## B. Capital Funding to Create and Preserve Affordable Homeownership Units

The City will utilize capital funding to create new homeownership units and preserve existing owner-occupied housing. This activity expands and improves upon an existing housing strategy and facilitates affordable homeownership housing production and preservation.

The City of Olympia has experienced great success in recent years in acquiring properties and issuing a request for proposals to identify a development team to construct affordable housing that meets identified needs on the property. One example is a project known as 3900 Boulevard Road. The nearly 72-acre property was purchased by the City of Olympia for the purpose of developing a park, transportation corridor and mixed-use development. In 2022, the City issued a request for proposals seeking a development team interested in meeting the stated goals of the property. South Puget Sound Habitat for Humanity was selected to produce 120+ homeownership units on the site. Habitat purchased the property from the City for a low price and executed legal documents that restrict the land's use to affordable housing in perpetuity. Habitat will construct a mix of townhomes for families, as well as smaller cottage units for seniors. All homes will be built to the Evergreen Sustainable Development Standard and over half of homes will be ADA accessible. Habitat maintains an underlying ground lease of the land and will retain a right of first refusal to ensure that any homes for sale can be resold to another low-income household. City and Habitat staff have worked together on grant applications for this capital project and are learning how to make this a replicable model. The first housing will become available in 2025.

Another example of this strategy is a multi-family rental, permanent supportive housing project being constructed by the Low Income Housing Institute (LIHI) at Franz Anderson Road. The City of Olympia and Thurston County partnered in 2022 to purchase the property for use as affordable housing for homeless adults and couples. The City of Olympia issued a Request for Proposals in 2023 to develop the property as permanent supportive housing, which is identified as a priority housing need in Olympia's One Community Plan; the Housing Needs Assessment; the Regional Housing Council's Permanent Supportive Housing Strategy Framework; and the Homeless Crisis Response Plan. The project was awarded to LIHI. Upon completion the project will offer 71 units of permanent supportive housing and will prioritize occupancy by individuals who were relocated from state rights of ways and a nearby tiny home village.

One last example is a property the City of Olympia purchased in 2018 at 2828 Martin Way. The property was purchased with local Home Fund money for use as affordable housing for very low-income households. In 2019, the City sold the property to LIHI which agreed to construct two phases of multi-family affordable rental housing for extremely low and low-income homeless adults and couples. Phase one of the construction brought 64 units of housing above a 60-bed emergency shelter operated by Interfaith Works. Phase two of construction will bring another 60+ units by early 2025.

PRO Housing funds will position the City to continue this approach with a strategic focus on properties acquired and developed as homeownership opportunities. While acquiring properties

and then soliciting proposals to develop the sites is the City's primary goal for these capital funds, other uses will be considered. These uses include:

- Helping housing developer organizations acquire properties that unexpectedly come on market, especially those being sold by private owners. There is a healthy interest among private landowners in Thurston County area to consider selling their land for affordable housing use but non-profit developers have limited funds available to them outside regionally pooled local and federal funding made available just once per year.
- Offering a more robust critical home repair program to help preserve existing owner-occupied housing. Specifically, targeting a portion of funds to serve the Grand Mound/Rochester area.
- Assisting renters in acquiring their rental home when the current owner chooses to put the property up for sale. This could include both single-family rental units as well as mobile and manufactured home parks. During the 2023 legislative session, the state adopted SB 5198 which requires two years' notice before the closure of a manufactured home park and gives residents of the park a fair chance to purchase the park. The state has established a procedure to notify interested parties of parks that will be sold. Olympia is an interested party and is exploring ways to preserve parks should they become available. A lack of funding to support tenants in purchasing a park is a significant barrier. Northwest Cooperative Development Center, a local organization, has experienced success helping residents of manufactured home parks purchase their park and become resident owned communities.

### C. Develop an Implementation Plan to Carry Out Recommendations from the Affordable Homeownership Research Study

The City of Olympia has engaged a consultant to produce an Affordable Homeownership Research Study that includes recommendations on actions the City should take to increase homeownership opportunities and support long-term housing affordability for low and moderate-income households. The study will conclude by year's end.

While the study is still underway, the consultant has already shared several recommendations with City staff. Recommendations include new programs; best practices for expanding homeownership, specifically for low-income BIPOC residents; promising homeownership models; and suggestions for funding mechanisms that could support increasing homeownership for low-income households. There is a significant City Council desire to begin implementing the adopted recommendations in 2024. PRO Housing funding will help the City produce and carry out an implementation plan, which is anticipated to include standing up and providing seed money to new City programs such as a down payment assistance or homebuyer assistance program. Efforts to increase homebuyer counseling is also probable. Some recommendations may require the development of codes, ordinances or other regulations to achieve, and may include development of other policies as a Tenant Opportunity to Purchase Ordinance. Building and strengthening partnerships with developers, service providers and financial institutions will be essential and identifying short-term and long-term funding opportunities to support the programs will be pivotal.

#### 1. Down Payment or Homebuyer Assistance Program

One action the City is considering is a downpayment or homebuyer assistance program available to low-income, first-time Olympia homebuyers. The program would accomplish an action included in Olympia's Housing Action Plan and would lower housing costs for low-income households.

City staff has initially explored how such a program could operate but details will be established as part of the implementation plan. One potential partner in this work is the Washington State Housing Finance Commission (WSHFC). WSHFC has a history of working with local cities and counties to layer its downpayment assistance programs with local down payment assistance funds. WSHFC reports 15,046 first-time, low-income homebuyers in Washington state have received a cumulative \$207,910,795 in downpayment assistance from its programs in the last three years.

There is a strong desire by the City to target homebuyers in the 50 to 60% of area median income range. It's further imagined that City funds will be provided as a grant in an amount not to exceed \$65,000 per homebuyer. This approach increases affordability for the homebuyer by decreasing the homebuyer's debt to income ratio. Structuring city funds in this way better positions households with incomes well below 80% of area median income, who are not typically approved for a first mortgage loan in an amount that comes even close to market rate housing prices, to become homeowners.

Consistent with HUD affordability standards, a homebuyer or down payment assistance program operated by the City will require the homebuyer to reside in the home as their primary residence for a period of affordability, a minimum of 15 years for funds exceeding \$40,000. A recapture agreement will be used to recapture funds if an assisted homebuyer sells or fails to reside in the house as their primary residence during this period. Also consistent with HUD standards, grants will be underwritten to ensure need is demonstrated and the household meets all funding source requirements.

## 2. Homebuyer Counseling

Increasing access to homebuyer counseling is another action that has emerged in the Affordable Homeownership Research Study. Homebuyer counseling educates homebuyers, particularly first-time homebuyers, on the buying process and prepares them for what to expect and plan for as a homeowner. Consistent access to homebuyer counseling is lacking in the Olympia and Thurston County region. Most courses that are offered are provided by mortgage companies, which tend to push their lending products and at times lack the cultural awareness needed to customize the experience to meet the needs of prospective homebuyers. Like a down payment or homebuyer assistance program, whether and how the City pursues this action remains to be determined. Initial discussions support partnerships with community-based and by and for organizations to expand access to locally held homebuyer counseling and education services. Partnerships with a community-based organization which offers services and support to Latinx individuals throughout Thurston County; ROOF, which provides public services in South Thurston County serving the Grand Mound and Rochester area; and Enterprise for Equity, which supports low-income residents throughout Thurston County by providing training, support, and financial resources, are all desired. Partnering in this way helps ensure that homebuyer education and opportunities are made available to

populations who historically have experienced inequitable access to these resources. Partnering with such organizations also means education is provided in a culturally appropriate way and an environment that helps buyers feel heard, supported, and more comfortable with the homebuying process.

Proposed activities will benefit low-income households, many of them with incomes less than 80% of area median income, throughout Thurston County.

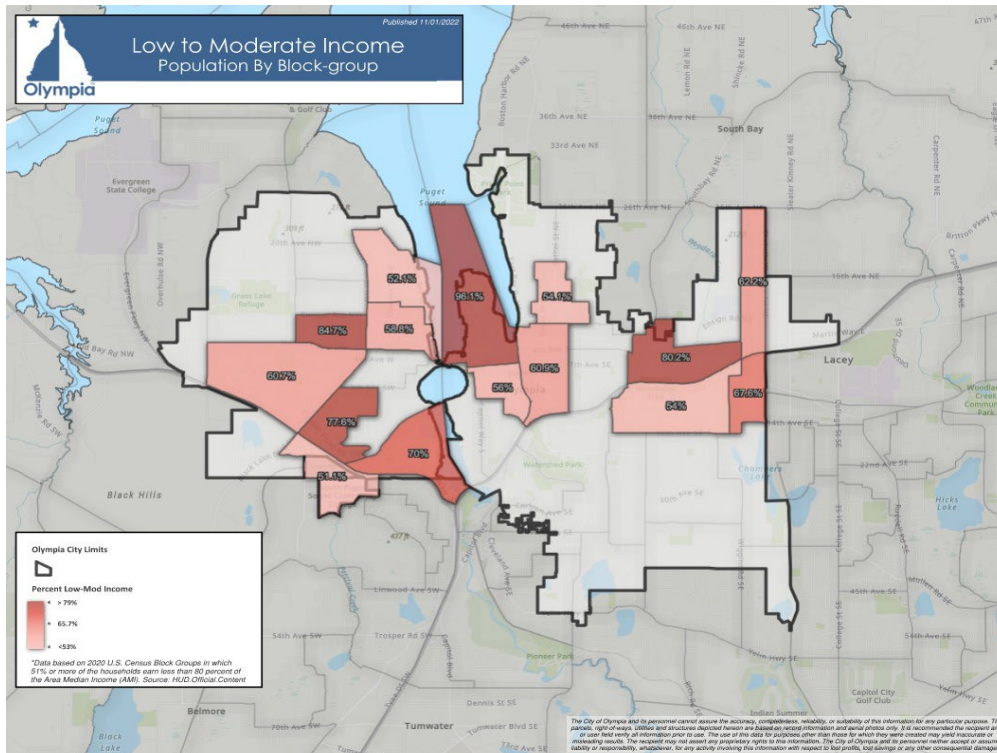
### Geographic Scope

The City of Olympia is applying as a multi-jurisdictional entity and will target funds in the City of Olympia boundaries while allowing flexibility for opportunities that will best benefit the region, specifically Rochester and Grand Mound as those areas are being most negatively impacted by the lack of affordable housing. By supporting a county-wide organization like the Thurston County Land Trust and other community-based organizations that serve the region, the City is aligning with the regional commitment to address the housing crisis. The City is also acknowledging and providing support to low-income residents that currently live in the City, addressing concerns of displacement, gentrification, and targeting resources to communities disproportionately impacted by the lack of affordable housing.

Community partners are eager to engage and become part of the solution. When connecting with ROOF about how to address issues of affordable homeownership, leadership expressed the lack of resources at every stage of the homebuying process— supply, support, counseling, and financial assistance. Because this proposal addresses each of those elements, the City is prepared to target both Rochester and Grand Mound in hopes of removing obstacles to affordable homeownership for their primarily extremely low-income population.

Approximately one-third of the City's census tracts are at least 51% low- and moderate-income. Outreach will be targeted at census tracts that are primarily low- and moderate-income as well as census tracts which have disproportionate white ownership. Opportunities for capital projects will be heavily prioritized in Olympia and targeted census tracts, such as those found in the Grand Mound/Rochester area, will be given additional emphasis for development.





## Key Stakeholders and Engagement

The City of Olympia has a proven track record of successfully engaging stakeholders, partners, and residents. Engagement on this grant proposal continues that tradition.

The City of Olympia has engaged the Washington State Housing Finance Commission (WSHFC) to learn more about their downpayment assistance programs for low-income first-time homebuyers. City staff have gathered data on local disbursement of WSHFC downpayment assistance funds to understand local market conditions and community needs. If the City pursued a partnership with WSHFC, administrative costs would be lowered by utilizing WSHFC's established program model and existing staff.

The City of Olympia closely partners with South Puget Sound Habitat for Humanity. Habitat is the currently the only developer providing affordable homeownership opportunities in Thurston County. Habitat staff provided input that low-income, first-time homeowners are not able to access many existing assistance programs due to rising housing prices, increasing interest rates, and inability to qualify for a mortgage loan in these market conditions. Habitat has shared that low to moderate income households are not able to purchase homes due to loan amount caps for many of these programs. For example, one local financial institution's program for first-time low-income homebuyers has a maximum loan amount of \$340,000 while Olympia's median home price is \$532,500. Habitat staff also provided feedback that existing homebuyer education programs provided by banks or lenders often do not have accessible content for low-income households, and that programs should have wraparound services to connect potential homebuyers with available resources. Feedback from Habitat staff helped create the consultant scope of work for the Affordable Homeownership Research Study. Habitat has been a valuable

thought partner in developing this proposal and will be an important development partner for capital projects.

Thurston Housing Land Trust (THLT) has provided considerable input to develop this proposal. THLT has identified their staffing needs, budget, and goals over the next five years. Regionally, there is consensus among jurisdictions that access to homeownership is a critical need and there is a desire to support THLT. Due to limited local funds, competing priorities, and funding constraints, there is a gap in funding for capacity-building. However, THLT has expressed a critical need for capacity-building to move its efforts forward and to achieve a shared vision of permanently affordable homeownership.

Rochester Organization of Families (ROOF) is an established community-based organization located in Rochester, Washington. ROOF serves low-income families with food security, after-school programming, and other basic needs. ROOF estimates that approximately 30% of their food bank clientele speaks Spanish. ROOF staff have shared community needs and development constraints with Olympia staff, which has helped to inform this proposal. Rochester is an unincorporated area and has no sewer system. Due to these infrastructure constraints, the community has a lack of development of multifamily and publicly supported housing units. The majority of affordable rentals are manufactured homes in varied states of repair. Many homes suffer from water leaks and mold. Considering the development challenges in the area, development of affordable single-family homes or assistance in purchasing and retrofitting existing homes will meet a critical need for affordable housing. ROOF will assist in hosting homebuyer education, as well as serve as a trusted advocate to connect qualifying households with downpayment assistance or other resources.

Enterprise for Equity (E4E) provides technical assistance and support to entrepreneurs, small business owners, and nonprofit organizations. E4E offers microloans, education, mentoring, and budgeting assistance to entrepreneurs. E4E has partnerships with local tribes and commits to support individuals from marginalized communities. E4E has a long history of helping people with limited access to wealth create financial wellbeing and sustainability and has the capacity and desire to expand financial education services. With deep Thurston County roots, E4E is a trusted community resource and has existing relationships with many other community-based organizations.

