

Meeting Agenda City Council

City Hall 601 4th Avenue E Olympia, WA 98501

Information: 360.753.8244

Monday, November 6, 2023

6:00 PM

Council Chambers, Online and Via
Phone

Special Meeting Register to Attend:

https://us02web.zoom.us/webinar/register/WN_9t5xLPd9RhaCBntvhTg_1Q

- 1. ROLL CALL
- 1.A ANNOUNCEMENTS
- 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 23-0974 Approval of October 30, 2023 City Council Meeting Minutes

Attachments: Minutes

4.B <u>23-0659</u> Approval of a Resolution Authorizing an Interlocal Agreement Between

the City of Olympia, City of Lacey, City of Tumwater and Thurston County for Administrative Oversight, Pooling and Transfer of Funds to

City of Olympia Page 1 Printed on 11/2/2023

Support a Permanent Supportive Housing Project at Franz Anderson Road

<u>Attachments:</u> Resolution

Agreement

4. SECOND READINGS (Ordinances) - NONE

4. FIRST READINGS (Ordinances) - NONE

- PUBLIC HEARING NONE
- 6. OTHER BUSINESS
- **6.A** 23-0973 Capital Mall Triangle Subarea Update

Attachments: Public Outreach Summary

Project Webpage

- **6.B** 23-0972 Consideration of Transportation Revenue for Capital Projects
- 7. CONTINUED PUBLIC COMMENT

(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
- 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 Council

Approval of October 30, 2023 City Council Meeting Minutes

Agenda Date: 11/6/2023 Agenda Item Number: 4.A File Number: 23-0974

Type: minutes Version: 1 Status: Consent Calendar

Title

Approval of October 30, 2023 City Council Meeting Minutes



Meeting Minutes - Draft City Council

City Hall 601 4th Avenue E Olympia, WA 98501

Information: 360.753.8244

Monday, October 30, 2023

6:00 PM

Council Chambers, Online and Via
Phone

Special Meeting Register to Attend:

https://us02web.zoom.us/webinar/register/WN_xNgh-yByTaCblqqt_JhBog

1. ROLL CALL

Present: 5 - Mayor Cheryl Selby, Councilmember Yến Huỳnh, Councilmember

Dani Madrone, Councilmember Lisa Parshley and Councilmember

Dontae Payne

Excused: 2 - Mayor Pro Tem Clark Gilman and Councilmember Jim Cooper

1.A ANNOUNCEMENTS - None

1.B APPROVAL OF AGENDA

The agenda was approved.

2. SPECIAL RECOGNITION - None

3. PUBLIC COMMENT

The following people spoke: Bob Ziegler, Mark Fleming, Leslie Cushman and Danielle Westbrook.

4. CONSENT CALENDAR

4.A 23-0955 Approval of October 24, 2023 City Council Meeting Minutes

The minutes were adopted.

4.B 23-0957 Approval of Payroll Certification August 15, 2023 Through October 15,

2023

Payroll check numbers 94221-94278, 94281-94292 and Direct Deposit transmissions: Total: \$10,147,851.69.

The decision was adopted.

4.C 23-0947 Acceptance of the 2023 Police Auditor Mid-Year Report

The decision was adopted.

4.D 23-0952 Approval of the 2023 City Council Guidebook

The decision was adopted.

4.E 23-0956 Approval of a Resolution Declaring that the City of Olympia Supports the

United States Entry into the Treaty To Prohibit Nuclear Weapons

The resolution was adopted.

4.F 23-0945 Approval of a Resolution Authorizing a Right-Of-Way Use Agreement with

Olympia Coffee Roasting Co.

The resolution was adopted.

4.G Approval of a Resolution Authorizing a Right-Of-Way Use Agreement with Well 80 Real Estate, LLC.

The resolution was adopted.

4. SECOND READINGS (Ordinances)

4.H 23-0900 Approval of an Ordinance Amending Olympia Municipal Code Chapters

4.70 Related to Residential Parking

The ordinance was adopted on second reading.

Approval of the Consent Agenda

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

Aye: 5 - Mayor Selby, Councilmember Huỳnh, Councilmember Madrone,

Councilmember Parshley and Councilmember Payne

Excused: 2 - Mayor Pro Tem Gilman and Councilmember Cooper

4. FIRST READINGS (Ordinances) - None

5. PUBLIC HEARING

5.A Public Hearing and Informational Meeting for Water System Consumers on the Draft 2021-2026 Water System Plan

Engineering and Planning Supervisor Susan Clark presented an overview of the Drinking Water Utility and the Draft 2021-2026 Water System Plan.

The hearing was opened at 6:39 p.m. No one spoke. The public hearing was closed at

6:39 p.m.

The public hearing was held and closed.

5.B Public Hearing on the 2024 Ad Valorem Tax

Finance Director Aaron BeMiller gave an overview of the proposed 2024 Ad Valorem Tax.

Mayor Selby opened the hearing at 6:49 p.m. No one spoke. The public hearing was closed at 6:49 p.m.

The public hearing was held and closed.

6. OTHER BUSINESS

Excused:

6.A 23-0953 Approval of Recommendations for an Olympia Youth Council

Councilmember Huỳnh moved, seconded by Councilmember Parshley, to approve the recommendations related to standing up an Olympia Youth Council. The motion carried by the following vote:

Aye: 5 - Mayor Selby, Councilmember Huỳnh, Councilmember Madrone, Councilmember Parshley and Councilmember Payne

2 - Mayor Pro Tem Gilman and Councilmember Cooper

6.B 23-0951 2024 Preliminary Budget Briefing

Councilmembers received briefings regarding the preliminary 2024 Operating Budget including rates for Parking & Business Improvement Area (PBIA) Board, special revenue and a balancing update.

The following staff presented:

Community Planning and Development Director Leonard Bauer

Community Planning and Development Deputy Director Tim Smith

Director of Climate Programs Dr. Pamela Braff

Cultural Access Program Manager Marygrace Goddu

Cultural Access Program Specialist Amelia Layton

Community Planning and Development Senior Program Specialist Max DeJarnatt

Director of Housing and Homeless Response Darian Lightfoot

Water Resources Director Jesse Barham

Waste Resources Director Gary Franks

Drinking Water Utility Director Mike Vessey

Public Works Transportation Director Sophie Stimson

City Manager Jay Burney

Councilmember Cooper arrived during the briefing.

Councilmembers asked clarifying questions.

The information was provided.

7. CONTINUED PUBLIC COMMENT - None

8. COUNCIL INTERGOVERNMENTAL/COMMITTEE REPORTS AND REFERRALS

Councilmembers reported on meetings and events attended.

9. CITY MANAGER'S REPORT AND REFERRALS - None

10. ADJOURNMENT

The meeting adjourned at 9:53 p.m.

City of Olympia Page 4



City Council

Approval of a Resolution Authorizing an Interlocal Agreement Between the City of Olympia, City of Lacey, City of Tumwater and Thurston County for Administrative Oversight, Pooling and Transfer of Funds to Support a Permanent Supportive Housing Project at Franz Anderson Road

Agenda Date: 11/6/2023 Agenda Item Number: 4.B File Number:23-0659

Type: resolution Version: 1 Status: Consent Calendar

Title

Approval of a Resolution Authorizing an Interlocal Agreement Between the City of Olympia, City of Lacey, City of Tumwater and Thurston County for Administrative Oversight, Pooling and Transfer of Funds to Support a Permanent Supportive Housing Project at Franz Anderson Road

Recommended Action Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve a Resolution authorizing an Interlocal Agreement between the City of Olympia, City of Lacey, City of Tumwater and Thurston County for administrative oversight, pooling and transfer of funds to support a permanent supportive housing project at Franz Anderson Road.

Report

Issue:

Whether to approve a Resolution authorizing an Interlocal Agreement between the City of Olympia, City of Lacey, City of Tumwater and Thurston County for administrative oversight, pooling and transfer of funds to support a permanent supportive housing project at Franz Anderson Road.

Staff Contact:

Jacinda Steltjes, Affordable Housing Program Manager, Community Planning & Development/Housing & Homeless Response, #360.753.8482

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

Type: resolution Version: 1 Status: Consent Calendar

In March 2022, City of Olympia purchased property, parcels 58900000300, 58900000301, 58900000400, 58900000500, and 58900000600 along Franz Anderson Road SE to be used for affordable housing purposes. In February 2023, a competitive Solicitation of Interest was issued by City of Olympia Housing and Homeless Response staff to identify an organization to develop the parcels into permanent supportive housing. The project will provide housing and supportive services to homeless individuals, many who are being relocated from state rights-of-ways through the State's rights-of-way safety initiative or from the Franz Anderson tiny home village.

On June 20, 2023, City of Olympia City Council approved a Real Estate Purchase and Sale Agreement with Low Income Housing Institute (LIHI) to purchase the property and construct the project. The project has the support of the Regional Housing Council and its membership jurisdictions. As such, the City of Lacey has pledged \$3,500,000 in general funds to the development of the project. The City of Tumwater has pledged \$275,000 in general funds. Thurston County has pledged \$3,000,000 in American Rescue Plan Act Coronavirus State Local Fiscal Recovery Funds (SLFRF) funds. The Interlocal Agreement allows for these funds to be transferred to the City of Olympia and permits the City to have administrative oversight of the funds and the project, to include approving funding draw requests from LIHI for the development of the permanent supportive housing project.

Climate Analysis:

The Interlocal Agreement is necessary to facilitate the construction of the permanent supportive housing project. The project will be located near a high-frequency transit corridor with bus service every 15 minutes along Martin Way SE. LIHI proposes maintaining a small grove of trees located along the south border of the property. In addition to providing natural space, the trees are a naturally occurring way to minimize roadway noise. The development will comply with the Evergreen Sustainable Development Standards. City staff will work with LIHI as the project design is finessed to incorporate design standards intended to mitigate climate change.

Equity Analysis:

The Interlocal Agreement is necessary to facilitate the construction of the permanent supportive housing project. The project will serve Olympia and Thurston County residents whose incomes do not exceed 30% of area median income by household size and who are homeless. This project addresses existing gaps in affordable housing availability and provides housing for marginalized populations who are over-represented in the county-wide homeless system.

People of color and other marginalized populations are over-represented in Thurston County's homeless population. According to Thurston County's 5-Year Homeless Crisis Response Plan, people of color make up 18% of the general population in Thurston County, however 32% of people experiencing homelessness are people of color.

Additionally, according to a Housing Needs Assessment produced in January 2021 by Thurston Regional Housing Council, there are two critical housing gaps that hinder Thurston County's ability to address both short-term and long-term homelessness. Those gaps are a lack of permanent supportive housing and of housing units which are affordable to households whose income is at or below 30% of area median income by household size.

Neighborhood/Community Interests (if known):

Type: resolution Version: 1 Status: Consent Calendar

There are no known neighborhood or community concerns with the Interlocal Agreement.

Financial Impact:

The Interlocal Agreement serves as an obligation of funds for general funds and the American Rescue Plan Act SLFRF funding. Federal Department of Treasury requires the SLFRF funds be obligated no later than December 2024 and fully drawn no later than December 2026. If the Interlocal Agreement is not executed in a timely manner Thurston County may decide to use its SLFRF funding in an alternative manner.

Additionally, the Department of Treasury could recapture the SLFRF funds from Thurston County if they are not obligated in a timely manner. Losing the funds would negatively impact the project's financing and the developer would have to find alternative financing to account for the loss of \$6,775,000 needed to develop the project.

Options:

- Move to approve a Resolution authorizing an Interlocal Agreement between the City of Olympia, City of Lacey, City of Tumwater and Thurston County for administrative oversight, pooling and transfer of funds to support a permanent supportive housing project at Franz Anderson Road.
- 2. Approve the Resolution authorizing the execution of Interlocal Agreement as modified.
- 3. Do not approve the Resolution authorizing the execution of the Interlocal Agreement.

Attachments:

Resolution Agreement

| RESOLU | JTION | NO. | |
|--------|-------|-----|--|
| | | | |

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON, APPROVING AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF OLYMPIA, CITY OF LACEY, CITY OF TUMWATER, AND THURSTON COUNTY FOR POOLING AND TRANSFER OF FUNDS TO SUPPORT PERMANENT SUPPORTIVE HOUSING AT FRANZ ANDERSON ROAD AND FOR ADMINISTRATIVE OVERSIGHT

WHEREAS, RCW 39.34.010 permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities; and

WHEREAS, pursuant to RCW 39.34.080, each party is authorized to contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform: provided, that such contract must be authorized by the governing body of each party to the contract and must set forth its purposes, powers, rights, objectives, and responsibilities of the contracting parties; and

WHEREAS, the City of Olympia ("City") in February 2023 issued a Solicitation of Interest to develop real property located on Franz Anderson Road in Olympia, Washington, as permanent supportive housing; and

WHEREAS, City selected Low Income Housing Institute ("LIHI") to develop the property in June 2023; and

WHEREAS, Olympia City Council approved a Real Estate Purchase and Sale Agreement with Low Income Housing Institute ("LIHI") for the sale of the real property consisting of Tax Parcel (TPN) Numbers 5890000300, 58900000301, 58900000400, 58900000500, and 58900000600, located near Franz Anderson Road in the City of Olympia, Thurston County, Washington ("Property"), to LIHI on June 20, 2023; and

WHEREAS, the Real Estate Purchase and Sale Agreement between the City and LIHI for the Property was executed on June 21, 2023; and

WHEREAS, the City and LIHI specifically agreed that the Property shall be used in perpetuity to provide low income affordable housing as defined in RCW 36.70A.030(2) and permanent supportive housing as defined in RCW 36.70A.030(19) ("Project"); and

WHEREAS, the Cities of Olympia, Lacey, Tumwater and Thurston County are all members of the Regional Housing Council, which 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; and

WHEREAS, the City of Tumwater has agreed to provide \$275,000 in general funds toward the development of the Project; and

WHEREAS, the City of Lacey has agreed to provide \$3,000,000 in general funds toward the development of the Project; and

WHEREAS, Thurston County has identified \$3,500,000 in Coronavirus SLFRF (State and Local Fiscal Recovery Funds) funds for the development of the Project; and

WHEREAS, the City of Olympia, City of Tumwater, City of Lacey, and Thurston County agree that the funding should be pooled and transferred to the City of Olympia, as the seller of the Property, and that the City of Olympia should administratively manage and provide oversight of the funds and the Project as agreed under the terms of the Interlocal Agreement.

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

- The Olympia City Council hereby approves the Interlocal Agreement Between the City of Olympia, City of Lacey, City of Tumwater, and Thurston County for the Pooling and Transfer of Funds to Support Permanent Supportive Housing Project at Franz Anderson Road, and for the City of Olympia to provide administrative management and oversight of the regional funding for the Franz Anderson Road Permanent Supportive Housing project, pursuant to the terms and conditions contained therein.
- 2. The City Manager is directed and authorized to execute the attached Interlocal Agreement on behalf of the City of Olympia, and to make any minor modifications as may be required and are consistent with the intent of aforesaid Interlocal Agreement, or to correct any scrivener's errors.

| PASSED BY THE OLYMPIA CITY COUNCIL UIS | uay oi | , 2023. |
|--|--------|---------|
| | | |
| | MAYOR | |
| ATTEST: | | |
| | | |
| CITY CLERK | | |
| APPROVED AS TO FORM: | | |
| | | |
| Mark Barber | | |

CITY ATTORNEY

INTERLOCAL AGREEMENT BETWEEN THE CITY OF OLYMPIA, CITY OF LACEY, CITY OF TUMWATER AND THURSTON COUNTY

FOR

POOLING AND TRANSFER OF FUNDS TO

SUPPORT PERMANENT SUPPORTIVE HOUSING PROJECT AT FRANZ ANDERSON ROAD

THIS INTERLOCAL AGREEMENT ("Agreement") is between the City of Olympia, a municipality organized under the laws of the State of Washington ("OLYMPIA"), the City of Lacey, a municipality organized under the laws of the State of Washington ("LACEY"), the City of Tumwater, a municipality organized under the laws of the State of Washington ("TUMWATER"), and Thurston County, a Washington municipal corporation, ("COUNTY"), jointly referred to herein as "the Parties," or singularly as a "Party."

RECITALS

WHEREAS, RCW 39.34.010 permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and

WHEREAS, pursuant to RCW 39.34.080, each party is authorized to contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform; provided, that such contract shall be authorized by the governing body of each party to the contract and shall set forth its purposes, powers, rights, objectives and responsibilities of the contracting parties; and

WHEREAS, unsheltered and unmanaged homelessness constitutes a public health emergency that requires the Parties to coordinate their resources and actions to work together to abate detrimental effects that threaten public health and safety; and

WHEREAS, the Parties do not have sufficient resources to address the ongoing impacts or needs of unsheltered homelessness without mutual cooperation; and

WHEREAS, the Regional Housing Council supports the development of a permanent supportive housing project at the Franz Anderson Road property; and

WHEREAS, the development of a permanent supportive housing project at Franz Anderson Road property is aligned with the Permanent Supportive Housing Strategic Framework adopted

by the Regional Housing Council in 2021 with the intent of funding 200 new permanent supportive housing units in Thurston County by 2024; and

WHEREAS, the Franz Anderson Road project was included in a proposal awarded funding through the State Rights of Way Safety Initiative, an initiative of the Washington State Governor's Office; and

WHEREAS, in March 2021, the American Rescue Plan Act of 2021 (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to provide State, local, and Tribal Governments with the resources needed to respond to the pandemic and its economic effects; and

WHEREAS, local governments may transfer SLFRF funds to each other provided the entity receiving the funds agrees to certain conditions applicable to a subrecipient; and

WHEREAS, the COUNTY has identified \$3,500,000 in SLFRF funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property; and

WHEREAS, TUMWATER has identified \$275,000 in general funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property; and

WHEREAS, LACEY has identified \$3,000,000 in General Funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property; and

WHEREAS, this Interlocal Agreement stands as an obligation of SLFRF and General Fund funds, thereby meeting the U.S. Department of Treasury commitment deadline of December 31, 2024; and

WHEREAS, in accordance with the Coronavirus State and Local Fiscal Recovery Funds Interim Rule, SLFRF funds must be obligated no later than December 31, 2024, and fully expended no later than December 31, 2026; and

WHEREAS, as permitted by the Coronavirus State and Local Fiscal Recovery Fund Interim Rule, the funds will be pooled and managed by OLYMPIA; and

WHEREAS, the pooled funds will be disbursed by OLYMPIA on a cost reimbursement basis to Low Income Housing Institute (LIHI) to construct the permanent supportive housing at the Franz Anderson Road Property; and

WHEREAS, LIHI has proposed a development timeline that meets the SLFRF expenditure deadline of December 31, 2026 (see, Exhibit "C");

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties agree as follows:

1. Purpose/Objective/Funding

The purpose of this Agreement is to accommodate for the transfer of funding available for affordable housing capital projects and originating from LACEY, TUMWATER, and COUNTY to OLYMPIA so that the funding may be pooled; committed by contract to be applied toward the development of a permanent supportive housing project (hereinafter "the Project") proposed to occur at the Franz Anderson Road property (hereinafter "the Property"), as legally described in Exhibit "A" attached hereto; and managed by OLYMPIA in connection to the Project.

- **A.** COUNTY has spent \$825,547 towards acquisition of the real property located on Franz Anderson Road and identified \$3,500,000 in SLFRF funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property.
- **B.** LACEY has identified \$3,000,000 in General Funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property.
- **C.** TUMWATER has identified \$275,000 in general funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property.
- **D.** OLYMPIA has spent \$825,547 in ARPA funds towards acquisition of the real property located on Franz Anderson Road.
- **E.** In the event LIHI is unable to construct the Franz Anderson Road project after financial closing occurs, any party to this Agreement may withdraw. Upon withdrawal of any party, OLYMPIA shall return to such party all funds transferred by such party to OLYMPIA pursuant to this Agreement.

2. Scope of Agreement/Work

The responsibilities of the Parties are as follows:

- **A**. OLYMPIA shall communicate with LACEY, TUMWATER, and COUNTY to indicate when the Project has demonstrated full funding and is ready to start construction.
- **B.** LACEY, TUMWATER, and COUNTY shall facilitate the transfer of funds intended for the development of the Project to OLYMPIA, on a reimbursement basis, at the time that LIHI can demonstrate the Project is fully funded at the time of financial closing and construction is ready to commence. OLYMPIA will process draws by LIHI of funds only after execution of an agreement between OLYMPIA and LIHI that requires LIHI to submit an invoice package to OLYMPIA that includes the percentage of the project completed, what

funding amount is being requested, what the funds cover regarding work performed, and approval of the funds requested, and activities conducted as issued by the project architect. Prior to any payment to LIHI, OLYMPIA will visit the project site to confirm with photographic evidence the work performed. The agreement between OLYMPIA and LIHI shall require that invoice packages requesting funds shall be submitted by LIHI to all funders.

C. OLYMPIA shall perform the following:

- Coordinate with other State and private funders regarding financing of the Project;
- Approve funding draws submitted by LIHI for the Project;
- Prioritize SLFRF funds to be drawn prior to other funds to ensure compliance with the associated expenditure deadline, as communicated in the Interim Rule or as amended;
- Monitor the Project throughout the construction phase to ensure the Project is timely and in compliance with SLFRF and other requirements;
- Ensure that LIHI will perform all covenants in the Real Estate Purchase and Sale Agreement between OLYMPIA and LIHI (see, Exhibit "A"), including but not limited to LIHI pursuing project-based vouchers from the Housing Authority of Thurston County to meet affordability requirements; that LIHI shall utilize Thurston County's coordinated entry system to place persons into housing units to be constructed upon the Property; that LIHI shall give initial preference to single adults and couples associated with the State of Washington's Rights-of-Way Safety Initiative exiting OLYMPIA's tiny house village and then to single adults and couples associated with the State of Washington's Rights-of-Way Safety Initiative exiting Maple Court until Maple Court has been converted from an enhanced shelter to permanent supportive housing or has been funded for said conversion; that LIHI will use its best efforts to have Sea Mar Community Health Centers provide behavioral health services for tenants in the multi-family housing units to be constructed upon the Property; that LIHI shall provide two case managers who will have offices on-site in the project to be constructed on the Property; and that LIHI will operate with a low-barrier model and will offer consistent and accessible supportive services to eligible tenants but will not require tenants to participate in services as a condition of receiving housing.
- Ensure that LIHI shall execute and record a Restrictive Covenant as required by the Real Estate Purchase and Sale Agreement between OLYMPIA and LIHI, dictating that the Property shall be used for affordable housing in perpetuity;
- Execute any other agreements needed by LIHI to facilitate State, Federal, or private funding necessary to develop the Project;
- Provide periodic Project updates, as requested, to the Regional Housing Council;
- Close out the Project upon completion of development and upon lease up of Project.

D. Each Party to this Agreement is responsible for paying the full cost of its respective staff members to support this project.

- **E**. The Parties shall have the opportunity to jointly participate in any neighborhood outreach or communications to facilitate open communications between the Parties, residents and surrounding businesses, or property owners.
- F. OLYMPIA, as a recipient of SLFRF funds from the COUNTY, agrees to comply with the conditions, that are attached and incorporated herein by reference as Exhibit "B". The Final Rule, Treasury FAQs, and other Treasury guidance related to the award of funds herein is hereby incorporated by reference into this Agreement.
- **G.** OLYMPIA has performed an objective comparison required for capital expenditures of \$1,000,000 or more using SLFRF described in Final Rule, pp. 53-55. The harm or need to be addressed by the Franz Anderson Road project is to provide housing units for low income persons who are without homes in Thurston County, Washington. Capital expenditure is necessary to construct housing units for extremely low income individuals to reduce human suffering and risk to human health and welfare. The housing units to be constructed are for persons unable to afford market rate housing units.

3. Method of Payment

LACEY, TUMWATER, and COUNTY shall provide their respective portions of funding for the Project to OLYMPIA via wire transfer. The parties agree that OLYMPIA shall provide an opportunity to LACEY, TUMWATER, and COUNTY to review all contracts and subawards prior to execution for a period of thirty (30) days before processing same for payment.

4. Indemnification & Insurance

LACEY, TUMWATER, and COUNTY agree to defend, indemnify and hold OLYMPIA, its officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits including reasonable attorney fees, arising out of or in connection with OLYMPIA's responsibilities under this Agreement, except to the extent such injuries and damages are caused by the negligence of OLYMPIA.