CIELO serves Latinx and immigrant households in Thurston and Mason counties by providing education, counseling, and advocacy. CIELO's education team leads classes for students of all ages and advocates for educational equity. The client services team offers a path to healing for community members who are victims of crime, sexual assault and domestic violence, through mental health counseling and community advocacy. CIELO was also a subrecipient of federal grant funding for COVID-related rental assistance and helped to provide housing stability for immigrant households. During the Assessment of Fair Housing completed in 2023, CIELO staff providing rent assistance offered input regarding the housing challenges and barriers faced by the community they serve. CIELO has also indicated that, due to technological and language barriers, online homebuyer education is not accessible to the population they serve.

The Regional Housing Council (RHC) is a multijurisdictional governing body in Thurston County that allocates funding for housing, coordinates efforts to address critical housing needs,

and creates regional priorities. Olympia housing staff and elected officials participate in regular meetings. The RHC is supportive of the proposed program and there may be future opportunities to leverage funding to support program activities.

City staff will schedule regular meetings with community-based partner organizations to evaluate program activities, identify any additional barriers or challenges, and brainstorm solutions to address challenges. Continuing engagement with stakeholders will ensure that benefits are equitably distributed to low-income households and address the City's goal of reducing disparities in access to homeownership.

### Affirmatively Furthering Fair Housing Alignment

In partnership with Thurston County and the Housing Authority of Thurston County, City of Olympia completed a countywide Assessment of Fair Housing (AFH) in early 2023. The AFH found that people of color, people with disabilities, people who are transgender, and single mothers are more likely to face housing insecurity through risk of displacement, housing cost burden, and gaps in homeownership. These groups are more likely to experience homelessness, eviction, and are more likely to be renters than homeowners.

In Thurston County, the homeownership rate for white, non-Hispanic households is 69%, while the homeownership rate for people of color is 58%.<sup>27</sup> The homeownership rate is lowest for Black or African American households (45%). The Washington State Department of Commerce report *Improving Homeownership Rates for Black, Indigenous, and People of Color in Washington* finds that 2,866 Black, Indigenous and People of Color (BIPOC) households would need to become homeowners in Thurston County to equal the rate of white, non-Hispanic homeownership.<sup>28</sup> Only 38% of single female-headed households in Thurston County own their homes.<sup>29</sup> Disability advocates provided feedback that family members who care for a household member with disabilities often are forced to leave the workforce to provide support and are at risk of losing housing. Affordable homeownership could help stabilize these caregiving families. While there is no census data to identify barriers faced by transgender residents, local survey data gathered from the Assessment of Fair Housing indicates that a high proportion of transgender residents rent rather than own their homes.<sup>30</sup>

A survey of over 600 community members found that increasing access to homeownership was the second highest priority to increase equity and reduce disparities among protected classes in Thurston County. As a result of community needs and priorities, the following goals were established to affirmatively further fair housing in Thurston County:

1. Provide support for low to moderate income households to access homeownership by providing funding for homeownership activities such as credit counseling or downpayment assistance;

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<sup>27</sup> American Community Survey 5-Year Estimates 2017-2021, Tables B25003, B25003a through B25003H

<sup>28</sup> Improving Homeownership Rates for Black, Indigenous, and People of Color in Washington: [https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Homeownership%20Disparities%20Recommendations%20Report%20-%20FINAL%20-%20Sep2022\\_e0b6a028-62cf-478c-aa9b-52e5e5c66609.pdf](https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Homeownership%20Disparities%20Recommendations%20Report%20-%20FINAL%20-%20Sep2022_e0b6a028-62cf-478c-aa9b-52e5e5c66609.pdf)

<sup>29</sup> American Community Survey 5-Year Estimates 2016-2020, Table S0901

<sup>30</sup> [https://www.olympiawa.gov/Document\\_center/Community/Housing%20&%20Homelessness/Fair%20Housing%20Assessment%20-%202023-2027.pdf](https://www.olympiawa.gov/Document_center/Community/Housing%20&%20Homelessness/Fair%20Housing%20Assessment%20-%202023-2027.pdf)



2. Explore non-traditional ownership models provided by cooperatives and land trusts to provide more accessible and affordable homeownership opportunities for protected class groups;
3. Strengthen partnerships with homeownership partners and affirmatively market information to protected class groups when funding opportunities or programs become available (such as the Washington State Housing Finance Commission, programs by financial institutions, and nonprofits).

One barrier to homeownership identified in the AFH is absence of credit history or low credit scores for borrowers to qualify for a mortgage. In consultation with community advocates, credit history has been identified as a common barrier to accessing housing (both rental and ownership) for multiple protected class groups. City staff heard from advocates that domestic violence survivors often experience financial abuse, which may include a perpetrator opening credit cards or bank accounts in the survivor's name. Community members with disabilities often have medical debt. Undocumented community members lack a Social Security number, are often paid in cash, and have difficulty establishing credit history. Due to barriers and cost of the legal process, many undocumented community members do not have an individual tax identification number (ITIN) or work permit.

According to Home Mortgage Disclosure Act (HMDA) data for Thurston County, white mortgage loan applicants were approved at the highest rate (67%), compared to 58% of Black applicants and 59% of Native Hawaiian or other Pacific Islander applicants. Native Hawaiian or other Pacific Islander applicants were denied at the highest rates (15%). Across race and ethnicity, credit history and debt-to-income ratios were the most reported reasons for denying a mortgage loan. Rejection due to credit history was most common for Native Hawaiian or other Pacific Islander and Black or African American applicants. Rejection due to debt-to-income ratio was most common for Asian applicants. Thurston County HMDA data also indicates that white residents were more than twice as likely as Black or African American residents to obtain a conventional mortgage. About 67% of white residents obtained a conventional mortgage compared to about 30% of Black or African American and 35% of Native Hawaiian or other Pacific Islander residents.<sup>31</sup>

Thurston County has a gap in credit counseling or repair programs. South Puget Sound Habitat for Humanity has indicated that credit counseling programs are most effective when tailored to the individual and facilitated by a presenter that can convey information in an easily understandable format that is relevant to their experience. Habitat staff recommended that any credit counseling or other homeownership support activities should include wraparound services that connect prospective homebuyers with resources and programs to guide them through the process of purchasing a home. Olympia staff has determined that any future homeownership activities must include financial counseling and homebuyer education that is accessible, culturally responsive, and affirmatively marketed to protected class groups. Olympia staff has started engaging community-based organizations and by-and-for organizations to identify potential partnerships.

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<sup>31</sup> 2018-2021 Home Mortgage Disclosure Act data, accessed at <https://ffiec.cfpb.gov/data-browser/>

During the AFH process, staff developed a list of nearly 200 diverse community groups, which can be used to affirmatively market homeownership resources. Trusted advocates will provide resource information to their communities. Due to the barriers identified in the AFH, staff will target affirmative marketing efforts to community organizations serving: BIPOC, people with disabilities, LGBTQ+ community, and low-income families. Staff will create and distribute program information to community contacts from identified organizations and community groups, as well as post information in community spaces with high traffic and high visibility from a diverse cross-section of the community (such as targeted apartment complexes, libraries, grocery stores/ethnic markets, or local schools). Staff will translate program materials into commonly spoken languages and will ensure that any future programs are accessible to individuals with Limited English Proficiency and disabilities. Staff will confer with community-based organizations to evaluate outreach and affirmative marketing efforts and readjust, as needed. These supportive outreach and financial preparation services will ensure that protected class groups that experience disparities in accessing homeownership will not be left out of opportunities funded by this proposal.

Due to existing disparities, a higher percentage of renters are members of protected classes. Creating pathways to homeownership for renters will alleviate these disparities. The Affordable Homeownership Research Study will identify potential policy and programmatic supports to enact a local tenant opportunity to purchase ordinance. A citywide rental housing registry program is currently in development and is anticipated to be launched in 2024. Staff can utilize the registry to affirmatively market program resources to tenants and rental property owners, and to identify any potential properties for sale.

In 2023, the Washington State Legislature passed The Covenant Homeownership Act (House Bill 1474), which creates a covenant homeownership account (through document recording fees) and program to address the history of housing discrimination due to racially restrictive real estate covenants in Washington state. A research study is currently underway to investigate housing discrimination against marginalized communities in Washington State, what role government institutions have had in the discrimination, the impacts of the discrimination, and potential remedies for the impacts. Study findings will help determine who will be eligible for assistance and establish the framework for creation of a Special Purpose Credit Program under the Equal Credit Opportunity Act. This program will be administered by the Washington State Housing Finance Commission (WSHFC). City of Olympia staff will continue to monitor progress and study findings to determine how to align and leverage resources to members of racial groups that are the beneficiaries of the Covenant Homeownership Act program. Olympia has reviewed racially restricted deeds and covenants in neighborhoods or subdivisions identified by researchers at the University of Washington.<sup>32</sup> Census tract level demographic data indicates that many of the areas in Olympia with a high percentage of racially restrictive covenants are still predominantly white, compared to other areas. While about 80% of the countywide population is white, white residents still comprise about 90% of the population in some of the identified tracts.<sup>33</sup> City staff will work with acquisition and capital funding grant recipients to ensure that

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<sup>32</sup> [https://depts.washington.edu/covenants/county\\_thurston.shtml](https://depts.washington.edu/covenants/county_thurston.shtml)

<sup>33</sup> [https://www.olympiawa.gov/Document\\_center/Community/Housing%20&%20Homelessness/Fair%20Housing%20Assessment%20-%202023-2027.pdf](https://www.olympiawa.gov/Document_center/Community/Housing%20&%20Homelessness/Fair%20Housing%20Assessment%20-%202023-2027.pdf)

homes are located in high opportunity areas, areas that have been historically racially restricted, and/or currently have low levels of integration.

City staff will collect demographic information on residents who benefit from programmatic activities to evaluate the effectiveness of this proposal's efforts to advance racial equity. Staff will monitor demographic information to ensure that outreach efforts and partnerships with community-based organizations are helping to reach BIPOC, people with disabilities, LGBTQ+ community, and low-income families. Staff will work with contracted organizations to adjust approaches or identify additional barriers, as needed.

## Budget and Timeline

### A. Capacity Building Support to Thurston Housing Land Trust

The budget associated with this activity is \$1,500,000 distributed over the period of performance, via a subrecipient agreement between the City of Olympia and Thurston Housing Land Trust. The agreement will include mutually agreed upon outputs and outcomes and will involve a mutually agreed upon line-item budget. It's anticipated that an agreement could be executed by March 2024. The funding will, at minimum, increase THLT's housing portfolio by 20 units within the period of performance. It will also expand the organization's capacity and position to continue acquiring properties and constructing new homeownership units.

Projected sources of funds to leverage those provided by the City of Olympia are anticipated to come from future local and state grants pursued by THLT volunteers and staff. These could include CDBG, HOME or local funding sources awarded by the Regional Housing Council, funds from the Washington State Housing Trust Fund, or funds from the Washington State Housing Finance Commission. A more complete budget associated with this activity is outlined in the budget form accompanying this grant proposal.

The minimum funding amount that will allow the City to carry out this activity in some degree is \$500,000. This amount will permit THLT to hire an Executive Director through the period of performance of this grant as well as engage in strategic planning efforts. An award of 50% of the request, \$750,000, will permit THLT to hire an Executive Director and full time Operations Manager through the period of performance of this grant as well as engage in strategic planning and policy development efforts.

### B. Capital Funding

The budget associated with this activity is \$5,000,000 to be distributed over the period of performance. The City of Olympia intends to use these funds to acquire property for affordable housing projects that meet a need identified in the Housing Needs Assessment, Assessment of Fair Housing, Consolidated Plan, or other needs-based local data. The City will then partner with a housing developer to create or preserve homeownership housing. PRO Housing funds for this activity will be used only for acquisition and are anticipated to be leveraged by state, federal, and local funds. One projected funding source is Washington State Department of Commerce's Rapid Capital Housing Acquisition funds, which are intended for use in acquiring property and making it available as permanently affordable housing within 180 days. Another potential funding source are funds collected from a property tax assessment (SHB 1406) and managed by the Regional Housing Council. The

City has experienced success with approach and these funding sources and is currently preparing for the next round of funding by reaching out to owners of property that could quickly be converted to housing. The City is also engaging with Northwest Cooperative Development Center in preparation for when a mobile or manufactured home park might be put up for sale on the open market. A recently adopted state law provides notifications to interested parties when an owner of such a park intends to sell it. Northwest Cooperative Development Center is successfully purchasing the parks with help from local jurisdictions and converting them into resident owned housing. City of Olympia will be ready to utilize PRO Housing funds in this manner in early 2024; a handful of properties have already been identified. With \$5,000,000 the City could reasonably acquire property appropriate for 60-100 units of homeownership housing. The minimum amount needed to carry out this activity would be \$3,000,000. These numbers are based on current estimates of the cost of construction. It's assumed that City funds will be leveraged by state funding to achieve greater impact. To ensure capital projects meet the target development goals and no choice-limiting action is committed prior to funding agreement, City staff would determine the local project goals prior to purchase and require construction is scheduled to begin within 12 months of commitment.

### C. Develop an Implementation Plan to Carry Out Recommendations from the Affordable Homeownership Research Study

The budget associated with this activity is \$2,500,000 over the period of performance. The activity will include homebuyer assistance and homebuyer counseling. Of this amount, approximately \$1,000,000-\$1,500,000 will provide a subsidy to help low-income homebuyers achieve homeownership. The City anticipates this will assist between 15 and 25 homebuyers over the grant period. Another \$750,000 will be applied toward homebuyer counseling.

#### 1. Homebuyer Assistance

City downpayment or homebuyer assistance funds will be leveraged by Washington State Housing Finance Commission (WSHFC) downpayment assistance funds. WSHFC will not limit the funds it disburses in Olympia. WSHFC will take the lead on managing the City's downpayment or homebuyer assistance program and will underwrite the City's grant funds in coordination with underwriting its loan funds. WSHFC will evaluate whether Olympia homebuyers meet PRO Housing eligibility criteria, will facilitate the execution of a recapture agreement between the City and homebuyer, will front City funds, and will compile and provide a homebuyer file for each client before seeking reimbursement from the City. WSHFC will charge a nominal fee of approximately \$50 per grant for their services. City staff will review the homebuyer's information provided by WSHFC to confirm eligibility and PRO Housing requirements are met before issuing reimbursement. WSHFC holds a similar role with other Washington cities and counties which operate similar assistance programs in collaboration with WSHFC.

The City and WSHFC will execute a partnership agreement further outlining each agency's roles and responsibilities by March 2024. Dependent upon the award amount, the City anticipates helping between 15 and 25 low-income, first-time households acquire their first home.

## 2. Homebuyer Counseling

Funding will be provided via one-year subrecipient agreements renewed annually with approximately three community-based non-profits. Funds are anticipated to partially support a part-time employee at each non-profit who will become trained and provide homebuyer counseling. It may be necessary for some of this funding to be applied toward that training. PRO Housing funds will be distributed in a cost-reimbursement fashion. The City feels strongly that it's important to partner with a community-based organization or by and for organization to provide these services. Because the proposed organizations have not offered this type of service before, the City anticipates that this activity may take up to six months to initiate due to the anticipated need to execute one or more subrecipient agreements and for the service provider(s) to hire or identify staff to perform this service. The approximate start date of services is June 2024. The City anticipates 150-300 low-income households will benefit from this activity. This is based on an estimate of 30-60 individuals per year over the course of the period of performance. If funding provided is less than requested the City will still pursue this activity but will scale it to match the funds available.

## C. Administrative Funding

The City is requesting the maximum allowable funds of \$1,000,000 (10% of the grant request) over the period of performance to administer the activities outlined in this proposal. Staff administration will include managing a contract between the City and Thurston Housing Land Trust, to include tracking outputs and outcomes; managing the capital acquisition process, to include preparation and legal review of documents such as Purchase and Sale Agreements and restrictive covenants; manage subrecipient agreements and process reimbursement requests for funds used by non-profits to provide home repairs and rehabilitation to low-income, homeowner occupied housing; working in partnership with Northwest Cooperative Development Center or other technical assistance entities to assist residents of manufactured home parks to purchase the park and establish a resident owned community, should a park in Olympia come up for sale; report to HUD on performance measures, and assist in any HUD, state or other audits; and partially or fully fund a paralegal staff position necessary to work on ordinances, legal documents, code revisions or other necessary legal matters related to implementing the Affordable Homeownership Research Study recommendations.

## Exhibit E: Capacity

The City of Olympia has dedicated four program staff to seek out this funding and help administer the proposed PRO Housing funded activities. Their scopes include a variety of work, however, all are tasked with eliminating barriers to affordable and stable housing. Jacinda Steltjes, Affordable Housing Program Manager, works primarily on housing development and cross-jurisdictional projects. She oversees all the City's affordable housing development incentives including impact fee reductions, the Multi-Family Tax Exemption Program, and supports projects through affordable housing financing. Jacinda has managed both CDBG and HOME programs and is familiar with the National Environmental Policy Act. She is the lead on this application and has extensive experience in under-writing and state and federal downpayment assistance programs.



Christa Lensen, Senior Housing Program Specialist, recently led the region's efforts on the Assessment of Fair Housing. Before joining the City two years ago, Christa worked in the fair housing field and in legal aid, supporting tenants in Thurston County. She is exceptionally skilled in data analysis and community engagement. Christa is acutely aware of the need for permanent affordable housing for members of the community, primarily residents of color and people with disabilities. This experience positions Christa well to connect those most in need of the activities proposed to by-and-for and community-based organizations providing homebuyer counseling services.

Anastasia Everett, Community Development Block Grant Program Manager, leads the City's compliant and robust CDBG Program. Understanding that the PRO Housing program aligns very closely to traditional CDBG, Anastasia brings a depth of knowledge of regulations and federal requirements. Anastasia is also knowledgeable of the National Environmental Policy Act. She will help ensure the grant is administrated appropriately and meets the identified national objective.

Darian Lightfoot, Director of Housing and Homeless Response, leads the team at the City of Olympia and works directly with City leadership to address issues of affordable housing. Darian and the team have been given clear support by leadership and the City Council to act boldly during this housing crisis and continue to be creative and curious around ways to best address the community's housing needs.

An additional program manager will be hired who has experience in affordable housing, specifically homeownership and under-writing, to fulfill the grant management needs. This person will be primarily responsible for ensuring compliance with cross-cutting requirements such as completing environmental reviews. This person will work alongside Anastasia, Christa, and Jacinda and be a member of the larger Housing and Homelessness Team. They will build and sustain relationships with the organizations outlined throughout this application and integrate the goals and performance measures indicated in the region's plans to continue strategically addressing the housing needs in the community. The person will also serve as a housing resource to any inquiries about the region's system and progress. Olympia has been tapped several times recently to share about our ongoing work in the community; whether it be presenting at a conference, connecting with the Governor's office about a project, or serving as a case study in a policy lab, this person will share the successes and challenges of affordable homeownership with any agency looking to advance this work.

Together, City staff will hold the master contract with HUD for the PRO-Housing funds and sub-contract with the identified partners to carry out the scope of the proposal. All staff members have ample experience in this process after having success in several land acquisition projects. The City of Olympia is the recipient of many federal and state grants and has effective processes in place to properly administer large grants. The City has dedicated financial grants managers that work closely with partnering government agencies to meet compliance requirements. This project proposal has been discussed with all administrative support staff to ensure capacity and comfort with implementation needs. An additional program manager will be hired to fulfill the

grant management needs who has experience in affordable housing, specifically homeownership and under-writing.

## Housing and Homelessness Team



The City has met with leaders at the Washington State Housing Finance Commission (WSHFC) around best ways to implement a downpayment assistance program. After discussing elements of a newly proposed program and agreeing on the desired goals and target population, WSHFC expressed clear confidence in their ability and capacity to take on full administrative responsibility if requested. Leveraging the organization’s institutional policies and processes, the City will be able to stand up a downpayment assistance program swiftly upon grant notice. Outreach and community engagement will fall primarily to the City of Olympia and be folded into our robust communications options including e-news, social media, blog posts, video clips, website, city council announcements, and other strategic approaches. WSHFC is currently operating a similar program in Clark County and Bellingham, Washington. Included in this application is a letter of intent to partner, indicating WSHFC’s enthusiasm and ability to administer the proposed program. If awarded, the City would enter into a Memorandum of Understanding, outlining the scope and a clear delineation of responsibilities in a timely manner. If for some reason WSHFC was unable to fulfill these duties, Olympia would move the downpayment assistance program inhouse and administer the program. Two current staff have ample experience with downpayment assistance and underwriting and this would be a requirement for the added program manager funded with the requested administrative dollars. Additional administrative support may be needed if the program were to move locations, however full elements of the scope and intent of the program would still be met.

Enterprise for Equity is a long-standing organization that supports low-income residents by providing training, support, and financial resources. Enterprise for Equity has received several CDBG awards to implement their microenterprise training program, targeting historically marginalized communities. Enterprise for Equity has expressed enthusiasm in the proposal of the PRO Housing work could be a potential partner with the City to offer homebuyer counseling classes to the community members that seek out their services. Enterprise for Equity has already created a successful training mechanism that has had the ability to support dozens of local business start-ups in Olympia, providing financial stability to communities of color. Lending

their capacity and efforts to homebuyer counseling aligns directly with their mission and helps target the population the City is hoping to address in removing obstacles to affordable homeownership.

The Regional Housing Council (RHC) was created with the primary purpose to leverage resources and partnerships through policies and projects promoting equitable access to safe and affordable housing in Thurston County. The RHC considers issues specifically related to funding a regional response to homelessness and affordable housing and how to better coordinate existing funding programs to implement the county's Five-Year Homeless Crisis Response Plan and increase affordable housing options. Regional Housing Council will be consulted if there is an opportunity to use capital funds to acquire property outside City of Olympia.

Thurston Housing Land Trust is a community land trust (THLT) that provides permanently affordable homeownership opportunities to low- and moderate-income residents in Thurston County. Their vision is to create, develop and preserve affordable housing using the community land trust model. There are infrequently funding opportunities that offer a chance to support administrative costs in this way. Allowing the land trust, that has now been operational for 5 years, outline what they would need to take their operations to the next level and fill a gap in the community, is what our region's housing system needs to advance affordable homeownership. Capacity building with a nationally recognized, effective model provides a layer of certainty that if the organization can be supported, the mission can be worked to have success in the community. Building capacity over time allows THLT to develop sustainably and prioritize efforts to grow the portfolio along with setting the organization up for success once the PRO Housing funds program comes to an end.

## Exhibit F: Leverage

The PRO Housing proposal will leverage monetary and non-monetary resources. Many of these resources are admittedly difficult to quantify as there is no way to anticipate if activities included in this proposal will be successful in future grant funding or other processes.

### A. Thurston Housing Land Trust

Funds dedicated to this activity will be leveraged by a handful of other funding sources listed below:

- Unconfirmed \$360,000 from the state Housing Trust Fund. If an award is made in late 2023, funds will be available in spring 2024.
- Confirmed award of \$200,000 in SHB 2060 funds from Thurston County.
- Confirmed availability of a community land trust set-aside in the Washington State Housing Finance Commission's Land Acquisition Program available to non-profits. Funds can cover up to 80% of the purchase price of property and are provided in the form of an eight-year, 1% interest bridge loan.
- Confirmed operations funding through a \$70,000 grant from the Catholic Campaign for Human Development

### B. Capital Funding

Depending upon when a property may become available for sale, capital funding awarded may be leveraged by local funds available for the construction or preservation of affordable housing.



These funds include Olympia and Thurston County’s combined Home Fund, regionally pooled SHB 1406—a state-shared sales and use tax, SHB 2060—a document recording fee, and HUD HOME—a formulaic grant awards. State Rapid Capital Housing Acquisition funds may also be leveraged.

While all these funds are potentially available for leverage, the timing and amount of an acquisition and fund balances of the above-mentioned funding sources will dictate the funding available at the time of purchase. Collection of local and state funding sources mentioned above are highly influenced by the economy and therefore funding levels are not guaranteed to remain stable from year to year. Another potential funding leverage source is the City of Olympia’s CDBG funding, though this is quite small. Lastly, funds for acquisition of a property account for a percentage of the total development cost of an affordable housing project. By purchasing property and making it available at a discounted price to a housing developer, the ownership of the property itself allows the developer to leverage other financing, such as that from the state’s Housing Trust Fund or Low Income Housing Tax Credit programs.

### C. Affordable Housing Research Study Implementation Plan

The Affordable Housing Research Study will produce a variety of recommendations. Two recommendations the City intends to implement is a homebuyer or homeowner assistance program and homebuyer counseling.

The City may partner with Washington State Housing Finance Commission (WSHFC) on a down payment or homebuyer assistance program. WSHFC has agreed to operate the program on the City’s behalf. This includes underwriting City funds and interacting with primary mortgage lenders and homebuyers, as needed. WSHFC staff report their staff time dedicated to the City’s program will be 5 hours per transaction, for a total of approximately 75 hours. Because the need for subsidies is so large, it’s anticipated that most homeowners utilizing the City’s assistance program will also utilize an average of \$15,000 in down payment assistance from WSHFC, for a total of roughly \$225,000 over the period of the grant. Additional subsidies will be needed for homebuyers in the 50- 70% area median income range, which is a range targeted by South Puget Sound Habitat for Humanity. For homes being sold by Habitat for Humanity, the organization typically offers their homebuyers a deferred second or third mortgage to cover the gap between the primary mortgage and other subsidies and the fair market price of the home. Habitat reports their deferred payment second mortgages are ranging from \$120,000 and \$200,000 per transaction. The City intends to target its funds toward households below 80%, which typically have a much more difficult time attracting a significant primary mortgage and which also typically experience a higher degree of housing instability. It’s anticipated that at least half (7) of the homebuyers receiving assistance will be South Puget Sound Habitat for Humanity homebuyers. This equates to a minimum leveraged amount of \$840,000.

Some capital dollars may be applied toward major home repairs. These will be leveraged by City of Olympia CDBG funds. Lastly, any capital funds applied toward the purchase of a mobile home park are likely to be leveraged by funds dedicated by Northwest Cooperative Development Center, which has experience and expertise as well as dedicated state funding to assist residents of mobile or manufactured home parks.

### D. Administration

Pro Housing grant funds will partially support the salaries of housing staff working on the activities proposed herein this grant proposal, including a program manager or program specialist and administrative legal assistant or paralegal hired to manage PRO Housing activities. Funds applied toward administrative purposes will be leveraged by City general funds, HUD CDBG funds, Home Fund dollars, and other grant funding with allowable administrative caps.

## Exhibit G: Long-term Effect

The project proposal will have immense long-term impacts on the Olympia community by investing in affordable housing preservation and construction of permanently affordable homes. Partnership with community-based and by-and-for organizations to affirmatively market culturally relevant and accessible homebuyer resources will reduce disparities between racial and ethnic groups. Access to affordable homeownership will provide housing stability, opportunities for economic growth and create intergenerational wealth.

There are many barriers for low to moderate income BIPOC households to access homeownership opportunities and there is a low vacancy rate in Thurston County's rental housing market. Lower income BIPOC households are more likely to face housing instability and are at greater risk of displacement through eviction or increasing rents. Greater access to homeownership for BIPOC households will provide both long-term stability and reduce housing cost burden, as well as open more affordable rental opportunities in the local market. The racial wealth gap can be largely attributed to the homeownership gap.

Affordable access to homeownership will create opportunities for BIPOC households to build wealth and create equity that can be leveraged to finance other pursuits, such as post-secondary education for future generations. A brief by Habitat for Humanity finds that for lower- and moderate-income households, a \$10,000 increase in housing wealth raises the probability of college attendance by 14%.<sup>34</sup> According to the report *The Racial Wealth Gap is the Housing Gap*, low-income homeowners with sustained ownership and affordable loans have been shown to have higher wealth accumulation, both housing and non-housing wealth, than comparable renters, achieving greater financial returns through homeownership than through renting. The report also finds that children of homeowners statistically transition to homeownership earlier than children of renters, accumulating wealth over a longer period, and their homeownership rates are 25% higher than the children of renters.<sup>35</sup>

Additionally, decreasing housing costs for cost-burdened households provides more flexibility to increase spending on food, healthcare, and other resources. The City's goal is to reduce disparities in access to homeownership for BIPOC households and other protected class groups, to increase housing stability, lower housing cost burden, and create wealth-building through equity. Staff will collect demographic data of households served by funding activities to ensure that program services are equitably distributed.

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<sup>34</sup> Benefits of Homeownership: <https://www.habitat.org/media/3356/download>

<sup>35</sup> The Racial Wealth Gap is the Homeownership Gap:  
<https://www.lt.gov.wa.gov/s/The-Racial-Wealth-Gap-is-the-Housing-Gap.pdf>

Affirmative marketing to prospective homebuyers who have traditionally been left out of homeownership opportunities will help close the homeownership gap. By partnering with community based and by-and-for organizations to facilitate culturally responsive homebuyer education, the City will expand access to information and resources. These trusted advocates can help the City identify and address any remaining barriers in accessing homeownership for BIPOC, individuals with Limited English Proficiency, people with disabilities, and other protected class groups. The City will require subrecipients to track participation in the program. This activity will be successful if 30-60 individuals attend homebuyer education annually, for a total of 150-300 individuals over the period of performance.

While Olympia has no Racially/Ethnically Concentrated Areas of Poverty, census tract level demographic data indicates that many of the areas in Olympia with a high percentage of historical racially restrictive covenants are still predominantly white. While about 80% of the countywide population is white, white residents still comprise about 90% of the population in some of the identified tracts. Olympia has made significant progress in zoning changes to allow increased density in all residential zones. Construction of multifamily rentals has increased in recent years and is located primarily in areas with mixed commercial and residential zoning. Many established neighborhoods have very little buildable land and housing stock is primarily older single-family residences. Lack of affordable housing units and lack of rental units in single family neighborhoods are the primary barriers to increased integration. Access to homeownership serves as a primary mechanism to promote integration of existing neighborhoods. Acquisition of existing units and careful siting of new units will be important to ensuring that ownership activities promote increased integration. City staff will work with acquisition and capital funding grant recipients to ensure that homes are sited in high opportunity areas, areas that have been historically racially restricted, and/or currently have low levels of integration. Staff will map capital projects to ensure that households have access to homes in neighborhoods in areas of high opportunity, with proximity to transit and other resources.