OLYMPIA agrees to defend, indemnify and hold LACEY, TUMWATER, and COUNTY, and their officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits including reasonable attorney fees, arising out of or in connection with LACEY's, TUMWATER's, and COUNTY's responsibilities under this Agreement, except to the extent such injuries and damages are caused by the negligence of LACEY, TUMWATER, and COUNTY.

5. Duration of Agreement

This Agreement shall be effective until terminated in the manner described under the termination section of this Agreement, or upon completion of construction and issuance of a final certificate of occupancy by OLYMPIA and payment of all obligations under this Agreement.

6. Termination of Agreement

This Agreement may be terminated upon ninety (90) days' written notice to the other Parties using the method of notice provided for in this Agreement in Section 12 below.

7. Entire Agreement

This Agreement sets forth all terms and conditions agreed upon by the Parties and supersedes any and all prior agreements, oral or otherwise, with respect to the subject matter and property addressed herein.

8. Recitals Incorporated

The recitals set forth above are hereby incorporated into this Agreement as though fully set forth herein.

9. Counterparts

This Agreement may be executed in a number of identical counterparts which, taken together, constitute collectively one Agreement; but in making proof of this Agreement, it is not necessary to produce or account for more than one such counterpart. Additionally, (i) the signature pages taken from separate individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (ii) a facsimile signature or an electronically scanned signature, or an electronic or digital signature where permitted by law, shall be deemed to be an original signature for all purposes. All executed counterparts of this Agreement are originals, but all such counterparts, when taken together, constitute one and the same Agreement.

10. Posting or Recording

Prior to its entry into force, this Agreement shall be posted upon the websites of the Parties or other electronically retrievable public source or filed with the Thurston County Auditor's Office or as required by RCW 39.34.040.

11. Employment Relationship

Employees of all Parties shall remain at all times under the direction and control of their original agency and the performance of work for any other agency pursuant to this Agreement shall not change that relationship for any purpose. No Parties shall be deemed to have agreed to pay the other agency's employees any wages or benefits afforded to its own employees. Further, each Party's responsibilities to its own employees for workplace injuries shall remain unchanged by this Agreement.

12. Notice/Contract Representative

Any notice required under this Agreement shall be to the party at the address listed below and shall become effective three days following the date of deposit in the United States Postal Service.

CITY OF OLYMPIA

Attn: Darian Lightfoot Housing Manager City of Olympia PO Box 1967 Olympia, WA 98507-1967 dlightfo@ci.olympia.wa.us 360.753.8033

THURSTON COUNTY

Attn: Thomas Webster Thurston County 412 Lilly Road Olympia, WA 98506 Thomas.webster@co.thurston.wa.us 360.280.6265

CITY OF LACEY

Attn: Rick Walk City of Lacey 420 College St. SE Lacey, WA 98503 rwalk@ci.lacey.wa.us (360) 438-2638

CITY OF TUMWATER

Attn: Lisa Parks 555 Israel Road SW Tumwater, WA 98501 (360) 754-4120

13. Records

Each party shall maintain its own public records and shall be solely responsible for responding to records requests received about the subject matter of this Agreement. Any public records request addressed to the Parties as if this interlocal created a separate legal entity, shall be deemed to be a request received by each party individually. Each party shall respond separately, unless agreed to otherwise in writing and properly documented. The parties agree to cooperate in responding to requests for public records received about the subject matter of this Agreement.

14. Jurisdiction and Venue

This Agreement shall be governed by the laws of the State of Washington as to interpretation and performance. The Parties hereby agree that venue for enforcement of this Agreement shall be in the Superior Court of Washington for Thurston County.

15. Effective Date

This Agreement shall take effect upon the final signature date affixed hereto.

16. Modification

This Agreement may only be changed, amended, or modified, if in writing, and executed by each of the Parties hereto.

SIGNATURES ON FOLLOWING PAGE

| CITY OF OLYMPIA | | |
|---|------|--|
| Steven J. Burney, City Manager | Date | |
| Approved as to form: | | |
| Mark Barber City Attorney | | |
| THURSTON COUNTY | | |
| Robin Campbell, Interim County Manager | Date | |
| Approved as to form: | | |
| Chief Civil Deputy Prosecuting Attorney | | |
| CITY OF LACEY | | |
| Rick Walk, City Manager | Date | |
| Approved as to form: | | |
| City Attorney | | |
| CITY OF TUMWATER | | |
| Debbie Sullivan, Mayor | Date | |
| Approved as to form: | | |
| City Attorney | | |

EXHIBIT "A" REAL ESTATE PURCHASE AND SALE AGREEMENT BETWEEN CITY OF OLYMPIA AND LIHI

REAL ESTATE PURCHASE AND SALE AGREEMENT

This REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement") is between the City of Olympia, a municipality organized under the laws of the State of Washington ("Seller"), and Low Income Housing Institute (LIHI), a Washington nonprofit corporation ("Buyer"), jointly referred to as "the Parties." This Agreement shall not be effective until the "Effective Date" (as defined in Paragraph 18.16 below).

RECITALS

Seller is the owner of certain real property ("Property") located in the **City of Olympia**, **Thurston County**, **Washington**, consisting of TPN Nos. 58900000300, 58900000301, 58900000400, 58900000500, and 58900000600 and located near Franz Anderson Road in Olympia, Thurston County, Washington, and more particularly described on **Exhibit "A"** (legal description) and shown on **Exhibit "B"** (sketch) attached hereto and by this reference incorporated herein.

Pursuant to the Washington State Constitution, Article VIII, § 7, Seller is permitted to make provision for the necessary support of the poor and infirm. The Seller intends, and the Parties agree, that the Property shall be used to construct permanent supportive housing and facilities in a multi-family rental project as the term "permanent supportive housing" is defined in RCW 36.70A.030(19), which is defined as subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors, and no other purpose except as expressly agreed by the Parties herein.

The Parties specifically agree that the Property shall in perpetuity be used to provide affordable housing as defined in RCW 36.70A.030(2) and permanent supportive housing as defined in RCW 36.70A.030(19). Buyer proposes, and Seller agrees, that the project to be constructed upon the Property will consist of approximately seventy (70) studio and one-bedroom housing units, with one additional one-bedroom unit for an on-site manager (the "Project"). Unit sizes will range from approximately 470 to 630 square feet. An estimated thirty (30) housing units will be accessible to disabled persons. Approximately thirty-five (35) housing units will be studio units designated for households with Area Median Income (AMI) of thirty percent (30%) or less by household size. The remaining thirty-five (35) units will be one-bedroom housing units designated for households with Area Median Income (AMI) at or below thirty percent (30%) by household size. At no time will tenants occupying these housing units pay an amount for rent and utilities that exceeds thirty percent (30%) of their income. Buyer agrees it will pursue project-based vouchers from the Housing Authority of Thurston County to meet affordability requirements.

It is further agreed by the Parties that Buyer shall utilize Thurston County's coordinated entry system to place persons into housing units to be constructed upon the Property. Preference will be given by Buyer to single adults and couples exiting Seller's tiny house village associated

with the State of Washington's Rights-of-Way Safety Initiative. Further, it is proposed by Buyer, and agreed by Seller, that best efforts will be made to have Sea Mar Community Health Centers provide behavioral health services for tenants in the multi-family housing units to be constructed upon the Property. Further, Buyer shall provide two case managers who will have offices on-site in the Project. Buyer proposes, and Seller agrees, that the Project will operate with a low-barrier model and will offer consistent and accessible supportive services to eligible tenants but will not require tenants to participate in services as a condition of receiving housing.

Buyer anticipates utilizing regional funds, including American Rescue Plan Act funds in an amount of approximately \$6.7 million in the development of the Project. Buyer shall use all reasonable due diligence to enter into an agreement to commit these regional funds no later than November 2024, and to fully draw these funds no later than December 2026 in connection with the housing project. The goal of the Parties is to have housing units upon the Property in service no later than April 2026.

The Parties agree and covenant that the use of the Property shall be subject to a restrictive covenant limiting the Property's use in perpetuity for affordable housing as defined in RCW 36.70A.030(2) and (19), as now or hereafter amended by law.

Buyer has determined that the Property is suitable for providing affordable housing and housing-related services and programs for persons experiencing homelessness, housing insecurity, or inability to secure affordable housing in Thurston County, Washington. Seller and Buyer agree that the Property is appropriate and suitable for redevelopment to provide new construction of affordable housing and facilities providing housing-related facilities and programs. Further, as additional consideration to Seller, Buyer agrees to comply with Olympia City Council Resolution No. M-2289, a copy of which is attached hereto and incorporated herein as "Exhibit F" to this Agreement, requiring new construction of housing units upon the Property to meet requirements for electrification, except where exemptions are necessary due to physical space limitations, availability of technology, or cost constraints as set forth in Section 2 of Resolution No. M-2289.

The signatories to this Agreement acknowledge they are authorized to execute associated documents, to correct legal descriptions, if necessary, and to correct scrivener's errors and other errors or omissions that are otherwise in substantial conformance with this Agreement.

The Parties now enter into this Agreement to memorialize the terms and conditions under which Seller will sell the Property to Buyer and Buyer will purchase the Property from Seller.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Property.** Subject to the terms and conditions of this Agreement, Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, the following:

- 1.1 **Land.** The real property constituting the Property legally described on **Exhibit "A"** to this Agreement and generally shown on a sketch attached as **Exhibit "B"** to this Agreement "as is."
- 1.2 **Appurtenances.** All rights, privileges, and easements appurtenant to the Property owned by Seller, including without limitation any and all leases, subleases, easements, rights-of-way and other appurtenances, including any buildings, structures or fixtures, if any, used in connection with the beneficial use and enjoyment of the Property (the "Appurtenances").

The Property and Appurtenances described in Paragraph 1 above are collectively referred to in this Agreement as the "Property."

- **2. Escrow.** Within thirty (30) business days after the Effective Date of this Agreement as defined in Paragraph 18.16, the Parties shall confirm that an escrow account is opened for the transaction contemplated by this Agreement with Thurston County Title Company (in such capacity, "Escrow Company"). Jen Dempsey or another designee of Escrow Company will serve as escrow agent for Closing of this Agreement ("Escrow Agent"). The Parties shall deliver a fully executed copy of this Agreement to Escrow Agent.
- 3. Purchase Price. The purchase price to be paid by Buyer to Seller for the Property (the "Purchase Price") is One Dollar and NO/100 Cents (\$1.00) U.S., together with other additional nonmonetary consideration consisting of a Restrictive Covenant to be recorded upon the Property, limiting the Property's use in perpetuity for affordable housing as defined in RCW 36.70A.030(2) and (19), as now or hereafter amended by law, and providing for electrification of all new construction upon the Property, except where exemptions are necessary due to physical space limitations, availability of technology, or cost constraints as set forth in Section 2 of Olympia City Council Resolution No. M-2289, a copy of which is attached hereto and incorporated herein as "Exhibit F" to this Agreement.
- **4. Payment of Purchase Price**. On the Closing Date, Buyer shall deposit with Escrow Agent the amount of the Purchase Price, less any amounts to be credited against the Purchase Price, pursuant to this Agreement.
- 5. Closing Date. The Closing (the "Closing") of the purchase and sale of the Property under this Agreement shall be held at the offices of the Escrow Company, and shall occur on or before February 29, 2024, unless otherwise agreed in writing by the Parties. Closing shall occur when the Deed to Buyer and the Restrictive Covenant (as hereinafter defined) are executed and recorded, and the Purchase Price is delivered to the Escrow Company for delivery to Seller.

6. Title and Survey Matters.

6.1 **Title Binder and Survey**. Buyer shall order a preliminary commitment for an ALTA owner's extended coverage title insurance policy provided by Thurston County Title Insurance Company ("Title Company") describing the Property, showing all matters of record pertaining to the Property and listing Buyer as the prospective named insured. Following the mutual execution of this Agreement, Buyer shall obtain from Title Company a written

supplemental report to such preliminary commitment in a form acceptable to Buyer, updating the preliminary commitment to the execution date of the Agreement. Such preliminary commitment, supplemental reports and true, correct, and legible copies of all documents referred to in such preliminary commitment and supplemental reports as conditions or exceptions to title to the Property are collectively referred to herein as the "Title Binder." Buyer may order a survey of the Property (the "Survey").