Thurston County currently has gaps in available resources for development of homeownership units. Investing in our local housing land trust will increase supply of permanently affordable homes for low-income households both in the short-term and in future generations. Public investment is retained to create permanently affordable housing without additional subsidies. Acquisition will include both preservation of existing homes and construction of new housing units. Increased supply of affordable homes will lower median home prices and make them more accessible to households at or below 80% AMI. By building the capacity of Thurston Housing Land Trust (THLT), THLT will be better positioned to compete for funding opportunities, acquire properties and develop new housing units to expand their portfolio. Due to the lower payments required for homebuyers to purchase only the home (while THLT retains ownership of the land), low-income homebuying households will have additional funds available to invest in education, healthcare, and other resources for their families. This activity will be considered successful if 20 new homeownership units are added to THLT's portfolio. Successful use of capital funding will result in an additional 60-100 units of homeownership housing that is affordable to households at or below 80% AMI.

If Olympia implements a down-payment assistance program, it will be structured similarly to the existing Washington State Housing Finance Commission (WSHFC) program, which recaptures

funds to distribute to other homebuying households. The WSHFC program requires a downpayment assistance recipient to repay grant funds with proceeds from their home sale. Down payment assistance can then be provided to other households, creating a sustainable future funding source. By providing downpayment assistance, more households can access homeownership earlier and begin accruing equity sooner. Downpayment assistance funds are anticipated to assist between 15 and 25 low-income first-time homebuyers, depending on the funding award. Habitat for Humanity frequently subsidizes their homes further for low-income households by providing a silent second mortgage. Providing City downpayment assistance could assist in freeing up Habitat's funds to invest in capital projects and create additional affordable home supply.

Residential energy use is currently the largest source of greenhouse gas emissions in our region. In Olympia, 62% of housing units were built before 1990. More than two-thirds of the housing units that will exist in 2050 already exist today, so retrofitting existing buildings is a key strategy to achieve Olympia's climate goals. Flexible funding in capital investment will provide opportunities both to build new energy-efficient units, as well as acquire and retrofit existing units. City of Olympia can build off successes in its existing Energize Olympia program to increase community resilience to climate change. Olympia housing and climate staff have collaborated on efforts to provide high efficiency heat pumps to community members at or below 80% of AMI through CDBG funds and discounted group purchases. Olympia staff will track the amount of funds expended on any retrofits, number of high-efficiency units or appliances installed, and number of households served by the program.

Olympia has an opportunity to act now to build on groundwork laid by planning efforts, a track record of program successes, and momentum to make historic strides toward housing equity. Staff have made great progress to address many of the community's housing needs and this funding opportunity presents an invaluable chance to tackle the obstacles preventing Olympians from long-term housing stability provided by homeownership. The timing could not be better to leverage emerging resources created by the nation's first statewide special purpose credit program for downpayment assistance, which will help right the wrongs from decades of discriminatory practices. PRO Housing funds will empower Olympia to take bold action to meet housing affordability head-on and make a lasting impact in our community.



## City Council

### State of LOTT Clean Water Alliance Briefing

**Agenda Date:** 10/24/2023  
**Agenda Item Number:** 6.A  
**File Number:**23-0923

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**Type:** information **Version:** 1 **Status:** Filed

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**Title**

State of LOTT Clean Water Alliance Briefing

**Recommended Action**

**Committee Recommendation:**

Not referred to a committee.

**City Manager Recommendation:**

Receive a briefing on the State of LOTT Clean Water Alliance.

**Report**

**Issue:**

Whether to receive a briefing on the State of LOTT Clean Water Alliance.

**Staff Contact:**

Jesse Barham, Water Resources Director, Public Works Water Resources, 360.753.8164

**Presenter(s):**

Matt Kennelly, P.E., Executive Director, LOTT Clean Water Alliance

**Background and Analysis:**

LOTT Clean Water Alliance is a 501(c)3 non-profit corporation that provides wastewater treatment for the Olympia community and our three other government partners. LOTT's mission is to preserve and protect public health and the environment by cleaning and restoring water resources for our communities. Wastewater flows through City-owned sewer infrastructure to the LOTT Clean Water Alliance's Budd Inlet Treatment Plant, where it is treated and either discharged to Budd Inlet or reclaimed for beneficial uses. The treatment plant is a critical community asset that provides advanced secondary treatment, including removal to help protect water quality in our local marine waters.

An overview of LOTT's current operations, recent projects, and planning efforts will be provided.

**Climate Analysis:**

The LOTT Budd Inlet Treatment Plant is a critical community asset that has a significant carbon footprint due to electrical demands at the treatment plant, as well as potential methane production

during wastewater treatment processes. Recent projects and process improvements have reduced electrical usage. Future projects are planned to further reduce LOTT's carbon footprint over time. Methane generated in the process is reused in a cogeneration facility to further offset energy use and reduce LOTT's carbon footprint.

LOTT is also participating in the sea level rise collaborative work to ensure their critical infrastructure and processes are resilient over the long-term.

**Equity Analysis:**

LOTT rates have potential impacts on the most vulnerable portions of the Olympia community, those with the least ability to pay. LOTT's services also protect the environmental and human health of these communities. LOTT has a pilot program to discount connection fees for low-income housing projects and participates in city/community action council administered utility assistance programs to address financial hardships for eligible customers.

**Neighborhood/Community Interests (if known):**

LOTT provides essential public and environmental health services by providing advanced wastewater treatment to the Olympia community and other partner governments.

**Financial Impact:**

None at this time. The City collects LOTT rates and connection fee revenues on their behalf. LOTT rates and fees are set by the LOTT board every 2 years in their biennial budget cycle.

**Options:**

1. Receive the briefing.
2. Do not receive the briefing.
3. Receive the briefing at another time.

**Attachments:**

[Link to LOTT 2050 Master Plan](#)



## City Council

### Council of Neighborhoods Association Memorandum of Understanding Discussion

**Agenda Date:** 10/24/2023  
**Agenda Item Number:** 6.B  
**File Number:** 23-0922

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**Type:** discussion **Version:** 1 **Status:** Filed

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#### **Title**

Council of Neighborhoods Association Memorandum of Understanding Discussion

#### **Recommended Action**

##### **Committee Recommendation:**

At the May 11, 2022 meeting, Community Livability and Public Safety Committee directed staff to proceed with hiring a professional facilitator to lead a process to update the City/Council of Neighborhoods (CNA) Memorandum of Understanding (MOU). The draft presented reflects that process.

##### **City Manager Recommendation:**

Discuss the draft Council of Neighborhood Association Memorandum of Understanding and provide staff with feedback and direction.

#### **Report**

##### **Issue:**

Whether to discuss the draft Council of Neighborhood Association Memorandum of Understanding and provide staff with feedback and direction.

##### **Staff Contact:**

Tim Smith, Deputy Director, Community Planning and Development Department, 360.570.3915

##### **Presenter(s):**

Tim Smith, Deputy Director, Community Planning and Development Department

#### **Background and Analysis:**

The City of Olympia has codified a process for recognizing and working with neighborhood associations in Olympia Municipal Code 18.86. In addition, the City of Olympia originally entered into a three-year Memorandum of Understanding (MOU) with the Coalition of Neighborhood Associations on July 13, 2012. The City and the Coalition renewed their MOU for three additional years on July 7, 2015. In 2018, the Coalition re-named itself the Council of Neighborhood Associations (CNA) and entered into an updated MOU with the City for an additional three years.

During 2021, representatives of the City and CNA engaged in a series of conversations regarding an



updated MOU. The outcome of those conversations is summarized in the document titled “2021 City/CNA MOU Discussion Outcomes” (attached). On November 29, 2021, the two parties agreed to a one-year extension of the 2018 MOU, to provide additional time for further discussion toward an updated MOU. At their meeting on May 11, 2022, CLPS directed staff to hire a professional facilitator to lead the update process.

The City hired J Robertson and Company to facilitate a work group to draft an updated MOU. The work group consisted of Mayor Pro Tem Clark Gilman, Councilmember Dontae Payne, City Manager Jay Burney, Community Planning & Development (CP&D) Director Leonard Bauer, CP&D Deputy Director Tim Smith, CNA Chair Larry Dzieza and CNA Vice Chair Melissa Allen. The group met twice in 2023 and developed the draft MOU.

### **Climate Analysis:**

Sections IV and V of the proposed MOU address CNA involvement in both long range/policy planning and permit review for new development proposals. These sections emphasis collaboration on mutual goals of neighborhood development that implement the City’s Comprehensive Plan and also support climate mitigation strategies such as pedestrian-oriented streetscapes and enhanced walkability. New language was added as a component of collaboration to notify community members and neighborhoods early in the long range planning and permit review processes to ensure adequate time is provided to learn about projects and provide input.

### **Equity Analysis:**

Equity was addressed during work group discussions and language was added to Section II of the proposed MOU (new language in italics):

“The parties agree to review OMC Chapter 18.86 and this MOU periodically to determine if the CNA and the City are achieving the objective of improved public involvement in city affairs. The reviews would include the degree of success in involving neighborhood associations in all areas of the city, *with an emphasis on hard to reach and/or underserved community members. For the purposes of this agreement, the aforementioned group is generally defined as individuals that have higher barriers to participation, such as renters, working families and/or lower income individuals. The parties will consider creative ways to better reach and engage a broad cross-section of neighborhood members.*”

The parties agree to undertake actions *and sharing data* to help overcome impediments to forming a neighborhood association, to assist in the formation of neighborhood associations, and to review existing neighborhood association boundaries *to enhance engagement opportunities for community members. The City will also collaborate with the CNAs and RNAs in the efforts to reach underserved community members.*”

### **Neighborhood/Community Interests (if known):**

The CNA is open to representation of all Olympia neighborhoods and provides a forum for neighborhood interests to be addressed.

### **Financial Impact:**

Financial impact to the City to implement the MOU is primarily staff time to coordinate, prepare for and attend CNA monthly and quarterly meetings. CP&D staff serve as the primary staff contacts and



CP&D allocates time for CNA support in its work program and annual budget.

**Options:**

1. Discuss the draft Council of Neighborhood Association Memorandum of Understanding and provide staff with feedback and direction.
2. Do not discuss the draft Council of Neighborhood Association Memorandum of Understanding.
3. Discuss the draft Council of Neighborhood Association Memorandum of Understanding and provide staff with feedback and direction at another time.

**Attachments:**

Proposed MOU

Current MOU

Comparison Table - Current and Proposed MOU

2021 City-CNA MOU Discussion Outcomes

MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNCIL OF NEIGHBORHOOD  
ASSOCIATIONS AND THE CITY OF OLYMPIA

This agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2023 between and among the Council of Neighborhood Associations (“CNA”) and the City of Olympia (“City”), collectively known as the “Parties”. This supersedes and replaces the existing Memorandum of Understanding, approved by the City on November 29, 2021.

Olympia Municipal Code (“OMC”) 18.86.040 et seq. established the Recognized Neighborhood program and the rights and responsibilities of the parties. This code provides that neighborhoods will actively participate in City decision-making processes and this agreement clarifies how the parties will collaborate on city-wide issues through dialogue and discussion. Therefore, the parties agree to collaborate and exchange views on the following subjects:

I. Official Recognition of the Council of Neighborhood Associations

The CNA is recognized as an entity that can provide assistance to the City and the individual recognized neighborhood associations (RNA) established under OMC Chapter 18.86.

II. Update the City code and MOU for the Council of Neighborhood Associations

The parties agree to review OMC Chapter 18.86 and this MOU periodically to determine if the CNA and ~~MOU the City~~ are achieving the objective of improved public involvement in city affairs. The reviews would include the degree of success in involving neighborhood associations in all areas of the city-, with an emphasis on hard to reach and/or underserved community members. For the purposes of this agreement, the aforementioned group is generally defined as individuals that have higher barriers to participation, such as renters, working families and/or lower income individuals. The parties will consider creative ways to better reach and engage a broad cross-section of neighborhood members.

The parties agree to undertake actions and sharing data to remove-help overcome impediments to forming a neighborhood association, to assist in the formation of ~~alliances of~~ neighborhood associations, and to review existing neighborhood association boundaries- to enhance engagement opportunities for community members. The City will also collaborate with the CNAs and RNAs in the efforts to reach underserved community members.

III. CNA Involvement in City Decision Making and Processes

The parties agree to pursue an open dialogue concerning citywide issues, and to foster a spirit of openness and mutual trust. The goals of this dialogue are to facilitate an exchange of views, to increase public awareness, information and consultation, and to respond actively to public concerns. ~~Where appropriate, the city and CNA agree to use the International Association for Public Participation IAP2 Spectrum for Public Participation as a model for developing public outreach and involvement. This will help community members stay informed and will provide feedback to the City about issues and impacts from a neighborhood perspective.~~ The parties agree to accomplish these goals through the following processes and activities-:

A. Quarterly Neighborhood ~~Issues~~ Forums. CNA agrees to ~~periodically~~ provide,

through CNA meetings, forums for the discussion of regional, citywide and neighborhood issues. Quarterly forums are likely to involve City Council liaisons and/or other City staff with particular insight or expertise on a particular subject.

1. The City agrees to provide space on a reasonable basis within a City-owned building or other appropriate facility for such forums, or otherwise attend forums at a mutually agreed upon off-site location.

~~2. This will help residents stay informed and will provide feedback to the City about issues and impacts from a neighborhood perspective.~~

~~3.2.~~ Such forums will be structured to ensure broad participation of neighborhoods and interested parties affected by the issue.

3. Forum conduct will be guided by a set of guiding principles, jointly established by the City and CNA leadership, to ensure respectful communication and engagement.

4. Forums will be conducted early in the long range planning process ~~before any significant final decisions are made and to~~ allow for broad dissemination of proposals and consideration of alternatives to the proposed action.

5. The forums may cover subjects such as:

- making ensuring City programs ~~more neighborhood-centric~~ consider neighborhood impacts and/or potential improvements and benefits,
- incorporating the interests of neighborhoods in land use decisions planning projects such as Comprehensive Plan amendments, zoning code changes, subarea and master plans, and
- safety planning and emergency preparedness, and
- other topics to be determined where relevant to neighborhoods as opposed to a specific neighborhood.