- 6.2 Title Review. Within sixty (60) business days after Buyer's receipt of the updated Title Binder and Survey, Buyer shall review the Title Binder and any surveys of the Property, and shall notify Seller what exceptions to title, if any, affect the marketability or insurability of the title to the Property or which adversely affect the use of the Property (the "Title Review Period"). If no title matters appear in the updated Title Binder since the initial preliminary commitments, then the Parties shall proceed to Closing as set forth in this Agreement. If any title matters appear and Buyer objects to any of the same during the Title Review Period, then Seller shall have thirty (30) business days after receiving Buyer's objections to notify Buyer if Seller will remove any of the exceptions objected to prior to the Closing Date or if Seller elects not to remove such objected to exceptions. If Seller shall fail to remove any such exceptions objected to by Buyer from title prior to the Closing Date, and Buyer is unwilling to take title subject thereto, Buyer may elect to either terminate this Agreement, or take title despite the existence of such exception. If Buyer elects to terminate, neither Buyer nor Seller shall have any further liabilities, obligations or rights with regard to this Agreement which shall then become null and void and of no further force or effect.
- 6.3 **Title Policy**. At Closing, Seller and Buyer shall cause Title Company to issue a standard ALTA owner's policy ("Title Policy") to Buyer, at Buyer's cost. The Title Policy shall (a) be satisfactory to Buyer, (b) be issued in the amount of the total Purchase Price and (c) insure fee simple, indefeasible title to the Property in Buyer. The Title Policy shall contain endorsements as Buyer may require. Buyer's obligation to close this transaction shall be contingent on Buyer's approval, in its sole and absolute discretion of the Title Policy required under this Paragraph 6.

7. Conditions and/or Contingencies to Buyer's Obligations.

- 7.1 **Documents and Reports**. Within sixty (60) business days after the execution and delivery of this Agreement (the "Document Delivery Date"), Seller shall deliver to Buyer copies of the documents and reports listed on attached **Exhibit "C"** to this Agreement and in Seller's possession. Seller shall certify to Buyer, as of the Document Delivery Date, as to any documents listed on **Exhibit "C"** not in Seller's possession.
- 7.2 **Inspection of the Property**. Buyer shall have the right and permission from the date Seller signs this Agreement through the Closing Date (or earlier termination of this Agreement) to enter upon the Property or any part thereof at all reasonable times and from time to time for the purpose, at Buyer's cost and expense, of making all tests and/or studies of the Property that Buyer may wish to undertake, including, without limitation, soils tests (including borings), toxic and hazardous waste studies, surveys, structural studies and review of zoning, fire, safety and other compliance matters; provided, however, Buyer shall indemnify and hold

harmless Seller from and against any mechanic's or other liens or claims that may be filed or asserted against the Property or Seller as a direct result of any actions taken by Buyer in connection with the Property, including but not limited to permitting Seller to review a written description of Buyer's proposed testing and work to ensure same is properly done and will not exacerbate any existing condition of contamination on the property. Buyer shall also provide Seller with a copy of all soil or environmental test results for the property upon Seller's request. Buyer shall reasonably restore the Property to its condition immediately prior to any invasive testing. The effect of the representations and warranties made by Seller in this Agreement shall not be diminished or deemed to be waived by any inspections, tests or investigations made by Buyer or its agents.

- 7.3 **Appraisal of the Property**. Buyer shall have the right to obtain an appraisal. Buyer's appraiser may enter onto the property upon reasonable notice to Seller as is necessary to appraise the Property.
- 7.4 **Approval of Property/Feasibility Contingency**. Buyer's obligation to purchase the Property shall be subject to and contingent upon Buyer's approval, in its sole and absolute discretion, prior to the expiration of the Contingency Period, of all aspects of the Property, including, without limitation, the physical condition of the Property and documents delivered by Seller pursuant to Paragraph 7.1 above, or otherwise obtained by Buyer regarding the Property. Buyer's approval and obligation to purchase the Property under this paragraph shall be for the period set forth in Paragraph 7.5. Upon waiver by Buyer or expiration of the feasibility contingency, the Parties shall move on to Closing.
- 7.5 **Feasibility Contingency Period**. As used herein, the term "Contingency or Feasibility Period" shall mean the period from the Effective Date of this Agreement as defined in Paragraph 18.16 until the period ending on October 1, 2023.
- 7.6 **Buyer's Right to Terminate**. If in Buyer's sole and absolute discretion, Buyer is not satisfied with the condition of the Property, Buyer may terminate this Agreement by sending written notice to Seller and Escrow Agent (such notice referred to as a "Termination Notice") prior to the expiration of the Contingency/Feasibility Period. If Buyer gives its Termination Notice to Seller, this Agreement shall terminate and neither Buyer nor Seller shall have any further liability to the other under this Agreement.
- 7.7 **Additional Closing Conditions**. Buyer's obligation to purchase the Property shall also be subject to the following conditions that must be satisfied as of Closing.
- (i) Prior to Closing, all Contracts or Leases (whether written or oral) with respect to the Property, if any, shall be terminated in writing by Seller. Seller shall provide Buyer, prior to Closing, with written termination agreements with respect to all Contracts or Leases, which are not assumed by Buyer;
- (ii) All representations and warranties of Seller contained herein, to the best of Seller's knowledge, shall be true, accurate and complete at the time of the Closing as if made again at such time;

- (iii) Seller shall have performed all obligations to be performed by it hereunder on or before Closing (or, if earlier, on or before the date set forth in this Agreement for such performance);
- (iv) At Closing, title to the Property shall be in the condition required by Paragraph 6 of this Agreement and Escrow Agent shall deliver the Title Policy to Buyer; and

If the conditions set forth in this Paragraph 7 are not satisfied as of Closing and Buyer does not waive the same, Buyer may terminate this Agreement, and thereafter neither Buyer nor Seller shall have any further liability to the other under this Agreement.

- **8. Seller's Representations and Warranties**. Seller hereby makes the following representations and warranties, to the best of Seller's knowledge, which representations and warranties shall be deemed made by Seller to Buyer also as of the Closing Date:
- 8.1 **Title**. Seller is the sole owner of the Property, except for reservations of record. At Closing, Seller shall convey the entire fee simple estate and right, title and interest in and to the Property by statutory warranty deed to Buyer with a restrictive covenant limiting use of the Property to affordable housing as provided in the Recitals hereto, free and clear of unapproved encumbrances of record.
- 8.2 **Compliance with Law; Compliance with Property Restrictions**. The Property complies in all material respects (both as to condition and use) with all applicable statutes, ordinances, codes, rules and regulations of any governmental authority having jurisdiction over the Property related to zoning, building, subdivision, and engineering.
- 8.3 **Bankruptcy, etc**. No bankruptcy, insolvency, rearrangement or similar action involving Seller or the Property, whether voluntary or involuntary, is pending, threatened, by a third party, or contemplated by Seller.
- 8.4 **Taxes and Assessments**. Other than amounts disclosed by the Title Binder, no other property taxes have been or will be assessed against the Property for the current tax year, and there are no general or special assessments or charges that have been levied, assessed or imposed on or against the Property.
- 8.5 **Foreign Person**. Seller is not a foreign person and is a "United States Person" as such term is defined in Section 7701(a) (30) of the Internal Revenue Code of 1986, as amended (the "Code") and shall deliver to Buyer prior to the Closing an affidavit evidencing such fact and such other documents as may be required under the Code.
- 8.6 **Mechanics' Liens**. No labor, material or services have been furnished in, on or about the Property or any part thereof as a result of which any mechanics', laborer's or materialmen's liens or claims might arise.

- 8.7 **Underground Storage Tanks**. Seller has knowledge of one underground storage tank, and a decommissioned well. Other than as previously stated, Seller has no knowledge of other (a) subterranean storage or underground storage tanks that exist on the Property, and (b) any previously existing underground storage tanks that have been removed or filled in compliance with applicable law. If there had been an underground storage tank on the site, to the best of Seller's knowledge, the tank was decommissioned in compliance with applicable law.
- 8.8 **Leases and Other Agreements**. Seller represents that there are no leases, occupancy agreements, service agreements, licenses, easements, or option agreements with regard to the Property, except those of record or disclosed pursuant to Paragraph 7.1.
- 8.9 **Assumption of Liabilities**. Buyer, by virtue of the purchase of the Property, will not be required to satisfy any obligation of Seller arising prior to the Closing Date.
- 8.10 **Defaults**. Seller is not in default and there has occurred no uncured event, which, with notice, the passage of time or both would be a default, under any contract, agreement, lease, encumbrance, or instrument pertaining to the Property.
- 8.11 **Utilities**. The Property may or may not be served by water, storm and sanitary or septic sewer, electricity, and telephone supplied directly to the Property by facilities of public utilities. All such utilities are located within the boundaries of the Property or within lands dedicated to public use or within recorded easements for the same.
- 8.12 **Public Improvements**. Seller has no knowledge of any federal, state, county, municipal or other governmental plans to change the road system in the vicinity of the Property.
- 8.13 **Subdivision**. The conveyance of the Property will not constitute a violation of any subdivision ordinance. The improvements on the Property comply in all material respects with all applicable subdivision ordinances and statutes.
- 8.14 **Due Authority**. Seller and Buyer have all requisite power and authority to execute and deliver this Agreement and to carry out its obligations hereunder and the transactions contemplated hereby. This Agreement has been, and the documents contemplated hereby will be, duly executed and delivered by Seller and Buyer and constitute their legal, valid and binding obligation enforceable against Seller and Buyer in accordance with its terms.
- 8.15 **No Omissions**. The copies of any documents furnished to Buyer in connection with this transaction are true and complete copies of the documents they purport to be and contain no untrue statement of material fact and do not omit to state any material facts necessary to make the statements contained therein not misleading.

- **9. Covenants of Seller.** Seller covenants and agrees as follows:
- 9.1 **Perform Obligations**. From the date of this Agreement to the Closing Date, Seller will perform any monetary and non-monetary obligations they have regarding the Property.
- 9.2 **No Liens**. From the date of this Agreement to the Closing Date, Seller will not allow any lien to attach to the Property, nor will Seller grant, create, or voluntarily allow the creating of, or amend, extend, modify or change, any easement, right-of-way, encumbrance, restriction, covenant, lease, license, option or other right affecting the Property or any part thereof without Buyer's written consent first having been obtained.
- 9.3 **Provide Further Information**. From the date of this Agreement to the Closing Date, Seller will notify Buyer of each event of which Seller becomes aware affecting the Property or any part thereof immediately upon learning of the occurrence of such event.
 - **10. Covenants of Buyer.** Buyer covenants and agrees as follows:
- 10.1 **Perform Obligations.** Buyer shall perform all obligations from the date of this Agreement, including all provisions herein that shall survive the Closing, including those relating to its obligations to provide affordable low-income housing units upon the Property.
- 10.2 **Application for Impact Fee Reduction**. Buyer may apply for impact fee reductions as permitted by OMC Section 15.04.060.C. for any form of low-income housing occupied by households whose income meets the definition of low-income housing in OMC 15.04.020.Y when adjusted for size is at or below eighty percent (80%) of the area median income as annually adjusted by the U.S. Department of Housing and Urban Development (HUD) from paying school impact fees, provided a covenant is approved by the Olympia School District No. 111 to assure continued use for low income housing and that the covenant is recorded against the title to the Property. As provided in OMC 15.04.060.F, upon application a partial exemption of not more than eighty percent (80%) of park, transportation and school impact fees, with no explicit requirement to pay the exempted portion of the fee from public funds, may be granted to a low-income housing development.
- 10.3 **Application for Land Use Approval.** Buyer covenants and agrees it shall promptly submit the Project to Seller for land use approval following written removal of the contingency/feasibility period set forth in Paragraphs 7.4 and 7.5 herein; however, Buyer further agrees to schedule with Seller's planning staff a preapplication conference prior to submittal of Buyer's land use application for the Property.
- 10.4 **Seller's Option to Repurchase.** Buyer agrees that Seller shall have an option to repurchase the Property at the same price as the Property is sold to Buyer in this Agreement in the event Buyer fails to commence construction of the housing units contemplated in this Agreement within twenty-four (24) months of the Closing date. Seller agrees that Buyer will have an option to extend its period of construction for an additional year based upon an economic or financial circumstance beyond Buyer's control upon a showing of its best efforts to

move forward with the construction of affordable housing units contemplated in this Agreement. In the event the City (Seller) exercises its option to repurchase the Property, the City (Seller) shall pay any real estate excise tax due on repurchase. In no event shall any period of delay caused by the City permit approval process be counted against Buyer. Such approval process shall toll the deadlines in this paragraph.