6. The CNA and the City agree that a work plan detailing Neighborhood Issues and a schedule shall be developed jointly with the City Manager or designee on an annual basis. This work plan will be informed by the City Council annual work plan and will serve to develop the agendas for the CNA quarterly forums. Additional forum topics may be identified and selected through mutual agreement over the course of the year, pending the emergence of unanticipated but urgent community issues. City and CNA liaisons will collaborate on the style and format of forum presentation or discussions.

B. Monthly CNA Meetings. CNA agrees to host monthly meetings for RNAs to share individual neighborhood activities; to disseminate information of interest; and to receive updates from the assigned City staff/CNA liaison on the annual RNA register update, neighborhood matching grant program and other City issues and projects that may affect or impact neighborhoods. Other City staff may attend these meetings if available and if it's determined that an update at a quarterly

forum is not timely nor feasible. One or more City Councilmembers may also attend the monthly meeting to provide updates and listen to neighborhood concerns.

B.C. Review of City Services and Neighborhood Services

1. ~~Upon request of the City,~~ CNA will provide input to the ~~city~~ City concerning the efficiency and effectiveness of the City's delivery of services and make proposals and recommendations for city expenditures that reflect the needs of the neighborhoods and neighborhood priorities. The City may make recommendations for particular areas of focus on particular services and financial policies and practices.
2. Upon the request of the CNA, the City will provide information to the CNA about the factors affecting its delivery of services.
3. The parties agree to pursue open dialogue and a collaborative process concerning the provision of services and programs affecting neighborhoods. The goals of this dialogue and process are to facilitate an exchange of views, to increase public awareness, to provide information and consultation, and to respond actively to public concerns.

IV. CNA Involvement in City Decisions Related to Land Use Long Range Planning and Resource Allocations

- A. ~~Planning, land use and permitting decisions of the city have a major impact on residents and neighborhoods.~~ The goals and policies of the Comprehensive Plan both reflect and seek to preserve the interests of Olympia's neighborhoods. Land use decisions Long range planning processes that focus on pedestrian-oriented streetscapes, sidewalk and trail system improvements that connect neighborhoods and enhance walkability also help create community. The parties agree to collaborate in pursuing these policies.
- B. Maintenance of neighborhoods is also an important factor in maintaining the quality of life for residents community members and visitors, and the desirability of the city as a place to work and live. The parties agree to foster such neighborhood improvements by prioritizing health and safety issues. This includes reducing risks to public health and safety, promoting emergency preparedness, and inventorying and expanding health-promoting neighborhood assets such as sidewalks, trails, and bike lanes.
- C. Maintenance of neighborhoods also includes enforcing ordinances affecting neighborhoods' quality of life, which includes s, but ~~is~~ are not limited to, enforcing home occupation, parking, zoning, and code enforcement ordinances.

V. Permit Review for New Development

The parties agree that it is important to ~~establish the following mechanisms to consult with the~~ inform affected ~~residents community members~~ and neighborhoods periodically throughout the development and implementation of ~~early in the permit~~

review process for a land use project. The City conducts public notification of a project by distributing a formal Notice of Application in accordance with RCW 36.70B.110 and OMC Chapter 18.78. Methods for providing public comments are included in the notice. The parties agree to coordinate creatively and collaboratively when communicating with neighborhoods regarding new development proposals in neighborhood areas. For projects of neighborhood and/or community-wide interest, the City will host a public information meeting open to the public for the project proponent to describe the project, for staff to explain the permit review process, and for the public to ask questions. The City agrees to continue to make enhancements to its permit system so that neighborhoods can easily track and be proactively aware of project proposals early in the review process.

- ~~A.— The CNA collaborates with the City regarding new development proposals in neighborhoods, and shall convene its membership as necessary to consider development proposals within or affecting recognized neighborhoods. Development proposals can include infill housing projects which propose the introduction of placement of multi-family housing unit types in existing single-family housing neighborhoods, as either new construction or remodeling of an existing structure.~~
- ~~B.— The CNA agrees to co-host a Neighborhood Development Forum with the City when requested by a development interest and to report the results of such meetings to the City. A Neighborhood Development Forum process shall include an opportunity for an applicant for development approval to present a project description and plans to the CNA membership. Such meetings shall be open to the public and shall provide an opportunity for public comment and applicant response. These meetings are intended to be collaborative dialogues between the prospective applicant and the neighborhoods. The CNA and the City shall cooperate on providing notice of such meetings to achieve the broadest possible awareness and participation in the forums.~~
- ~~C.— The City agrees to notify potential applicants, such as those who submit for pre-application review by the Site Plan Review Committee, of the existence of the Neighborhood Development Forum process and public meeting requirements, and to encourage them to make use of the Forum process.~~

## VI. Neighborhood/Subarea Plans

Neighborhoods and neighborhood issues are an important part of the Olympia Comprehensive Plan. The Comprehensive Plan includes recommendations affecting neighborhoods, and the CNA is uniquely qualified to provide assistance in their implementation.

- ~~A. CNA will provide input to the city concerning goals and objectives related to growth in neighborhoods and ensuring that new infill development will be compatible with existing neighborhoods. As part of subarea planning, the city and CNA may work with residents to design neighborhood “frameworks” that are~~

~~consistent with the city comprehensive plan, and may identify land use types and design styles that fit with existing neighborhoods. A neighborhood framework could be shared with permit applicants to guide new development proposals in that neighborhood. It could also identify locations for future community "third place" developments and neighborhood enhancements (e.g. community gardens, connector pathways, etc.)~~

A. The Comprehensive Plan includes recommendations regarding subarea planning. These recommendations envision subarea plans being developed for the entire city. The City encourages the CNA to play an active role in helping to shape how this recommended aspect of the Comprehensive Plan is implemented. Evaluation of subarea planning efforts and outcomes to date will be conducted jointly with the City, representatives from the City-council chartered subareas, and the CNA. A likely outcome for this process will be the need to update the OMC 18.86.040 to be consistent with the Comprehensive Plan.

B. CNA will provide input to the city concerning goals and objectives related to growth in neighborhoods and ensuring that new infill development will be compatible with existing neighborhoods. As part of subarea planning, the city and CNA may work with residents to design neighborhood "frameworks" that are consistent with the city comprehensive plan, and may identify land use types and design styles that fit with existing neighborhoods. A neighborhood framework could be shared with permit applicants to guide new development proposals in that neighborhood. It could also identify locations for future community "third place" developments and neighborhood enhancements (e.g. community gardens, connector pathways, etc.)

## VII. Administrative Support for Registered Neighborhood Associations

### Focusing Resources on Policy Making

Recognized neighborhood associations and CNA need assistance in the area of administrative support. To allow more resources to be dedicated to policy review and consultation, the parties agree to the following activities:

- Develop and implement templates for the establishment and operation of neighborhood associations, ~~such as developing and related~~ agendas, bylaws, and meeting minutes.
- Collaborate on the development of a common web site template format for neighborhoods.
- Develop an on-line repository of administrative resources for access and use by both RNAs and unaffiliated residents that includes an administrative procedures handbook, land use guides, leadership training opportunities and materials, and other benefits such as the Neighborhood Matching Grant program.
- CNA can work with direct neighborhood associations to the City's neighborhood matching grant program for projects that achieve the other purposes contained in this agreement.

## VIII. Communication with the City and the City Council

A. CNA and City Leadership

The agreement is intended to improve communication between neighborhoods and the City. The parties agree to the following common protocols and methods:

1. The Chair of CNA will serve as the CNA Liaison to the City Manager or designee.
2. The City Council will appoint a Councilmember as liaison to the CNA.
3. The City Manager or designee and the CNA agree to jointly prepare and submit to the City Council an annual report.

B. Points of Contact

The City Manager or ~~his~~ designee shall serve as the primary contact for the City for purposes of administration of this agreement. The Chair of the CNA shall serve as primary contact for the CNA for the purpose of administration of this agreement.

IX. Other Terms and Conditions

- A. Amendment: This agreement may be amended from time to time with the approval of both parties.
- B. Duration: This agreement shall remain in effect for ~~one~~three years at which time it will be reviewed and updated.
- C. Limited Effect of this MOU: This document is an expression of the intent of the Parties on how they will work toward supporting neighborhood associations. This document is not a legally binding agreement and ~~it~~ does not in any manner amend any of the City's regulations or create additional requirements for development within the City of Olympia.
- D. This document in no way inhibits the ability of an individual RNA to pursue open dialogue and a collaborative process concerning issues the RNA may have with the City.

IN WITNESS WHEREOF, the Parties have executed this Memorandum of Understanding as of the date and year written above.

Council of Neighborhood Associations

CITY OF OLYMPIA

\_\_\_\_\_  
By: Larry Dzieza, Chair, CNA

\_\_\_\_\_  
By: Jay Burney, City Manager

\_\_\_\_\_  
By: Mellissa Allen, Vice Chair, CNA

APPROVED AS TO FORM:



## **MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNCIL OF NEIGHBORHOOD ASSOCIATIONS AND THE CITY OF OLYMPIA**

This Memorandum of Understanding (“MOU”) is entered into this 29<sup>th</sup> day of November, 2021 between and among the Council of Neighborhood Associations (“CNA”) and the City of Olympia (“City”), collectively known as the “Parties.” This supersedes and replaces the existing MOU, approved by the City on December 11, 2018.

Olympia Municipal Code (“OMC”) 18.86.040 et seq. established the Recognized Neighborhood program and the rights and responsibilities of the Parties. This code provides that neighborhoods will actively participate in City decision-making processes and this MOU clarifies how the Parties will collaborate on city-wide issues through dialogue and discussion. Therefore, the Parties agree to collaborate and exchange views on the following subjects:

### **I. Official Recognition of the Council of Neighborhood Associations**

The CNA is recognized as an entity that can provide assistance to the City and the individual recognized neighborhood associations (RNA) established under OMC Chapter 18.86.

### **II. Update the City code and MOU for the Council of Neighborhood Associations**

The Parties agree to review OMC Chapter 18.86 and this MOU periodically to determine if the CNA and MOU are achieving the objective of improved public involvement in City affairs. The reviews would include the degree of success in involving neighborhood associations in all areas of the city. The Parties agree to undertake actions to remove impediments to forming a neighborhood association, to assist in the formation of alliances of neighborhood associations and to review existing neighborhood association boundaries.

### **III. CNA Involvement in City Decision Making and Processes**

The Parties agree to pursue an open dialogue concerning citywide issues, and to foster a spirit of openness and mutual trust. The goals of this dialogue are to facilitate an exchange of views, to increase public awareness, information and consultation, and to respond actively to public concerns. Where appropriate, the City and CNA agree to use the International Association for Public Participation IAP2 Spectrum for Public Participation as a model for developing public outreach and involvement. The Parties agree to accomplish these goals through the following processes and activities:

#### **A. Neighborhood Issues Forums. CNA agrees to periodically provide, through CNA meetings, forums for the discussion of regional, citywide and neighborhood issues.**

1. The City agrees to provide space on a reasonable basis within a City-owned building or other appropriate facility for such forums.

2. This will help residents stay informed and will provide feedback to the City about issues and impacts from a neighborhood perspective.
3. Such forums will be structured to ensure broad participation of neighborhoods and interested parties affected by the issue.
4. Forums will be conducted early in the process before any significant final decisions are made and allow for broad dissemination of proposals and consideration of alternatives to the proposed action.
5. The forums may cover subjects such as:
  - making City programs more neighborhood-centric,
  - incorporating the interests of neighborhoods in land use decisions, and
  - emergency preparedness.
6. The CNA and the City agree that a work plan detailing Neighborhood Issues and a schedule shall be developed jointly with the City Manager on an annual basis.

B. Review of City Services and Neighborhood Services

1. Upon request of the City, CNA will provide input to the City concerning the efficiency and effectiveness of the City's delivery of services and make proposals and recommendations for City expenditures that reflect the needs of the neighborhoods and neighborhood priorities.
2. Upon the request of the CNA, the City will provide information to the CNA about the factors affecting its delivery of services.
3. The Parties agree to pursue open dialogue and a collaborative process concerning the provision of services and programs affecting neighborhoods. The goals of this dialogue and process are to facilitate an exchange of views, to increase public awareness, to provide information and consultation, and to respond actively to public concerns.

IV. CNA Involvement in City Decisions Related to Land Use Planning and Resource Allocations

- A. Planning, land use and permitting decisions of the City have a major impact on residents and neighborhoods. The goals and policies of the Comprehensive Plan both reflect and seek to preserve the interests of Olympia's neighborhoods. Land use decisions that focus on pedestrian-oriented streetscapes, sidewalk and trail system improvements that connect neighborhoods and enhance walkability also help create community. The Parties agree to collaborate in pursuing these policies.

- B. Maintenance of neighborhoods is also an important factor in maintaining the quality of life for residents and the desirability of the City as a place to work and live. The Parties agree to foster such neighborhood improvements by prioritizing health and safety issues. This includes reducing risks to public health and safety, promoting emergency preparedness, inventorying and expanding health-promoting neighborhood assets such as sidewalks, trails, and bike lanes.
- C. Maintenance of neighborhoods also includes enforcing ordinances affecting neighborhoods' quality of life, which include, but are not limited to, enforcing home occupation, parking, zoning, and code enforcement ordinances.

V. New Development

The Parties agree to establish the following mechanisms to consult with the affected residents and neighborhoods periodically throughout the development and implementation of a land use project.

- A. The CNA collaborates with the City regarding new development proposals in neighborhoods, and shall convene its membership as necessary to consider development proposals within or affecting recognized neighborhoods. Development proposals can include infill housing projects which propose the introduction of placement of multi-family housing unit-types in existing single-family housing neighborhoods, as either new construction or remodeling of an existing structure.
- B. The CNA agrees to co-host a Neighborhood Development Forum with the City when requested by a development interest and to report the results of such meetings to the City. A Neighborhood Development Forum process shall include an opportunity for an applicant for development approval to present a project description and plans to the CNA membership. Such meetings shall be open to the public and shall provide an opportunity for public comment and applicant response. These meetings are intended to be collaborative dialogues between the prospective applicant and the neighborhoods. The CNA and the City shall cooperate on providing notice of such meetings to achieve the broadest possible awareness and participation in the forums.
- C. The City agrees to notify potential applicants, such as those who submit for pre-application review by the Site Plan Review Committee, of the existence of the Neighborhood Development Forum process and public meeting requirements, and to encourage them to make use of the Forum process.

VI. Neighborhood/Subarea Plans

Neighborhoods and neighborhood issues are an important part of the Olympia Comprehensive Plan. The Comprehensive Plan includes recommendations affecting neighborhoods; the CNA is uniquely qualified to provide assistance in their implementation.