11. Closing.

- 11.1 **Time and Place**. Provided that all the contingencies set forth in this Agreement have been previously fulfilled, the Closing shall take place at the place and time determined as set forth in Paragraph 5 of this Agreement.
- 11.2 **Documents to be Delivered by Seller**. For and in consideration of, and as a condition precedent to the payment to Seller of the Purchase Price, Seller shall obtain and deliver to Buyer at Closing the following documents (all of which shall be duly executed and acknowledged where required):
- (i) **Title Documents**. Such other documents, including, without limitation, lien waivers, indemnity bonds, indemnification agreements, and certificates of good standing as shall be required by Buyer, or by the Title Company as a condition to its insuring Buyer's good and marketable fee simple title to the Property.
- (ii) **Authority**. Such evidence as the Title Company shall require as to authority of Seller to convey the Property to Buyer.
- (iii) **Surveys and Drawings**. All surveys, site plans, and plans and specifications relating to the Property as are in the possession or control of Seller, if any.
- (iv) **Assignment.** Seller and Buyer agree any assignment of Buyer's rights under this Agreement shall be subject to Seller's approval, which shall not be unreasonably withheld, conditioned or denied except as provided in this Agreement. Seller acknowledges and agrees that Buyer shall either assign this Agreement or transfer the Property after Closing to an entity that is affiliated with Buyer. Such transfer or assignment shall not require the consent of Seller.
- (v) **Warranty Deed**. A statutory warranty deed ("Deed") conveying to Buyer a good, marketable and indefeasible title in fee simple absolute to the Property in the form set forth in **Exhibit "D"** attached hereto.
- (vi) **Restrictive Covenant.** A covenant restricting use of the Property in perpetuity for the specific purposes as defined in RCW 36.70A.030(2) and (19), and as otherwise agreed by the Parties, in the form set forth in **Exhibit E** attached hereto.
- 11.3 **Payment of Costs**. At Closing, Buyer shall pay all charges for title insurance for a standard ALTA owner's title policy insuring Buyer's title, the escrow fee, all

recording fees, technology fees, and real property excise taxes, if any, and any other costs of Closing.

- 11.4 **Taxes**. Seller is exempt from payment of real property excise taxes for the Property pursuant to WAC 458-61A-205(2).
- 11.5 **Monetary Liens**. Seller shall pay or cause to be satisfied at or prior to Closing all monetary liens on or with respect to all or any portion of the Property, including, but not limited to, mortgages, deeds of trust, security agreements, assignments of leases, rents and/or easements, judgment liens, tax liens (other than those for taxes not yet due and payable) and financing statements, except where Seller is exempt by statute or administrative rule or regulation.
- 11.6 **Possession**. Possession of the Property shall be delivered to Buyer at Closing. The Property, including without limitation the improvements, if any, shall be delivered to Buyer in good order.
- 11.7 **Proration**. All amounts required to be prorated hereunder as of Closing, shall be calculated as if Buyer were in possession of the Property as of the date of Closing.

12. Environmental.

- 12.1 Notwithstanding anything to the contrary in this Agreement or otherwise, the Parties agree that Seller shall have no obligation to defend, indemnify, or hold Buyer harmless with respect to any loss, liability, claim, demand, damage, or expense of any kind, including attorneys' fees, costs, and expenses (collectively, "Loss") arising (a) out of the release or threatened release of Hazardous Substances on, under, above, or about the Property after Closing, or (b) out of the past release or threatened release of any Hazardous Substance on, under, above, or about the Property caused or contributed to by Buyer, or any employee, agent, tenant, or contractor of Buyer.
- 12.2 **Definitions**. The term "Hazardous Substance" includes without limitation (a) those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," "hazardous wastes," or "solid wastes" in any Environmental Law; (b) petroleum products and petroleum byproducts; (c) polychlorinated biphenyls; (d) chlorinated solvents; and (e) asbestos. The term "Environmental Law" includes any federal, state, municipal or local law, statute, ordinance, regulation, order or rule pertaining to health, industrial hygiene, environmental conditions, or hazardous substances.
- 13. Indemnification. Seller shall pay, protect, pay the defense costs of, indemnify and hold Buyer and their successors and assigns harmless from and against any and all loss, liability, claim, damage and expense suffered or incurred by reason of (a) the breach of any representation, warranty or agreement of Seller set forth in this Agreement, (b) the failure of Seller to perform any obligation required by this Agreement to be performed by Seller, (c) the ownership, maintenance, and/or operation of the Property by Seller prior to the Closing not in conformance with this Agreement, or (d) any injuries to persons or property from any cause

occasioned in whole or in part by any acts or omissions of the Seller, its representatives, employees, contractors or suppliers that occurred before Closing; provided, however, that nothing in this Paragraph 12 applies to Losses arising out of the presence of Hazardous Substances on, under, above, or about the Property, including Hazardous Substances that migrate or migrated to or from the Property except as specifically provided in Paragraph 11 above.

- 14. Condemnation. In the event of any commenced, to be commenced or consummated proceedings in eminent domain or condemnation (collectively "Condemnation") respecting the Property or any portion thereof, Buyer may elect, by written notice to Seller, to terminate this Agreement and the escrow created pursuant hereto and be relieved of its obligation to purchase the Property. If Buyer terminates this Agreement, neither Buyer nor Seller shall have any further liability to the other hereunder. If Buyer fails to make such election prior to the Closing Date, this Agreement shall continue in effect, there shall be no reduction in the Purchase Price, and Seller shall, prior to the Closing Date, assign to Buyer, by an assignment agreement in form and substance satisfactory to Buyer, Seller's entire right, title and interest in and to any condemnation award or settlement made or to be made in connection with such Condemnation proceeding. Buyer shall have the right at all times to participate in all negotiations and dealings with the condemning authority and approve or disapprove any proposed settlement in respect to such matter. Seller shall forthwith notify Buyer in writing of any such Condemnation respecting the Property.
- any portion of the Property on or after the date of this Agreement and prior to the Closing, Buyer may elect, by written notice to Seller, to terminate this Agreement and the escrow created pursuant hereto and be relieved of its obligation to purchase the Property. If Buyer terminates this Agreement, neither Buyer nor Seller has any further liability to the other hereunder. If Buyer fails to make such election prior to the Closing Date, this Agreement shall continue in effect. The Purchase Price shall not be reduced by the amount of loss or damage occasioned by such casualty not covered by insurance, and Seller shall, prior to the Closing Date, assign to Buyer, by an assignment agreement in form and substance satisfactory to Buyer, its entire right, title and interest in and to all insurance claims and proceeds to which Seller may be entitled in connection with such casualty. Buyer shall have the right at all times to participate in all negotiations and other dealings with the insurance carrier providing such coverage and to approve or disapprove any proposed settlement in respect to such matter. Seller shall forthwith notify Buyer in writing of any such casualty respecting the Property.
- 16. Notices. Unless applicable law requires a different method of giving notice, any and all notices, demands or other communications required or desired to be given hereunder by any party (collectively, "Notices") shall be in writing and shall be validly given or made to another party if delivered either personally or by FedEx, UPS, USPS or other overnight delivery service of recognized standing, or if deposited in the United States mail, certified, registered, or express mail with postage prepaid. If such Notice is personally delivered, it shall be conclusively deemed given at the time of such delivery. If such Notice is delivered by FedEx or other overnight delivery service of recognized standing, it shall be deemed given twenty-four (24) hours after the deposit thereof with such delivery service. If such Notice is mailed as provided herein, such shall be deemed given seven days (7) days after the deposit thereof in the

United States mail. Each such Notice shall be deemed given only if properly addressed to the party to whom such notice is to be given as follows:

To Seller: Steven J. Burney, City Manager

City of Olympia 601 4th Ave E PO Box 1967

Olympia, WA 98507-1967

Email: jburney@ci.olympia.wa.us

With a copy to: Mark Barber, City Attorney

City of Olympia 601 4th Ave E PO Box 1967

Olympia, WA 98507-1967

Email: mbarber@ci.olympia.wa.us

To Buyer: Low Income Housing Institute (LIHI)

Attn: Lynne Behar, Chief Financial Officer

1253 S Jackson Street, Suite A

Seattle, WA 98144 Email: lynneb@lihi.org

Any party hereto may change its address for receiving notices as herein provided by a written notice given in the manner aforesaid to the other Party hereto.

17. Event of Default. In the event of a default under this Agreement by Seller (including a breach of any representation, warranty or covenant set forth herein), Buyer shall be entitled, in addition to all other remedies, to seek monetary damages and specific performance of Seller's obligations hereunder.

18. Miscellaneous.

- 18.1 **Applicable Law**. This Agreement shall in all respects, be governed by the laws of the State of Washington.
- 18.2 **Further Assurances**. Each of the Parties shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of its obligations hereunder to carry out the intent of the Parties hereto.
- 18.3 **Modification or Amendment, Waivers**. No amendment, change or modification of this Agreement shall be valid, unless in writing and signed by all of the Parties hereto. No waiver of any breach of any covenant or provision in this Agreement shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision in

this Agreement. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

- 18.4 **Successors and Assigns**. All of the terms and provisions contained herein shall inure to the benefit of and shall be binding upon the Parties hereto and their respective heirs, legal representatives, successors and assigns. Any assignment shall be subject to Seller's approval, which shall not be unreasonably withheld, conditioned or denied except by the terms of this Agreement. Buyer must notify and, if required, request approval by Seller of any such assignment prior to the Closing. Any such assignee shall for all purposes be regarded as Buyer under this Agreement.
- 18.5 Entire Agreement and No Third Party Beneficiaries. This Agreement constitutes the entire understanding and agreement of the Parties with respect to its subject matter and any and all prior agreements, understandings or representations with respect to its subject matter are hereby canceled in their entirety and are of no further force or effect. The Parties do not intend to confer any benefit under this Agreement to any person, firm or corporation other than the Parties.
- 18.6 **Jurisdiction, Venue, and Attorneys' Fees**. Jurisdiction and venue shall be in the Superior Court of Thurston County for the State of Washington. Should either party bring suit to enforce this Agreement, the prevailing party in such lawsuit shall be entitled to an award of its reasonable attorneys' fees and costs incurred in connection with such lawsuit.
- 18.7 **Construction**. Captions are solely for the convenience of the Parties and are not a part of this Agreement. This Agreement shall not be construed as if it had been prepared by one of the Parties, but rather as if both Parties had prepared it. If the date on which Buyer or Seller are required to take any action under the terms of this Agreement is not a business day, the action shall be taken on the next succeeding business day.
- 18.8 **Partial Invalidity**. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby; and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.
- 18.9 **Survival**. The recitals, covenants, agreements, obligations to indemnify, representations and warranties made in this Agreement shall survive the Closing unimpaired and shall not merge into the Deed and the recordation thereof and are fully enforceable by either Party.
- 18.10 **Finders' or Brokers' Fees**. Seller represents and warrants that it has not engaged the services of any broker or finder to which a commission or other fee is due in connection with any of the transactions contemplated by this Agreement. Seller agrees to indemnify, defend and hold harmless Buyer against any loss, liability, damage, cost, claim or

expense, including interest, penalties and reasonable attorneys' fees that Buyer shall incur or suffer by reason of a breach by Seller of the representation and warranty set forth above.

- 18.11 **Time**. Time is of the essence of every provision of this Agreement.
- 18.12 **Risk of Loss.** All of Seller's personal property, of any kind or description whatsoever that is on the Property after Closing, shall be at Seller's sole risk of loss.
- 18.13 **Force Majeure**. Performance by Seller or Buyer of their obligations under this Agreement shall be extended by the period of delay caused by force majeure. Force majeure is war, natural catastrophe, strikes, walkouts or other labor industrial disturbance, order of any government, court or regulatory body having jurisdiction, shortages, blockade, embargo, riot, civil disorder, or any similar cause beyond the reasonable control of the party who is obligated to render performance (but excluding financial inability to perform, however caused).
- 18.14 **Recitals.** The Recitals set forth above are incorporated by this reference into this Agreement and are made a part hereof and shall survive the Closing unimpaired and shall not merge into the Deed and the recordation thereof and are fully enforceable by either Party.
- 18.15 **Counterparts.** This Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one Agreement; but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart. Additionally, (i) the signature pages taken from separate individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (ii) a facsimile signature or an electronically scanned or digital signature, where permitted by law, shall be deemed to be an original signature for all purposes. All executed counterparts of this Agreement shall be deemed to be originals, but all such counterparts, when taken together, shall constitute one and the same Agreement.
- 18.16 **Effective Date.** The term "date of this Agreement" or "date hereof" or "Effective Date," as used in this Agreement, shall mean the later of the following dates: (1) the date of Buyer's signature on this Agreement; or (2) the date of Seller's signature on this Agreement.