- A. CNA will provide input to the City concerning goals and objectives related to growth in neighborhoods and ensuring that new infill development will fit comfortably within existing neighborhoods. As part of subarea planning, the City and CNA may work with residents to design neighborhood “frameworks” that are consistent with the City comprehensive plan, and may identify land use types and design styles that fit with existing neighborhoods. A neighborhood framework could be shared with permit applicants to guide new development proposals in that neighborhood. It could also identify locations for future community “third place” developments and neighborhood enhancements (e.g., community gardens, connector pathways, etc.)
- B. The Comprehensive Plan includes recommendations regarding sub-area planning. These recommendations envision sub-area plans being developed for the entire City. The City encourages the CNA to play an active role in helping to shape how this recommended aspect of the Comprehensive Plan is implemented. Evaluation of subarea planning efforts and outcomes to date will be conducted jointly with the City, representatives from the City-Council chartered subareas, and the CNA. A likely outcome for this process will be the need to update the OMC 18.86.040 to be consistent with the Comprehensive Plan.

#### VII. Administrative Support for Registered Neighborhood Associations

##### Focusing Resources on Policy Making

Recognized neighborhood associations and CNA need assistance in the area of administrative support. To allow more resources to be dedicated to policy review and consultation, the Parties agree to the following activities:

- Develop and implement templates for the establishment and operation of neighborhood associations, such as developing agendas, bylaws, and meeting minutes
- Collaborate on the development of a common web site template format for neighborhoods.
- Develop an on-line repository of administrative resources for access and use by both RNAs and unaffiliated residents that includes an administrative procedures handbook, land use guides, leadership training opportunities and materials, and other benefits such as the Neighborhood Matching Grant program.
- CNA can work with neighborhood associations to the City’s neighborhood matching grant program for projects that achieve the other purposes contained in this MOU.

#### VIII. Communication with the City and the City Council

##### A. CNA and City Leadership

The MOU is intended to improve communication between neighborhoods and the City. The Parties agree to the following common protocols and methods:

1. The Chair of CNA will serve as the CNA Liaison to the City Manager.
2. The City Council will appoint a Councilmember as liaison to the CNA.
3. The City Manager and the CNA agree to jointly prepare and submit to the City Council an annual report.

B. Points of Contact

The City Manager or his designee shall serve as the primary contact for the City for purposes of administration of this agreement. The Chair of the CNA shall serve as primary contact for the CNA for the purpose of administration of this agreement.

IX. Other Terms and Conditions

- A. Amendment: This MOU may be amended from time to time with the approval of both Parties.
- B. Duration: This MOU shall remain in effect for one year at which time it will be reviewed and updated.
- C. Limited Effect of this MOU: This document is an expression of the intent of the Parties on how they will work toward supporting neighborhood associations. This document is not a legally binding agreement, and it does not in any manner amend any of the City's regulations or create additional requirements for development within the City of Olympia.
- D. This document in no way inhibits the ability of an individual RNA to pursue open dialogue and a collaborative process concerning issues the RNA may have with the City.

IN WITNESS WHEREOF, the Parties have executed this Memorandum of Understanding as of the date and year written above.

**Council of Neighborhood Associations**

**CITY OF OLYMPIA**

Larry Dzieza  
By: Larry Dzieza, Chair, CNA

Steven J. Burney  
By: Steven J. Burney, City Manager

Melisa Allen  
By: Melissa Allen, Vice Chair, CNA

APPROVED AS TO FORM:

Mark Barber  
Mark Barber, City Attorney



# Comparison - Current and Proposed City/CNA MOU

	Current	Proposed
<p><b>Section II: Ensuring the achievement of improved public involvement in City affairs.</b></p> <p>Proposed MOU addresses hard to reach and/or underserved community members.</p> <p>Proposed MOU addresses partnership on actions to enhance community member engagement opportunities.</p>	<p>II. Update the City code and MOU for the Council of Neighborhood Associations</p> <p>The parties agree to review OMC Chapter 18.86 and this MOU periodically to determine if the CNA and MOU are achieving the objective of improved public involvement in city affairs. The reviews would include the degree of success in involving neighborhood associations in all areas of the city. The parties agree to undertake actions to remove impediments to forming a neighborhood association, to assist in the formation of alliances of neighborhood associations and to review existing neighborhood association boundaries.</p>	<p>II. Update the City code and MOU for the Council of Neighborhood Associations</p> <p>The parties agree to review OMC Chapter 18.86 and this MOU periodically to determine if the CNA and the City are achieving the objective of improved public involvement in city affairs. The reviews would include the degree of success in involving neighborhood associations in all areas of the city, with an emphasis on hard to reach and/or underserved community members. For the purposes of this agreement, the aforementioned group is generally defined as individuals that have higher barriers to participation, such as renters, working families and/or lower income individuals. The parties will consider creative ways to better reach and engage a broad cross-section of neighborhood members.</p> <p>The parties agree to undertake actions and sharing data to help overcome impediments to forming a neighborhood association, to assist in the formation of neighborhood associations, and to review existing neighborhood association boundaries to enhance engagement opportunities for community members. The City will also collaborate with the CNAs and RNAs in the efforts to reach underserved community members.</p>



# Comparison - Current and Proposed City/CNA MOU

Oly

	Current	Proposed
<p><b>Section III: CNA Involvement in City Decision Making.</b></p> <p>Proposed MOU addresses Quarterly Forums and Monthly CNA Meetings.</p> <p>Guiding principles added for respectful communication and engagement.</p> <p>Proposed MOU states work plan will be informed by City Council Annual Work Plan.</p>	<p>III. CNA Involvement in City Decision Making and Processes</p> <p>The parties agree to pursue an open dialogue concerning citywide issues, and to foster a spirit of openness and mutual trust. The goals of this dialogue are to facilitate an exchange of views, to increase public awareness, information and consultation, and to respond actively to public concerns. Where appropriate, the city and CNA agree to use the International Association for Public Participation IAP2 Spectrum for Public Participation as a model for developing public outreach and involvement. The parties agree to accomplish these goals through the following processes and activities:</p> <p>A. Neighborhood Issues Forums. CNA agrees to periodically provide, through CNA meetings, forums for the discussion of regional, citywide and neighborhood issues.</p> <ol style="list-style-type: none"> <li>1. The City agrees to provide space on a reasonable basis within a City-owned building or other appropriate facility for such forums.</li> <li>2. This will help residents stay informed and will provide feedback to the City about issues and impacts from a neighborhood perspective.</li> <li>3. Such forums will be structured to ensure broad participation of neighborhoods and interested parties affected by the issue.</li> <li>4. Forums will be conducted early in the process</li> </ol>	<p>III. CNA Involvement in City Decision Making and Processes</p> <p>The parties agree to pursue an open dialogue concerning citywide issues, and to foster a spirit of openness and mutual trust. The goals of this dialogue are to facilitate an exchange of views, to increase public awareness, information and consultation, and to respond actively to public concerns. This will help community members stay informed and will provide feedback to the City about issues and impacts from a neighborhood perspective. The parties agree to accomplish these goals through the following processes and activities:</p> <p>A. Quarterly Neighborhood Forums. CNA agrees to provide, through CNA meetings, forums for the discussion of regional, citywide and neighborhood issues. Quarterly forums are likely to involve City Council liaisons and/or other City staff with particular insight or expertise on a particular subject.</p> <ol style="list-style-type: none"> <li>1. The City agrees to provide space on a reasonable basis within a City-owned building or other appropriate facility for such forums, or otherwise attend forums at a mutually agreed upon off-site location.</li> <li>2. Such forums will be structured to ensure broad participation of neighborhoods and interested</li> </ol>





# Comparison - Current and Proposed City/CNA MOU

before any significant final decisions are made and allow for broad dissemination of proposals and consideration of alternatives to the proposed action.

5. The forums may cover subjects such as:
  - making City programs more neighborhood-centric,
  - incorporating the interests of neighborhoods in land use decisions, and
  - emergency preparedness
  
6. The CNA and the City agree that a work plan detailing Neighborhood Issues and a schedule shall be developed jointly with the City Manager on an annual basis.

parties affected by the issue.

3. Forum conduct will be guided by a set of guiding principles, jointly established by the City and CNA leadership, to ensure respectful communication and engagement.
  
4. Forums will be conducted early in the long range planning process to allow for broad dissemination of proposals and consideration of alternatives to the proposed action.
  
5. The forums may cover subjects such as:
  - ensuring City programs consider neighborhood impacts and/or potential improvements and benefits,
  - incorporating the interests of neighborhoods in planning projects such as Comprehensive Plan amendments, zoning code changes, subarea and master plans,
  - safety planning and emergency preparedness, and
  - other topics to be determined where relevant to neighborhoods as opposed to a specific neighborhood.
  
6. The CNA and the City agree that a work plan detailing Neighborhood Issues and a schedule shall be developed jointly with the City Manager or designee on an annual basis. This work plan will be informed by the City Council



# Comparison - Current and Proposed City/CNA MOU

	<p>B. Review of City Services and Neighborhood Services</p> <ol style="list-style-type: none"><li>1. Upon request of the City, CNA will provide input to the city concerning the efficiency and effectiveness of the City's delivery of services and make proposals and recommendations for city expenditures that reflect the needs of the neighborhoods and</li></ol>	<p>annual work plan and will serve to develop the agendas for the CNA quarterly forums. Additional forum topics may be identified and selected through mutual agreement over the course of the year, pending the emergence of unanticipated but urgent community issues. City and CNA liaisons will collaborate on the style and format of forum presentation or discussions.</p> <p>B. Monthly CNA Meetings. CNA agrees to host monthly meetings for RNAs to share individual neighborhood activities; to disseminate information of interest; and to receive updates from the assigned City staff/CNA liaison on the annual RNA register update, neighborhood matching grant program and other City issues and projects that may affect or impact neighborhoods. Other City staff may attend these meetings if available and if it's determined that an update at a quarterly forum is not timely nor feasible. One or more City Councilmembers may also attend the monthly meeting to provide updates and listen to neighborhood concerns.</p> <p>C. Review of City Services and Neighborhood Services</p> <ol style="list-style-type: none"><li>1. CNA will provide input to the City concerning the efficiency and effectiveness of the City's delivery of services and make proposals and recommendations for city expenditures that reflect the needs of the neighborhoods and</li></ol>
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# Comparison - Current and Proposed City/CNA MOU

	<p>neighborhood priorities.</p> <ol style="list-style-type: none"> <li>2. Upon the request of the CNA, the City will provide information to the CNA about the factors affecting its delivery of services.</li> <li>3. The parties agree to pursue open dialogue and a collaborative process concerning the provision of services and programs affecting neighborhoods. The goals of this dialogue and process are to facilitate an exchange of views, to increase public awareness, to provide information and consultation, and to respond actively to public concerns.</li> </ol>	<p>neighborhood priorities. The City may make recommendations for particular areas of focus on particular services and financial policies and practices.</p> <ol style="list-style-type: none"> <li>2. Upon the request of the CNA, the City will provide information to the CNA about the factors affecting its delivery of services.</li> <li>3. The parties agree to pursue open dialogue and a collaborative process concerning the provision of services and programs affecting neighborhoods. The goals of this dialogue and process are to facilitate an exchange of views, to increase public awareness, to provide information and consultation, and to respond actively to public concerns.</li> </ol>
	<b>Current</b>	<b>Proposed</b>
<p><b>Section IV: CNA Involvement in City Decision Making Related to Land Use Planning and Resource Allocation</b></p>	<p>IV. CNA Involvement in City Decisions Related to Land Use Planning and Resource Allocations</p> <ol style="list-style-type: none"> <li>A. Planning, land use and permitting decisions of the city have a major impact on residents and neighborhoods. The goals and policies of the Comprehensive Plan both reflect and seek to preserve the interests of Olympia’s neighborhoods. Land use decisions that focus on pedestrian -</li> </ol>	<p>IV. CNA Involvement in City Decisions Related to Long Range Planning and Resource Allocations</p> <ol style="list-style-type: none"> <li>A. The goals and policies of the Comprehensive Plan both reflect and seek to preserve the interests of Olympia’s neighborhoods. Long range planning processes that focus on pedestrian-oriented streetscapes, sidewalk and trail system improvements that connect</li> </ol>



# Comparison - Current and Proposed City/CNA MOU

Proposed language focuses on long range planning. Permit review is now entirely addressed in Section V.

oriented streetscapes, sidewalk and trail system improvements that connect neighborhoods and enhance walkability also help create community. The parties agree to collaborate in pursuing these policies.

B. Maintenance of neighborhoods is also an important factor in maintaining the quality of life for residents and the desirability of the city as a place to work and live. The parties agree to foster such neighborhood improvements by prioritizing health and safety issues. This includes reducing risks to public health and safety, promoting emergency preparedness, inventorying and expanding health-promoting neighborhood assets such as sidewalks, trails, and bike lanes.

C. Maintenance of neighborhoods also includes enforcing ordinances affecting neighborhoods' quality of life, which include, but are not limited to, enforcing home occupation, parking, zoning, and code enforcement ordinances.

neighborhoods and enhance walkability also help create community. The parties agree to collaborate in pursuing these policies.

B. Maintenance of neighborhoods is also an important factor in maintaining the quality of life for community members and visitors, and the desirability of the city as a place to work and live. The parties agree to foster such neighborhood improvements by prioritizing health and safety issues. This includes reducing risks to public health and safety, promoting emergency preparedness, and inventorying and expanding health-promoting neighborhood assets such as sidewalks, trails, and bike lanes.

C. Maintenance of neighborhoods also includes enforcing ordinances affecting neighborhoods' quality of life, which includes, but are not limited to, enforcing home occupation, parking, zoning, and code enforcement ordinances.



# Comparison - Current and Proposed City/CNA MOU

Olympia		
	Current	Proposed
<p><b>Section V: Permit Review</b></p> <p>Proposed language clarifies that public information meetings for development projects will be open to the public and hosted by the City, not the CNA. This aligns with current City practices.</p>	<p>V. New Development</p> <p>The parties agree to establish the following mechanisms to consult with the affected residents and neighborhoods periodically throughout the development and implementation of a land use project.</p> <ul style="list-style-type: none"> <li>A. The CNA collaborates with the City regarding new development proposals in neighborhoods, and shall convene its membership as necessary to consider development proposals within or affecting recognized neighborhoods. Development proposals can include infill housing projects which propose the introduction of placement of multi-family housing unit- types in existing single-family housing neighborhoods, as either new construction or remodeling of an existing structure.</li> <li>B. The CNA agrees to co-host a Neighborhood Development Forum with the City when requested by a development interest and to report the results of such meetings to the City. A Neighborhood Development Forum process shall include an opportunity for an applicant for development approval to present a project description and plans to the CNA membership. Such meetings shall be open to the public and shall provide an opportunity for public comment</li> </ul>	<p>V. Permit Review for New Development</p> <p>The parties agree that it is important to inform affected community members and neighborhoods early in the permit review process for a land use project. The City conducts public notification of a project by distributing a formal Notice of Application in accordance with RCW 36.70B.110 and OMC Chapter 18.78. Methods for providing public comments are included in the notice. The parties agree to coordinate creatively and collaboratively when communicating with neighborhoods regarding new development proposals in neighborhood areas. For projects of neighborhood and/or community-wide interest, the City will host a public information meeting open to the public for the project proponent to describe the project, for staff to explain the permit review process, and for the public to ask questions. The City agrees to continue to make enhancements to its permit system so that neighborhoods can easily track and be proactively aware of project proposals early in the review process.</p>



# Comparison - Current and Proposed City/CNA MOU

	<p>and applicant response. These meetings are intended to be collaborative dialogues between the prospective applicant and the neighborhoods. The CNA and the City shall cooperate on providing notice of such meetings to achieve the broadest possible awareness and participation in the forums.</p> <p>C. The City agrees to notify potential applicants, such as those who submit for pre- application review by the Site Plan Review Committee, of the existence of the Neighborhood Development Forum process and public meeting requirements, and to encourage them to make use of the Forum process.</p>	
	<b>Current</b>	<b>Proposed</b>
<p><b>Section VI: Neighborhood/ Subarea Plans</b></p> <p>No substantive changes to this section. A and B are reversed in the proposed MOU.</p>	<p>VI. Neighborhood/Subarea Plans</p> <p>Neighborhoods and neighborhood issues are an important part of the Olympia Comprehensive Plan. The Comprehensive Plan includes recommendations affecting neighborhoods; the CNA is uniquely qualified to provide assistance in their implementation.</p> <p>A. CNA will provide input to the city concerning goals and objectives related to growth in neighborhoods and ensuring that new infill development will fit comfortably within existing neighborhoods. As part of subarea planning, the city and CNA may work with residents to design neighborhood “frameworks” that are consistent with the city comprehensive plan, and</p>	<p>VI. Neighborhood/Subarea Plans</p> <p>Neighborhoods and neighborhood issues are an important part of the Olympia Comprehensive Plan. The Comprehensive Plan includes recommendations affecting neighborhoods, and the CNA is uniquely qualified to provide assistance in their implementation.</p> <p>A. The Comprehensive Plan includes recommendations regarding subarea planning. These recommendations envision subarea plans being developed for the entire city. The City encourages the CNA to play an active role in helping to shape how this</p>



# Comparison - Current and Proposed City/CNA MOU

	<p>may identify land use types and design styles that fit with existing neighborhoods. A neighborhood framework could be shared with permit applicants to guide new development proposals in that neighborhood. It could also identify locations for future community “third place” developments and neighborhood enhancements (e.g. community gardens, connector pathways, etc.)</p> <p>B. The Comprehensive Plan includes recommendations regarding sub-area planning. These recommendations envision sub-area plans being developed for the entire city. The City encourages the CNA to play an active role in helping to shape how this recommended aspect of the Comprehensive Plan is implemented. Evaluation of subarea planning efforts and outcomes to date will be conducted jointly with the City, representatives from the City-council chartered subareas, and the CNA. A likely outcome for this process will be the need to update the OMC 18.86.040 to be consistent with the Comprehensive Plan.</p>	<p>recommended aspect of the Comprehensive Plan is implemented. Evaluation of subarea planning efforts and outcomes to date will be conducted jointly with the City, representatives from the City-council chartered subareas, and the CNA. A likely outcome for this process will be the need to update the OMC 18.86.040 to be consistent with the Comprehensive Plan.</p> <p>B. CNA will provide input to the city concerning goals and objectives related to growth in neighborhoods and ensuring that new infill development will be compatible with existing neighborhoods. As part of subarea planning, the city and CNA may work with residents to design neighborhood “frameworks” that are consistent with the city comprehensive plan, and may identify land use types and design styles that fit with existing neighborhoods. A neighborhood framework could be shared with permit applicants to guide new development proposals in that neighborhood. It could also identify locations for future community “third place” developments and neighborhood enhancements (e.g. community gardens, connector pathways, etc.)</p>
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# Comparison - Current and Proposed City/CNA MOU

Olympia	Current	Proposed
<p><b>VII: Administrative Support for Registered Neighborhood Associations</b></p> <p>No substantive changes in proposed MOU</p>	<p>VII. Administrative Support for Registered Neighborhood Associations</p> <p><u>Focusing Resources on Policy Making</u></p> <p>Recognized neighborhood associations and CNA need assistance in the area of administrative support. To allow more resources to be dedicated to policy review and consultation, the parties agree to the following activities:</p> <ul style="list-style-type: none"> <li>• Develop and implement templates for the establishment and operation of neighborhood associations, such as developing agendas, bylaws, and meeting minutes.</li> <li>• Collaborate on the development of a common web site template format for neighborhoods.</li> <li>• Develop an on-line repository of administrative resources for access and use by both RNAs and unaffiliated residents that includes an administrative procedures handbook, land use guides, leadership training opportunities and materials, and other benefits such as the Neighborhood Matching Grant program.</li> <li>• CNA can work with neighborhood associations to the City’s neighborhood matching grant program for projects that achieve the other purposes contained in this agreement.</li> </ul>	<p>VII. Administrative Support for Registered Neighborhood Associations</p> <p><u>Focusing Resources on Policy Making</u></p> <p>Recognized neighborhood associations and CNA need assistance in the area of administrative support. To allow more resources to be dedicated to policy review and consultation, the parties agree to the following activities:</p> <ul style="list-style-type: none"> <li>• Develop and implement templates for the establishment and operation of neighborhood associations and related agendas, bylaws, and meeting minutes.</li> <li>• Collaborate on the development of a common web site template format for neighborhoods.</li> <li>• Develop an on-line repository of administrative resources for access and use by both RNAs and unaffiliated residents that includes an administrative procedures handbook, land use guides, leadership training opportunities and materials, and other benefits such as the Neighborhood Matching Grant program.</li> <li>• CNA can direct neighborhood associations to the City’s neighborhood matching grant program for projects that achieve the other purposes</li> </ul>



# Comparison - Current and Proposed City/CNA MOU

		contained in this agreement.
	<b>Current</b>	<b>Proposed</b>
<p><b>VIII. Communication with the City and the City Council</b></p> <p>No substantive changes in proposed MOU</p>	<p>VIII. Communication with the City and the City Council</p> <p>A. CNA and City Leadership The agreement is intended to improve communication between neighborhoods and the City. The parties agree to the following common protocols and methods:</p> <ol style="list-style-type: none"> <li>1. The Chair of CNA will serve as the CNA Liaison to the City Manager.</li> <li>2. The City Council will appoint a Councilmember as liaison to the CNA.</li> <li>3. The City Manager and the CNA agree to jointly prepare and submit to the City Council an annual report.</li> </ol> <p>B. Points of Contact</p> <p>The City Manager or his designee shall serve as the primary contact for the City for purposes of administration of this agreement. The Chair of the CNA shall serve as primary contact for the CNA for the purpose of administration of this agreement.</p>	<p>VIII. Communication with the City and the City Council</p> <p>A. CNA and City Leadership The agreement is intended to improve communication between neighborhoods and the City. The parties agree to the following common protocols and methods:</p> <ol style="list-style-type: none"> <li>1. The Chair of CNA will serve as the CNA Liaison to the City Manager or designee.</li> <li>2. The City Council will appoint a Councilmember as liaison to the CNA.</li> <li>3. The City Manager or designee and the CNA agree to jointly prepare and submit to the City Council an annual report.</li> </ol> <p>B. Points of Contact</p> <p>The City Manager or designee shall serve as the primary contact for the City for purposes of administration of this agreement. The Chair of the CNA shall serve as primary contact for the CNA for the purpose of administration of this agreement.</p>



# Comparison - Current and Proposed City/CNA MOU

Olympia		
	Current	Proposed
<p><b>IX. Other Terms and Conditions</b></p> <p>Proposed MOU has duration of 3 years. Current version was for 1 year.</p>	<p>IX. Other Terms and Conditions</p> <p>A. Amendment: This agreement may be amended from time to time with the approval of both parties.</p> <p>B. Duration: This agreement shall remain in effect for one year at which time it will be reviewed and updated.</p> <p>C. Limited Effect of this MOU: This document is an expression of the intent of the Parties on how they will work toward supporting neighborhood associations. This document is not a legally binding agreement and it does not in any manner amend any of the City’s regulations or create additional requirements for development within the City of Olympia.</p> <p>D. This document in no way inhibits the ability of an individual RNA to pursue open dialogue and a collaborative process concerning issues the RNA may have with the City.</p>	<p>IX. Other Terms and Conditions</p> <p>A. Amendment: This agreement may be amended from time to time with the approval of both parties.</p> <p>B. Duration: This agreement shall remain in effect for three years at which time it will be reviewed and updated.</p> <p>C. Limited Effect of this MOU: This document is an expression of the intent of the Parties on how they will work toward supporting neighborhood associations. This document is not a legally binding agreement and does not in any manner amend any of the City’s regulations or create additional requirements for development within the City of Olympia.</p> <p>D. This document in no way inhibits the ability of an individual RNA to pursue open dialogue and a collaborative process concerning issues the RNA may have with the City.</p>

## 2021 City/CNA MOU Discussion Outcomes

City/CNA MOU Workgroup Final Meeting: November 18, 2021

Meeting Topics: 2021 MOU Update and 2022 Next Steps

Attendees: City Councilmember Clark Gilman; CNA: Chair Larry Dzieza, Vice Chair Melissa Allen; City Staff: City Manager Jay Burney; Associate Planner Lydia Moorhead; Planning & Engineering Manager Tim Smith

The City and Council of Neighborhoods Association (CNA) agree to a one-year extension of the current Memorandum of Understanding (MOU). The City Council will consider the Resolution for the one-year extension on November 23, 2021.

The City and CNA also agree to a discussion of a new MOU in 2022. This will be accomplished through a facilitated process to create the foundation for a City/CNA relationship with clearly defined roles and expectations. A work group will be created that has a broad representation of CNA members, Councilmembers and City staff. The following list of issues will provide the framework for the discussion.

### Annual CNA Work Plan

- Informed by Council priorities set at annual retreat (mid-January each year)
- Provide additional opportunities to engage on issues early
- Provide some predictability for Staff support, agenda setting, etc.

### Communications Plan

- When/what are neighborhoods consulted about
- Methods of communication – City communications team, look at other City's methods as examples, quarterly roundtable
- Developing a 'neighborhood lens' for City processes & decisions – checklists, Council staff reports
- Share work plans (Council & other advisory groups)
- How is neighborhood input used in decision making? – closing the loop of communication

### RNA Representation & Engagement

- Establish RNAs where currently inactive or not represented
- Include hard to reach/underserved populations
  - i. Identify potential barriers to participation – (e.g., 45-day rule, process discussions)
  - ii. Identify relevant issues to gain interest
  - iii. Create a welcoming CNA structure that encourages diverse participation (members, opinions, issues etc.)

### CNA Representation

- Ensure all RNAs are represented on the CNA
- Role of CNA – Stakeholder? Advisory commission? Non-voting membership on advisory boards?
- Identify opportunities to provide neighborhood perspective on specific issues outside of the typical 2-minute comment period provided at the beginning of public meetings

### Subarea Planning

### Comprehensive Plan Update



## City Council

### Approval of an Ordinance Amending Olympia Municipal Code Chapters 4.70 Related to Residential Parking

**Agenda Date:** 10/30/2023  
**Agenda Item Number:** 6.C  
**File Number:**23-0900

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**Type:** ordinance **Version:** 3 **Status:** 2d Reading-Consent

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#### **Title**

Approval of an Ordinance Amending Olympia Municipal Code Chapters 4.70 Related to Residential Parking

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Move to approve the Ordinance amending Olympia Municipal Code Chapter 4.70 related to Residential Parking on second reading.

#### **Report**

##### **Issue:**

Whether to approve the Ordinance amending Olympia Municipal Code Chapter 4.70 related to Residential Parking on second reading.

##### **Staff Contact:**

Max DeJarnatt, Program Analyst, Community Planning & Development, 360.570.3723

##### **Presenter(s):**

Max DeJarnatt, Program Analyst

##### **Background and Analysis:**

Background and Analysis did not change from first to second reading.

The Downtown Parking Strategy, the second and final phase of which was adopted by the Olympia City Council on April 16, 2019, is guiding the City's actions as we develop parking policy and parking management strategies that support community goals for economic development, housing and transportation as identified in both the Downtown Strategy and the Comprehensive Plan.

The Parking Strategy recommends actions to encourage long-term parking to use off-street parking facilities whenever possible, to free up on-street parking for shorter term visitors and shoppers.

As downtown continues to add housing, residential parking demand increases. The Parking Strategy recommends a tiered fee schedule, based on demand, for residential on-street parking permits.

Olympia has eight residential parking zones stretching from the South Capital neighborhood to the Farmers' Market. Residential permits in these zones each cost \$10 per year before 2020 when City Council adopted fee increases for Downtown (zones 4, 5, 7, and 8) to \$60 per year. At that time, city staff recommended that fee increase as the first phase of a gradual further increase that would be needed to effectively encourage greater use of off-street lots for long-term residential parking.

[Note: The South Capital Neighborhood (zones 1-3 and 6) were increased a year later to \$25 after the conclusion of an interest-based, negotiated process conducted between representatives of the South Capital Neighborhood Association, Department of Enterprise Services, and the City.]

At its October 2022 meeting, the Land Use and Environment Committee received a Parking Strategy update. Staff again suggested proposing additional downtown residential parking increases for 2024, resuming its phased approach to align with the pricing recommendations as outlined in the Strategy. This approach is important to avoid a pricing shock to customers but had been slowed by the extended impacts of COVID-19.

In the intervening months, staff conducted a survey and found that the average monthly price of commercially available off-street parking within the Residential Parking Zone 7 (map attached) is \$62, whereas the average price per month for residents to park on-site within their facilities was \$84. In contrast, Zone 7 residents may park indefinitely at 9-hour meters surrounding downtown's core for the equivalent of \$5 per month.

On-street parking use has now increased to meet or exceed pre-COVID levels throughout the downtown core, with more mixed-use buildings opening their doors in the downtown commercial center. Consistent with the adopted Downtown Parking Strategy, parking staff recommends the next phased increase for 2024 downtown (parking zone 7) residential permits. The attached ordinance would increase residential parking permits to \$10/month (from \$60 to \$120 annually). The increase will help encourage residents of downtown to use dedicated off-street parking options and make on-street parking more available for shorter term visitor use.

#### **Climate Analysis:**

Climate analysis on parking management is mixed. Some models suggest that increasing the cost of parking incentivizes use of transportation modes other than automobiles. Other models show that cost increases may lead to more available parking, lowering barriers to driving and encouraging those who can afford the increased parking cost to drive.

#### **Equity Analysis:**

Increasing the cost of parking for downtown residents could adversely affect those who have very low incomes. To address this potential inequity, the City provides a 50 percent discount on residential parking permits for anyone qualified for low-income benefits. Additionally, staff introduced a monthly payment option to decrease the burden of an annual lump-sum payment. Finally, residents qualifying as disabled may park at the same 9-hour, Zone 7 meters without this permit.