SIGNATURES APPEAR ON NEXT PAGE

| BUYER: | LOW INCOME HOUSING INSTITUTE (LIHI), a Washington nonprofit corporation |
|---------|---|
| | Lynne Behar, Chief Financial Officer Date: 06/07/2023 |
| SELLER: | CITY OF OLYMPIA, a Washington municipal corporation |
| | Steven J. Burney, City Manager Date: 06/21/2023 |
| | APPROVED AS TO FORM: |
| | Mark Barber Mark Barber, City Attorney |
| | Date: 06/06/2023 |

EXHIBIT "A" LEGAL DESCRIPTION

Lots 3, 4, 5, and 6 of Leach's Johnson Hill Tracts as recorded April 3, 1923, under Auditor's File No. 126186, in Volume 10 of Plats, Page 2, records of Thurston County, Washington.

TOGETHER WITH an easement for ingress and egress, over the North 12-feet of the South 77-feet of the East 200-feet of said Lot 3.

EXCEPTING therefrom those portions of said Lot 6 conveyed to the State of Washington for highway purposes by deeds recorded December 21, 1956 under Auditor's File No. 579323 and February 20, 1985 under Auditor's File No. 8502200047.

All situated in the Southeast Quarter of Section 18, Township 18 North, Range 1 West, W.M., Thurston County, Washington.

Subject to reservations, restrictions, and easements of record.

EXHIBIT "B" GENERAL VICINITY SKETCH

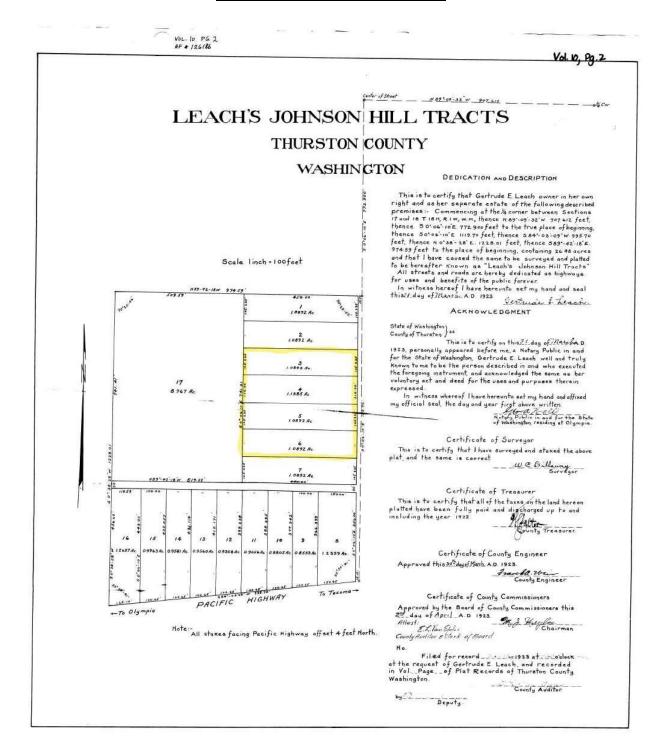


EXHIBIT "C" <u>DOCUMENTS AND REPORTS</u>

- 1. Copies of all leases or other occupancy agreements relating to the Property, if any, with originals to be delivered at Closing.
- 2. Copies of all licenses, permits and approvals, if any, issued by governmental authorities for the use and occupancy of the Property or any facility located thereon.
- 3. Any other information about the Property reasonably requested by Buyer if in the possession or control of Seller.
- 4. Any service contracts or other similar agreements related to the Property.
- 5. Reports of environmental conditions related to the Property, if any.
- 6. Surveys, if any.
- 7. Soils reports, if any.

EXHIBIT "D" FORM OF STATUTORY WARRANTY DEED

Low Income Housing Institute (LIHI) Attn: Lynne Behar, Chief Financial Officer

1253 S Jackson Street, Suite A

Seattle, WA 98144

Document Title: Statutory Warranty Deed

Grantor: City of Olympia, a Washington municipal

corporation

Grantee: Low Income Housing Institute (LIHI), a Washington

nonprofit corporation

Abbreviated Legal Description: Lots 3, 4, 5, and Ptn. of Lot 6, Leach's Johnson Hill

Tracts SE 18-18-1W

Assessor's Tax Parcel Numbers: 58900000300, 58900000301, 58900000400,

58900000500, and 58900000600

The Grantor, **CITY OF OLYMPIA**, a Washington municipal corporation, for and in consideration of the sum of ONE and NO/100---(\$1.00) Dollar, and other good and valuable considerations, in hand paid, hereby conveys and warrants to the Grantee, **LOW INCOME HOUSING INSTITUTE (LIHI)**, a Washington nonprofit corporation, the following described real property and all rights thereto, situated in the City of Olympia, County of Thurston, in the State of Washington, including all after acquired title:

Lots 3, 4, 5, and 6 of Leach's Johnson Hill Tracts as recorded April 3, 1923, under Auditor's File No. 126186, in Volume 10 of Plats, Page 2, records of Thurston County, Washington.

TOGETHER WITH an easement for ingress and egress, over the North 12-feet of the South 77-feet of the East 200-feet of said Lot 3.

EXCEPTING therefrom those portions of said Lot 6 conveyed to the State of Washington for highway purposes by deeds recorded December 21, 1956 under Auditor's File No. 579323 and February 20, 1985 under Auditor's File No. 8502200047.

All situated in the Southeast Quarter of Section 18, Township 18 North, Range 1 West, W.M., Thurston County, Washington.

Subject to easements, restrictions, and reservations of record.

| DATED this day of | , 202 |
|--|--|
| GRANTOR, CITY OF OLYMPIA, a Washington municipal corporation: | |
| Steven J. Burney, City Manager, | |
| Approved as to legal form: | |
| Mark Barber, City Attorney | |
| STATE OF WASHINGTON)) ss. COUNTY OF THURSTON) | |
| On the day of for the State of Washington, duly common Burney, to me known to be the City Mar who executed the foregoing instrument a | 2023, before me, a Notary Public in and issioned and sworn, personally appeared Steven J. nager of the City of Olympia, a municipal corporation, and acknowledged the said instrument to be the free cipal corporation for the uses and purposes therein uthorized to execute the said instrument. |
| WITNESS my hand and official | seal the day and year first above written. |
| | |

EXHIBIT "E" FORM OF RESTRICTIVE COVENANT

After Recording Return to:

City of Olympia

Attn: Legal Department

P.O. Box 1967

Olympia, WA 98507-1967

Document Title: Restrictive Covenant

Grantor: Low Income Housing Institute (LIHI), a Washington

nonprofit corporation

Grantee: City of Olympia, a Washington municipal corporation

Abbreviated Legal Description: Lots 3, 4, 5, and Ptn. of Lot 6, Leach's Johnson Hill

Tracts SE 18-18-1W

Assessor's Tax Parcel Numbers: 58900000300, 58900000301, 58900000400, 58900000500,

and 58900000600

RESTRICTIVE COVENANT

As additional consideration to the City of Olympia, a Washington municipal corporation ("Grantee"), for the purchase of its real property by Low Income Housing Institute (LIHI), a Washington nonprofit corporation ("Grantor"), Grantor and Grantee agree that the real property legally described as:

Lots 3, 4, 5, and 6 of Leach's Johnson Hill Tracts as recorded April 3, 1923, under Auditor's File No. 126186, in Volume 10 of Plats, Page 2, records of Thurston County, Washington.

TOGETHER WITH an easement for ingress and egress, over the North 12-feet of the South 77-feet of the East 200-feet of said Lot 3.

EXCEPTING therefrom those portions of said Lot 6 conveyed to the State of Washington for highway purposes by deeds recorded December 21, 1956 under Auditor's File No. 579323 and February 20, 1985 under Auditor's File No. 8502200047.

All situated in the Southeast Quarter of Section 18, Township 18 North, Range 1 West, W.M., Thurston County, Washington.

Subject to easements, restrictions, and reservations of record.

shall be held, transferred, sold, conveyed, leased, used, assigned, and occupied in perpetuity subject to the following covenants and restrictions:

- 1. The above legally described real property shall be used in perpetuity to provide affordable housing as defined in RCW 36.70A.030(2) and (19), as now or hereafter lawfully amended, and providing housing-related facilities and programs; and
- 2. The residential units to be constructed upon the real property shall have approximately seventy (70) studio and one-bedroom units, and one additional one-bedroom unit for an on-site housing manager; and
- 3. An estimated thirty (30) residential units shall be accessible to disabled persons; and
- 4. The real property shall be used to construct permanent supportive housing and facilities in a multi-family rental project as the term "permanent supportive housing" is defined in RCW 36.70A.030(19), as now or hereafter lawfully amended, which means subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors, and no other purpose except as expressly agreed by the Parties herein; and
- 5. The residential units to be constructed upon the property shall be for households with Area Median Income (AMI) of thirty percent (30%) or less. At no time will tenants occupying these housing units pay an amount for rent and utilities that exceeds thirty percent (30%) of their income; provided, however, if a tenant is not receiving a project-based Section 8 voucher, such tenant may be charged the applicable restricted rent for such unit at 30% AMI; and
- 6. Grantor agrees it will seek project-based vouchers from the Housing Authority of Thurston County to meet affordability requirements; and
- 7. Grantor shall select persons for residential placement upon the real property by use of Thurston County's Coordinated Entry system to prioritize persons who are homeless or facing housing insecurity in Thurston County, Washington; and
- 8. Grantor shall provide for electrification of all new construction upon the Property, except where exemptions are necessary due to physical space limitations, availability of technology, or cost constraints as set forth in Section 2 of Olympia City Council Resolution No. M-2289.

It is the express intent of the Grantor and Grantee that the provisions of the Restrictive Covenants stated herein shall be deemed to run with the land in perpetuity unless otherwise stated, and shall pass to and be binding upon Grantor's successors in title, including any subsequent purchaser, grantee, owner, assignee, trustee, trustor, or lessee of any portion of the real property and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and assigns of any purchaser,

grantee, owner, assignee, trustee, trustor, or lessee of any portion of the real property and any other person or entity having any right, title or interest therein.

It is further agreed by Grantor and Grantee, that Grantee shall have the right to enforce the aforesaid Restrictive Covenants running with the land by either a request for equitable relief and specific performance or an action at law for damages, or by both such equitable relief and monetary damages, in the Superior Court of Thurston County for the State of Washington, as permitted by law. The prevailing party shall be entitled to recover its attorneys' fees and costs of litigation to enforce the covenants set forth herein.

| GRANTOR: LOW INCOME HOUSING a Washington nonprofit corporation | INSTITUTE (LIHI), |
|---|--|
| Lynne Behar, Chief Financial Officer | |
| STATE OF WASHINGTON) | |
|) ss. COUNTY OF) | |
| the Low Income Housing Institute (LIHI), a Verme, and that said person acknowledged that said | ence that Lynne Behar , Chief Financial Officer of Washington nonprofit corporation, appeared before he signed this instrument, and on oath stated that and acknowledged it as her free and voluntary act strument. |
| | Signature |
| | Print Name |
| | NOTARY PUBLIC in and for the State of |
| | Residing at |

My appointment expires:

ACCEPTED AND APPROVED: GRANTEE: CITY OF OLYMPIA, a Washington municipal corporation Steven J. Burney, City Manager Dated: Approved as to form: Mark Barber, City Attorney STATE OF WASHINGTON)) ss. COUNTY OF THURSTON) On the day of 2023, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Steven J. **Burney**, to me known to be the City Manager of the City of Olympia, a municipal corporation, who executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned and on oath states that he is authorized to execute the said instrument. WITNESS my hand and official seal the day and year first above written. Signature Print Name____ NOTARY PUBLIC in and for the State of Residing at _____ My appointment expires:

EXHIBIT "F"

RESOLUTION NO. _M-2289

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON, TO RESPOND TO THE CLIMATE EMERGENCY, DECLARING THE INTENT OF THE CITY TO ELECTRIFY CITY-OWNED FACILITIES AND OLYMPIA'S BUILT ENVIRONMENT

WHEREAS, climate change is an existential crisis posing one of the most serious threats to the existence of humanity and all species on the planet; a threat that intersects and compounds all other crises facing humanity and our earth; and

WHEREAS, the 11th United Nations Intergovernmental Panel on Climate Change ("IPCC") report from October 2018 states that we must cut greenhouse gas emissions in half by 2030 to limit devastating global warming and avoid a climate catastrophe; and

WHEREAS, in 2018, the City of Olympia adopted Resolution No. M-1976 adopting common targets to reduce communitywide greenhouse gas emissions 45 percent below 2015 levels by 2030, and then 85 percent below 2015 levels by 2050. In 2019 these goals were placed in the Comprehensive Plan via amendment; and

WHEREAS, in 2019, in collaboration with Olympia High School students, Olympia approved a Resolution Expressing a Commitment to Protect the Youth of this Community from the Risks of Climate Destruction (M-2045), which among other things committed the City to achieve net zero emissions by 2040; and

WHEREAS, in February 2021, the City passed a Resolution Declaring a Climate Emergency (M-2194). A declaration that challenges our regional partners and community members to "to help further the Thurston County Climate Mitigation Plan through partnership with local jurisdictions and other entities" and to "adopt a lens of climate change and climate equity" in planning, zoning, permitting, budgeting, expenditures, ordinances, and all other city efforts, policies, and practices to further climate action efforts and our accepted regional climate mitigation plan; and

WHEREAS, in February 2021, the City accepted the Thurston Climate Mitigation Plan (TCMP), committing the City to working with Thurston County, the cities of Lacey and Tumwater and the Thurston Regional Planning Council to substantially reduce regional greenhouse gas emissions; and

WHEREAS, a Greenhouse Gas Inventory Report for Calendar Years 2015 – 2019 found that Thurston County greenhouse gas emissions have increased 15% since 2015, and the built environment was responsible for 63% of all emissions in 2019; and

WHEREAS, in Washington State, homes and buildings are the single fastest growing source of carbon pollution, up 50 percent since 1990, and now account for 27 percent of Washington's carbon emissions; and

WHEREAS, natural gas consumption represents the second largest source of greenhouse gas emissions from the built environment in Thurston County and the Thurston Climate Mitigation Plan identifies reducing natural gas use as a key strategy to achieve the most substantial reductions in local greenhouse gas emissions; and

WHEREAS, methane leaks during the production, processing, transmission, and distribution of natural gas can be substantial, releasing a potent greenhouse gas with 84 times the warming potential of carbon dioxide; and

WHEREAS, the United States and other leading economies recently agreed to the Global Methane Pledge to reduce Methane emissions 30 percent by 2030; and

WHEREAS, in 2019, Washington State passed the Clean Energy Transformation Act (CETA), which sets milestones for electric utilities to transition toward a 100% clean electricity. Under CETA, utilities must eliminate coal-fired electricity from their mix by 2025, become greenhouse-gas neutral by 2030 (using offsets, if necessary), and provide 100 percent renewable energy by 2045; and

WHEREAS, Olympia must take additional measures to decarbonize, transitioning from fossil fuel powered space-heating, water-heating, and cooking equipment to all-electric buildings powered by affordable, renewable electricity; and

WHEREAS, electrification will improve indoor air quality and overall health, by eliminating natural gas combustion inside homes that produces harmful indoor air pollution; and

WHEREAS, there are well-documented risks to respiratory health from gas stove pollution, and infants and children are particularly vulnerable to respiratory illnesses associated with gas stove pollution; and

WHEREAS, lower-income households are more likely to suffer from health impacts from outdoor and indoor air pollution, which are exacerbated when exposed to pollution from gas stoves; and

WHEREAS, electrification is widely recognized as a powerful strategy to address both climate change and poor air quality in the frontline communities most vulnerable to climate impacts; and

WHEREAS, every new building relying on fossil fuels for heating, cooling, and cooking will have a negative impact on the climate for decades to come and require additional investments to be retrofitted to electric systems as the climate emergency worsens; and

WHEREAS, in June of 2021, the Olympia City Council supported a referral to require the electrification of all new City-owned buildings and major renovations of existing City buildings; and

WHEREAS, in June of 2021, the Olympia City Council supported a referral directing staff to develop a scope, schedule, and budget to conduct a regional cost assessment of requiring non-fossil fuel sourced heating and power in new commercial and residential development in the City; and

WHEREAS, the City has the opportunity to lead by example to make decisive, transformative, and sustainable changes in its municipal energy consumption, and can significantly lower the City's greenhouse gas emissions and overall carbon impact; and

WHEREAS, citywide building electrification is necessary to achieve Olympia's greenhouse gas reduction targets, and such actions will also improve public health and increase the quality of life throughout the City;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OLYMPIA, that the City of Olympia recognizes the global and local benefits of accelerating the transition to all-electric buildings throughout the City; and be it

FURTHER RESOLVED as follows:

Section 1. The City Manager is directed to electrify all newly constructed City-owned buildings and major renovations of existing City buildings, except where exemptions are necessary due to physical space limitations, availability of technology, or cost constraints. Additional upfront costs of five percent (5%) or less shall not be considered a cost constraint. Exemptions must be approved by the City Council and exempt buildings should be built in a manner to support the easy transition to electric systems at any time during the life of the building. This policy will become effective January 12, 2022.

Section 2. The City Manager is directed to require the electrification of all new projects and major renovations of existing buildings receiving City funding of \$50,000 or more, a donation of City property with an appraised value of \$50,000 or more, or a sale of City-owned property where the difference between the appraised value and sale price is \$50,000 or more, except where exemptions are necessary due to physical space limitations, availability of technology, or cost constraints. Council may consider the total cost of construction and operating costs in determining the issue of cost constraints. Exemptions must be approved by the City Council and exempt buildings should be built in a manner to support the easy transition to electric systems at any time during the life of the building. This policy will become effective following a work session to discuss citywide electrification on or before April 1, 2022.

Section 3. The City Manager is directed to inventory City-owned facilities that use fossil fuels and evaluate the feasibility of retrofitting existing buildings to become all-electric by 2030. The inventory and evaluation will make use of existing reports and data to prepare preliminary feasibility recommendations by January 1, 2024.

Section 4. The City of Olympia will encourage the Washington State Legislature and State Building Code Council, and other local entities, such as Thurston County, neighboring cities, school districts, and major institutions, to join in this step to address regional greenhouse emissions from our built environment, by adopting similar building electrification policies to invest in clean energy assets.

Section 5. The City Manager is directed to schedule a City Council work session no later than April 1, 2022, to discuss policy pathways and potential challenges to citywide electrification of all new buildings

| PASSED BY THE OLYMPIA CITY COUNCIL this _10111_ | day ofJanuary 2022. |
|---|---------------------|
| | <u>CSelby</u> |
| ATTEST: | |
| Sean Krier CITY CLERK | |
| APPROVED AS TO FORM: | |
| Mark Barber CITY ATTORNEY | |

19th

EXHIBIT "B"

SLFRF CONDITIONS

This agreement includes a transfer of American Recovery Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) from Thurston County and City of Tumwater to the City of Olympia. In accordance with the US Department of the Treasury Final Rule, dated January 27, 2022, the City of Olympia (OLYMPIA) is designated as a subrecipient, and payments made by Thurston County (COUNTY) will be using SLFRF funds as subawards.

Federal Award Identification:

American Recovery Plan Act (ARPA) Coronavirus State and Local Fiscal Relief Fund (SLFRF),

Assistance Listing 21.027

Subrecipient: City of Olympia, Washington

Subrecipient Unique Entity Identifier: Olympia UEI # YGAHKBHB8B43

Federal Award Identification Number: Federal Award Date: March 3, 2021

Subaward Period of Performance: December 15, 2021 - December 31, 2024

Subaward Budget Period: December 15, 2021 - December 31, 2024

Amount of SLFRF Obligated for development of the property: \$3,275,000 Total SLFRF Funds Obligated to this subrecipient as of February 15, 2021 Total Federal Funds Obligated to this subrecipient as of February 15, 2022: \$0

Federal Awarding Agency: U.S. Department of Treasury

Recipient (pass-thru entity): Thurston County, City of Tumwater

Recipient Awarding Official:

Robin Campbell, Interim County Manager

360-709-3063

campber@co.thurston.wa.us

Indirect Cost Rate:

No indirect costs will be charged for this project.

Subrecipient Requirements:

The project funded under this Agreement is the development of property to provide permanent supportive housing to homeless individuals as described in the Interlocal Agreement. This activity is eligible under the SLFRF Final Rule "Development, repair, and operation of affordable housing and services or programs to increase long-term housing security."

This program includes a capital expenditure that exceeds \$1 million. An Interlocal Agreement Between the City of Olympia and Thurston County for Sharing Costs of Acquisition, Planning, Development, and Operations of Property Located on Franz Anderson Road, which was preceded by a Memorandum of Understanding (MOU) entered into between OLYMPIA and Thurston County on December 15, 2021, agreeing to jointly and equally share in the costs of purchase, development of the Franz Anderson property; jointly provide and coordinate funding support through the Regional Housing Council (RHC) for ongoing management of the facility

for three years, provided that funding support is provided by the RHC; and prepare all necessary agreements to achieve the goals of the MOU, preceded a Real Estate Purchase and Sale Agreement entered into between OLYMPIA and Kaufman Holdings, Inc., and Kaufman Real Estate, LLC, on December 15, 2021, in anticipation of the joint project showed significant steps toward obligating SLFRF funds have been taken prior to January 6, 2022. This precludes the need for written justification for a capital project under the SLFRF Final Rule.

This program is intended to benefit low income households, a group US Department of the Treasury presumes as disproportionally impacted by the pandemic. Improvements to a vacant property, including rehabilitation, maintenance, renovation, demolition or deconstruction, and cleanup and conversion to affordable housing is an allowable use of funds to respond to the disproportionate impact of the pandemic on low income households. In operating this site, the subrecipient must ensure users of this site meet the US Treasury definition of low income.

Each calendar quarter, OLYMPIA shall provide all required information to enable COUNTY to meet reporting requirements of the SLFRF as directed by US Department of the Treasury.

OLYMPIA is a local government municipality subject to the Federal Single Audit Act and audited regularly by the Washington State Auditor's Office. COUNTY shall conduct a risk assessment of OLYMPIA and shall each develop a Monitoring Plan based on the risk assessment determination. To the extent possible, Monitoring Plans should be consistent and developed in coordination with OLYMPIA.

By signing this agreement, OLYMPIA is confirming that they are not suspended, disbarred, or otherwise excluded from participation in federal assistance.

OLYMPIA shall maintain effective internal controls to provide reasonable assurance the federal award is managed in accordance with applicable rules and regulations. Federal funds shall not be used as cost sharing or to meet matching requirements of other federal awards.

In the event federal funds are used for purposes other than the purchase of the Franz Anderson property, OLYMPIA must comply with procurement rules of 2 CFR 200.317 - 327.

OLYMPIA shall submit to the COUNTY an annual report of the status of real property acquired using federal funds under this Agreement.

OLYMPIA must make available upon request of the COUNTY or an auditor all records, personnel, and financial statements as necessary to meet monitoring requirements.

OLYMPIA shall provide COUNTY an opportunity to review all contracts and sub-awards, prior to execution, for the purpose of ensuring SLFRF compliance and alignment with overall project goals.

Financial records, supporting documents and all other records relating to the Interlocal Agreement must be retained for five (5) years following the final disposition of the Franz Anderson property.

No expenditures of SLFRF costs shall be incurred after December 31, 2024, unless the cost is allowable under the terms of this agreement including any amendments signed by both parties, SLFRF funding is available, the award period in the agreement is extended, and an obligation is authorized by COUNTY.

At the end of the Interlocal Agreement, all reports required for close-out of the award will be provided by OLYMPIA no later than 90 days following the end date of performance. Costs paid with federal funds must be allowable and allocable in accordance with 2 CFR 200 Subpart E.

Cost Principles:

All SLFRF funds pooled as part of this agreement and must comply with 2 CFR 200, in its entirety, unless specifically exempted by the U.S. Department of Treasury.