#### **Neighborhood/Community Interests (if known):**

The Parking and Business Improvement Area Advisory Board and the Olympia Downtown Alliance

Board were briefed on this update.

**Financial Impact:**

Residential Permit fee increases will lead to an estimated additional \$20,000 in revenue annually. This revenue is deposited in the City's dedicated Parking Fund and can only be used for parking services and enforcement.

**Options:**

1. Move to approve the Ordinance amending Olympia Municipal Code Chapter 4.70 related to Residential Parking on second reading.
2. Direct staff to modify the Ordinance for additional review at a future Council meeting. This option would likely not allow for implementation of the updated ordinance for 2024 residential parking permits.
3. Do not approve the Ordinance.

**Attachments:**

Ordinance  
Parking Strategy Chapter 5  
Residential Parking Zone Map

**AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, AMENDING OLYMPIA MUNICIPAL CODE CHAPTER 4.70 RELATING TO RESIDENTIAL PARKING FEES**

**WHEREAS**, the Olympia Downtown Strategy (the Downtown Strategy) was adopted in April 2017 and identified public priorities and realistic, impactful actions to move forward the vision of the Olympia Comprehensive Plan and goals for Downtown Olympia, fostering a rich diversity of downtown places and spaces that will attract and support people who live, work, and play in Downtown Olympia; and

**WHEREAS**, in April 2019, the City of Olympia adopted a Downtown Olympia Parking Strategy for the years 2019-2029 (the Parking Strategy) with the intent of supporting the Downtown Strategy by ensuring citizens have safe, predictable parking; and

**WHEREAS**, staff has proposed amendments to Olympia Municipal Code Chapters 4.7 (Residential Parking Fees), which support the City's goals, strategies, and implementation timelines for parking in Downtown Olympia and surrounding neighborhoods; and

**WHEREAS**, changes to the residential parking fees will also enable Community Planning and Development Parking Services staff to more effectively manage downtown parking; and

**WHEREAS**, this Ordinance is supported by the staff report and accompanying materials concerning the Ordinance, along with documents on file with the City;

**NOW, THEREFORE, THE OLYMPIA CITY COUNCIL ORDAINS AS FOLLOWS:**

**Section 1. Amendment of OMC 4.70.** Olympia Municipal Code Chapter 4.70 is hereby amended to read as follows:

**Chapter 4.70  
RESIDENTIAL PARKING FEES**

4.70.000 Chapter Contents

Sections:

[4.70.010](#) Residential parking fees.

[4.70.020](#) Residential parking fee discounts – Low income.

4.70.010 Residential parking fees

Vehicle registration fees for the Residential Parking Program described in OMC [10.16.055](#) are set for each zone as follows:

- A. ~~Twenty Five and no/100 dollars (\$25.00)~~ per year, per vehicle up to two ~~(2)~~ vehicles registered in the program for Zones 1, 2, and 3. A third vehicle may be registered in the program for ~~Thirty Five and no/100 dollars (\$35.00)~~ per year.



B. ~~Sixty and no/100 dollars (\$60.00)~~ per year, per vehicle registered in the program for Zones 4, 5, 6, ~~7~~, and 8.

C. \$120.00 per year, per vehicle registered in the program for Zone 7.

4.70.020 Residential parking fee discounts – Low income

A. A ~~fifty percent (50%)~~ discount in any residential parking permit rate set forth in this chapter will be granted for any approved low-income permit application.

B. The Director of Community Planning and Development or ~~their~~ the Director's designee is authorized to establish reasonable rules and regulations to implement this section.

**Section 2. Corrections.** The City Clerk and codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance, including the correction of scrivener/clerical errors, references, ordinance numbering, section/subsection numbers, and any references thereto.

**Section 3. Severability.** If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the Ordinance or application of the provisions to other persons or circumstances remain unaffected.

**Section 4. Ratification.** Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

**Section 5. Effective Date.** This Ordinance takes effect 30 days after passage and publication, as provided by law.

\_\_\_\_\_  
MAYOR

**ATTEST:**

\_\_\_\_\_  
CITY CLERK

**APPROVED AS TO FORM:**

*Michael M. Young*  
\_\_\_\_\_  
DEPUTY CITY ATTORNEY

**PASSED:**

**APPROVED:**

**PUBLISHED:**

## City of Olympia Parking Strategy: Strategy 5 [Current Draft]

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### Strategy 5: Residential and Employee Parking

*5.1: Convert current residential and employee on-street permits to temporary access permits with a monthly fee.*

As the Downtown continues to redevelop, and land uses change, the City should maintain the flexibility to change parking regulations to support greater demand for short-term parking in the Downtown, and particularly in the core. Reliance on residential and employee on-street permits may also impact the decision for developers and property owners as to whether to build off-street parking. An over-reliance on low-cost on-street parking permits will likely lead to conflicts between long-term parking users and short-term visitor and customer access. Therefore, the City should rebrand the employee and residential on-street parking permits as temporary access permits, require monthly payments for the permits, and maintain the ability to reduce or eliminate the number of on-street permits as short-term parking demand increases.

**Timeline:** Short to mid-term

**Estimated Costs:** Staff costs to update the Municipal Code. May result in reduced permit revenues as the number of permits are reduced, but would likely be offset by increased short-term paid parking revenue.

*5.2: Provide residential and employee off-street parking options through the shared parking program to provide predictable parking options.*

Shared parking programs can be targeted to specific parking users such as visitors, customers, employees, commuters, or event attendees. The City shared parking program should include options for employees and other long-term parking users in the form of monthly or daily permits.

**Timeline:** Short to mid-term

**Estimated Costs:** Staff time to produce educational materials on employee parking and printing costs. Costs for a shared parking program are addressed under the shared parking strategy.

*5.3: Implement a Downtown employee parking education program*

The City should provide more information to employees on available parking options Downtown, including options for on and off-street permits, transit accessibility, and the locations of 9-hour meters that allow all-day parking. The information should be updated on the City's website and through a parking brochure that can be distributed to downtown businesses and organizations such as the Olympia Downtown Alliance (ODA).

**Timeline:** Short to mid-term

**Estimated Costs:** Staff costs to update the Municipal Code.

*5.4: Increase the price of on-street residential and 9-hour meter permits to incentivize the use of off-street parking options. On-street permits costs should be consistent with hourly and daily rates.*

Increasing the cost of permits for on-street parking will encourage the use of off-street alternatives, which is a more appropriate location for long-term parking. The on-street permits for residents are currently \$10 annually and the on-street permits for employees are currently \$60 per month. These prices are not conducive to incentivizing alternative parking in some of the available off-street facilities.

**Timeline:** Short to mid-term

Estimated Revenues:

*RESIDENTIAL PERMITS*

Increasing the price of residential permits from \$10 annually to a varying rate based on zone location could result in around \$136,400 in new annual revenues, assuming the same number of permits are sold. The permits would be sold monthly rather than an annual basis, with the costs more closely aligned with the competing parking options. Figure 18 shows a potential pricing structure with annual pricing replaced by monthly pricing.

Figure 1. Residential Permit Revenues



City of Olympia, 2017; Framework, 2017

## EMPLOYEE PERMITS

Increasing the price of employee permits from \$60 monthly to \$90 monthly would result in around \$72,000 in new revenues, assuming the same number of permits are sold. Currently, it costs \$90 per month to park at the 9-hour meters (during weekdays) when paying for the meter at the daily rate of \$0.50 per hour so the new pricing would be consistent with the hourly pricing structure.

Figure 2. Employee Permit Revenues

	Current	Future	Change
Employee Permits (per month)	200	200	
Cost (per month)	\$60	\$90	\$30
Revenue (annual)	\$144,000	\$216,000	\$72,000

City of Olympia, 2017; Framework, 2017

*5.5: Establish parking user priorities based on the street-fronting ground floor land use for on-street parking. Retail and restaurant uses should have short-term parking while residential uses may have longer-term parking for residents.*

On-street parking should be prioritized to support the ground-floor land uses. For example, on-street parking in front of retail businesses should have short-term time limits and on-street parking on residential streets should prioritize parking for residents and limit long-term parking for commuters and employees. If there is available parking beyond that generated by the priority parking users then other users may be accommodated. Parking management strategies should minimize conflict between parking users and ensure the right users are parking in the right stall. For example, long-term parking users such as residents, employees, and commuters should not be parking in short-term parking stalls intended to support ground-floor commercial uses. Similarly, employees and commuters should not be parking in residential neighborhoods unless authorized by the City.

The City should review the existing and future land use maps and prioritize on-street parking based on the future land use categories. In cases where the existing land use is different than the future land use designation the implementation of new parking user priorities should not occur until the ground floor land use changes to conform with the future land use maps. In areas with different ground floor land uses the management strategy should be driven by the predominant land use and/or the future land use designation.

**Timeline:** Short to mid-term

**Estimated Costs:** Costs would include staff time to review the land use maps and develop the user priorities. Additional staff time costs would be required to make updates to the Municipal Code as parking regulations are changed to reflect new user priorities. New signage and parking meters may also be required in areas that expand paid parking.

*5.6: Review boundaries, time limits, and enforcement of the residential parking zones in the SE Neighborhood Character Area to minimize parking impacts on residential streets from non-residential use.*

Neighborhoods in the Southeast character area of Downtown have a residential parking permit program to limit long-term commuter and employee parking in residential neighborhoods. This strategy is intended to review the existing boundaries of the permit area, enforcement procedures, and the days and times that permits and time limits are in effect to ensure the program is effective. During legislative



sessions demand for longer-term parking in the area may extend beyond typical business hours when permit requirements and time limits aren't in effect. The City's purchase of an LPR unit will increase the efficiency and effectiveness of enforcement and will allow the city to collect parking data in the area. Outreach to residents of the neighborhood will help to understand the current issues of concern that should be addressed in redesigning the program. Depending on the outcome of the program review the days and times that permits and time limits are in effect may be modified to minimize long-term parking on residential streets.

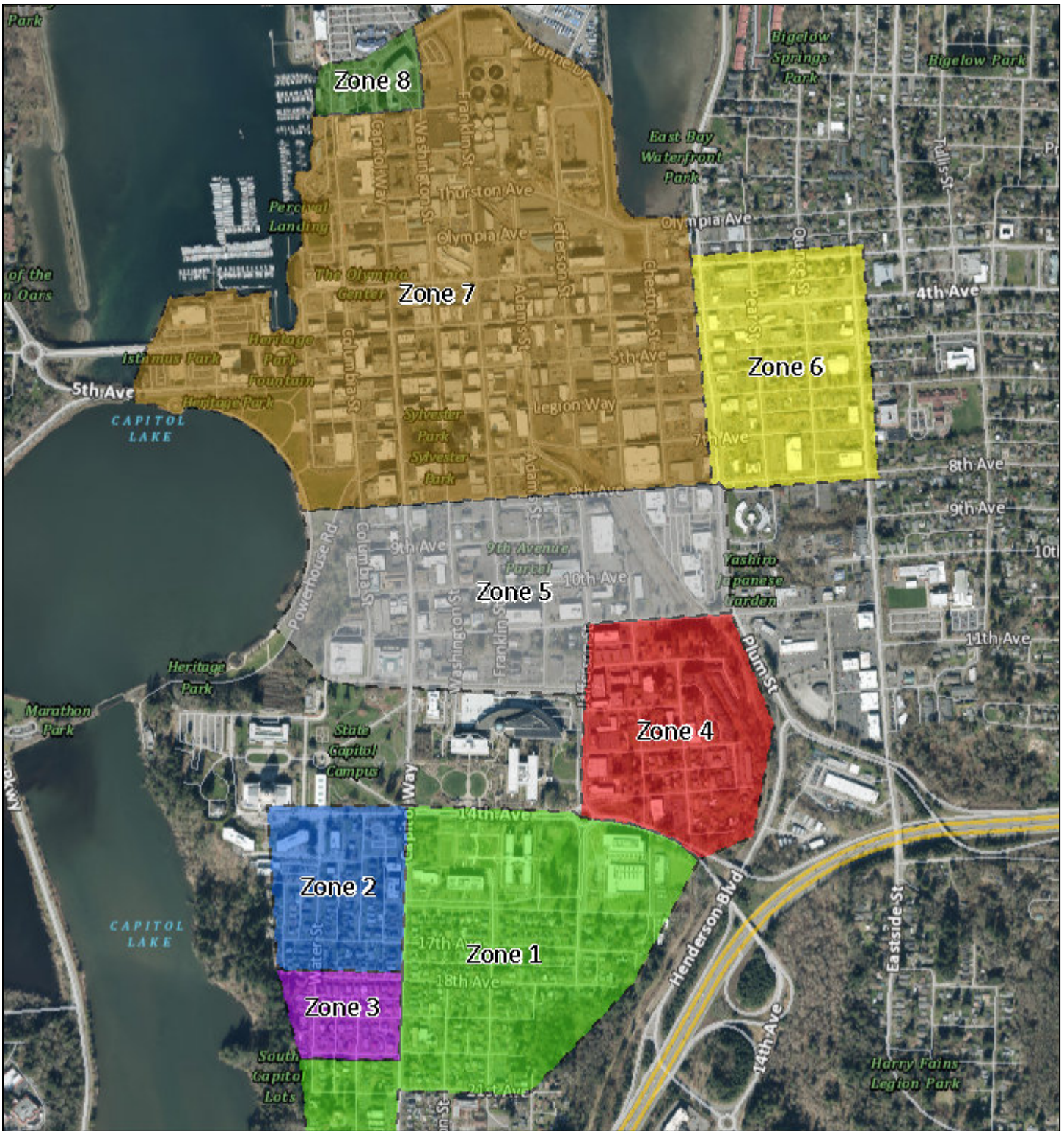
**Timeline:** Short to mid-term

Estimated Costs: Staff time to conduct neighborhood outreach, review the program, and collect data.

May require future updates to the Municipal Code to implement any reforms.

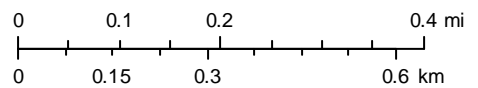
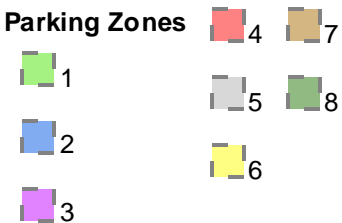


# City of Olympia - Residential Parking Zones



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The City of Olympia and its personnel cannot assure the accuracy, completeness, reliability or suitability of this information for any particular purpose. The parcels, right-of-ways, utilities and structures depicted hereon are based on record information and aerial photos only. It is recommended the recipient and/or user field verify all information prior to use. The use of this data for purposes other than those for which they were created may yield inaccurate or misleading results. The recipient may not assert any proprietary right to this information. The City of Olympia and its personnel neither accept or assume any liability or responsibility, whatsoever, for any activity involving this information with respect to lost profits, lost savings or any other consequential damages.