This agreement is subject to termination in the event of non-compliance with the terms of this agreement. If the agreement is terminated, COUNTY will provide a written notice of the reason for the termination, the effective date of the termination and the portion to be terminated. Prior to termination, COUNTY and OLYMPIA will come to an agreement of any settlement due to OLYMPIA for services provided.

Additional regulations that apply to this award, without limitation, include:

- SLFRF Final Rule, 31 CFR Part 35, and SLFRF Frequently Asked Questions issued by the U.S. Department of Treasury are hereby incorporated by reference.
- Universal Identifier and System for Award Management (SAM), 2 CFR Part 25, pursuant to which the award term set forth in Appendix A to 2 CFR Part 25 is hereby incorporated by reference.
- Reporting Subaward and Executive Compensation Information, 2 CFR Part 170, pursuant to
 which the award term set forth in Appendix A to 2 CFR Part 170 is hereby incorporated by
 reference.
- OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement), 2 CFR Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 CFR. Part 180, subpart B) that the award is subject to 2 CFR Part 180 and Treasury's implementing regulation at 31 CFR Part 19. 3 9. b. v. vi. vii, viii. ix. c. i. ii. iii. iv. v. 10. 11. 12. 13. 14. a. b. 15.
- Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 CFR Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
- Governmentwide Requirements for Drug-Free Workplace, 31 CFR Part 20.

- New Restrictions on Lobbying, 31 CFR Part 21. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 USC §§ 4601-4655) and implementing regulations.
- Hatch Act (5 USC §§ 1501 1508 and 7324 7328), which limits certain political activities of state or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.
- Protections for Whistleblowers (41 USC §§ 4712).
- The subrecipient shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 USC § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this agreement. Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 USC § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.
- Any publications produced with funds from this award must display the following language: "This project is supported, in whole or in part, by federal award under assistance listing number 21.027 awarded to Thurston County by the US Department of the Treasury." Clean Air Act and the Federal Water Pollution Control Act 2 C.F.R. Part 200, Appendix II (G); 42 U.S.C. §§ 7401-7671q.; 33 U.S.C. §§ 1251-1387.
- Federal Water Pollution Control Act.
- Conflict of Interest and Code of Conduct.
- Treasury labor standards described in the Final Rule on p. 56: project labor agreements, wages at or above prevailing rate, local hire provisions, etc.
- The Final Rule, p. 56, requirements of 2 C.F.R. 200 Appendix II to capital expenditure over \$100,000 with a contract involving employment of mechanics or laborers.
- Termination for Cause and for Convenience.
- Equal employment opportunity.
- Davis-Bacon Act.
- The Final Rule, p. 56, regarding compliance with Contract Work Hours and Safety Standards Act, 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations, 29 C.F.R. Part 5.

EXHIBIT "C"PROPOSED DEVELOPMENT TIMELINE

Form 5: Project Schedule

Project Name: Franz Anderson PSH

| Category | Tasks | Date Completed or Expected Complete | Notes / Status |
|---------------------------|---|--|--|
| Occupancy | Selection of service providers | 3/15/2023 | LIHI to provide case mgmt; behavioral health with SeaMar |
| Design/Permitting | Preliminary drawings completed | 3/20/2023 | |
| Financing | Application for funding (specify source): | 3/27/2023 | City of Olympia SOI |
| Financing | Award date for funding source (specify): | 4/18/2023 | |
| Site Control | Purchase and Sale Agreement / Option | 6/7/2023 | (e.g., Executed PSA/ Option) |
| Feasibility/Due Diligence | Phase I Environmental Assessment | 8/3/2023 | |
| Site Control | Closing | 8/29/2023 | (e.g., Must Close on December 31, 2008) |
| Financing | Capital Finance Closing | 8/29/2023 | |
| Feasibility/Due Diligence | Site survey | 9/6/2023 | (e.g., Completed on schedule) |
| Design/Permitting | Schematic Design Completed | 9/15/2023 | |
| Financing | Application for funding (specify source): | 9/18/2023 | State HTF |
| Financing | Application for funding (specify source): | 11/6/2023 | WSHFC 9% LIHTC |
| Financing | Award date for funding source (specify): | 12/1/2023 | |
| Financing | Award date for funding source (specify): | 12/1/2023 | |
| Design/Permitting | Design Development Completed | 12/24/2023 | |
| Financing | Lender selection | 1/15/2024 | |
| Financing | Investor Selected | 1/15/2024 | |
| Feasibility/Due Diligence | Neighborhood notification (if required) | 2/16/2024 | |
| Construction | Selection of general contractor | 3/1/2024 | we are currently using Walsh Co. for Pre- development |
| Design/Permitting | Zoning approval | 3/8/2024 | |
| Financing | Application for Service funding | 4/15/2024 | Thurston County Housing Authority |
| Design/Permitting | Building permit application submitted | 4/18/2024 | |
| Feasibility/Due Diligence | SEPA | 6/1/2024 | |
| Feasibility/Due Diligence | NEPA Clearance | 6/1/2024 | |
| Feasibility/Due Diligence | Choice Limiting Actions Clearance | 6/1/2024 | |
| Design/Permitting | Final Plans and Specs Completed | 6/12/2024 | |
| Financing | Appraisal | 6/15/2024 | To be done by equity investor |
| Financing | Funding for services awarded | 6/15/2024 | |
| Design/Permitting | Construction Documents Completed | 6/26/2024 | |
| Design/Permitting | Site plan approval | 7/4/2024 | |
| Design/Permitting | Submit Evergreen Project Plan | 7/15/2024 | |
| Financing | Award date for Service Funding/Commitment | 8/1/2024 | |
| Design/Permitting | Building permits issued | 8/8/2024 | |
| Financing | Financial underwriting | 8/15/2024 | |
| Construction | Begin Construction | 9/2/2024 | |
| Financing | Construction cost estimate | 9/14/2024 | |
| Occupancy | Projected First LIHTC Year start | 1/1/2025 | |
| Occupancy | 100% lease-up | 2/15/2025 | |
| Occupancy | Qualified Occupancy | 2/15/2025 | |
| Occupancy | Service Funding Starts | 10/1/2025 | |
| Construction | Issued certificate of occupancy | 11/2/2025 | |
| Occupancy | Begin lease-up | 11/3/2025 | |
| Occupancy | Placed in service - 1st Building | 11/3/2025 | |
| Occupancy | Placed in service - Last Building | 11/3/2025 | |
| Feasibility/Due Diligence | Capital needs assessment | 11/15/2025 | |
| Occupancy | Occupancy Manual Approval | 12/15/2025 | |
| Financing | Permanent Financing Conversion | 4/1/2026 | |
| Financing | Final Equity Pay-In (LIHTC projects) | 4/1/2029 | Capitalized reserves |
| Site Control | Maximum Extensions | | (e.g., Must Waive Financing Contingency 6/30/08) |
| Feasibility/Due Diligence | Market study | | n/a - 9% LIHTC Project |
| Feasibility/Due Diligence | Phase 2 Environmental Assessment | | N/a |
| Feasibility/Due Diligence | Relocation of existing tenants | | n/a |
| Relocation | Planning and budget | | n/a |

| Relocation | Initiation of negotiations | n/a |
|------------|---------------------------------------|---------------------------|
| Relocation | GIN's delivered to tenants | n/a |
| Relocation | Advisory services to tenants | n/a |
| Relocation | Notice of Elgibility to tenants | n/a |
| Relocation | Notice of Non-displacement to tenants | n/a |
| Relocation | 90 day notice to tenants | n/a |
| Relocation | Tenant move out | n/a |
| | | |
| | | |
| | | |
| Occupancy | Selection of management entity | n/a - LIHI to Self Manage |
| | | |





City Council

Capital Mall Triangle Subarea Update

Agenda Date: 11/6/2023 Agenda Item Number: 6.A File Number:23-0973

Type: discussion **Version:** 1 **Status:** Other Business

Title

Capital Mall Triangle Subarea Update

Recommended Action

Committee Recommendation:

None.

City Manager Recommendation:

Receive a briefing on the Preliminary Draft Capital Mall Triangle Subarea Plan and Draft Environmental Impact Statement.

Report

Issue:

Whether to receive a briefing on the Preliminary Draft Capital Mall Triangle Subarea Plan and Draft Environmental Impact Statement.

Staff Contact:

David Ginther, Senior Planner, Community Planning and Development, 360.753.8335

Presenter(s):

David Ginther, Senior Planner Michelle Swanson, Senior Planner

Background and Analysis:

In 2014, the Olympia Comprehensive Plan was updated following significant public outreach and multiple public participation opportunities. The adopted plan contains a vision for the Capital Mall area to:

- 1. Eventually transition to a high-density mixed-use neighborhood where people can walk, bike, or take the bus to obtain goods, services, and entertainment.
- 2. Keep the subarea a regional draw for the retailers and other businesses.

The main purpose of the Capital Mall Triangle planning project is to determine how to facilitate the development envisioned in the Comprehensive Plan.

Type: discussion Version: 1 Status: Other Business

The planning project has two major components: a Planned Action Environmental Impact Statement (EIS) and a subarea plan. Both the Draft EIS and the preliminary draft subarea plan have been written based on community input collected over the past year and are now out for public review. In addition to general comments on both documents, the public is being asked to help select the preferred alternative for the EIS.

Alternatives are future development scenarios which the EIS evaluates for potential significant adverse environmental impacts. The first alternative is a "no action" alternative. This alternative assumes development would continue under current regulations and programs. A second alternative includes a range of moderate actions the city can take to help facilitate the envisioned development within the triangle. The third alternative is a bold approach that includes a more extensive set of actions, partnerships, and investments for the city to undertake to spur a significant amount of the envisioned development within the triangle. The alternatives are described in detail in the Draft EIS. Based on all comments received, a preferred alternative will be selected (which could be a 'hybrid' of the three alternatives in the DEIS). The Final EIS will include the preferred alternative.

The preliminary draft subarea plan is also out for community review. The final draft subarea plan will be released after the preferred alternative has been selected. A preliminary draft is being released now to provide the community with as much additional time as possible to review and provide input and guidance for the final version.

Implementation actions will occur after the final subarea plan is adopted. This includes a planned action ordinance, which will incorporate the mitigation identified in the Final EIS and allow proposed development consistent with the subarea plan to move forward without an additional project-level environmental review process.

Climate Analysis:

The planning project will result in long-term reduction of greenhouse gas emissions. It will facilitate development of high-density residential housing in a core urban area that is designated in the City's comprehensive plan for high-density housing mixed with commercial and other services. Development of this style of housing in this location will result in a number of benefits in regards to climate impacts including the following: reducing sprawl; providing needed housing in close proximity to goods, services, and jobs; providing more efficient housing that consumes less energy, less drinking water, and produces less wastewater; construction of a more efficient transportation network with more connections and more opportunities for active forms of travel; and a reduction in vehicle miles traveled.

Equity Analysis:

The community will benefit from additional housing being developed. There is significant nationwide data which shows that increasing the housing supply has a positive impact on the cost of renting or buying housing. The additional inventory of housing will help to address the high demand and provide much needed housing for the additional residents expected in the next 20 years. Both those seeking low-income housing as well as market rate housing will benefit from additional housing options.

Businesses in general will benefit from additional residents (potential customers) located in close proximity to their establishments. Smaller businesses could be impacted by rising property values and higher commercial rents within the subarea. This could occur as the area develops and becomes

Type: discussion Version: 1 Status: Other Business

a more desirable location in which to live and conduct business. Project staff are coordinating with the business community to determine how best to meet their needs and address their concerns. The project will also be conducting a business displacement analysis and provide recommendations on methods to mitigate potential impacts.

Residents of adjacent neighborhoods, future residents of the subarea, employees, and customers will benefit from new transportation connections into and through the subarea. These multi-modal connections will be constructed and funded as new development occurs within the subarea. Along with associated safety improvements, these connections will provide easier and safer access into and through the subarea for all modes of travel, including active forms of travel such as walking, rolling, and biking. Community members without vehicles will benefit from improved transit efficiency and service. Project staff are coordinating with Intercity Transit in regard to planning for a more appropriate location for the main transit stop within the subarea. This would potentially reduce route times and help to improve the efficiency of routes and schedules.

Neighborhood/Community Interests (if known):

The project has received approximately 300 written comments from the community focused mainly on:

- transportation connections and safety;
- 2. housing, development, and community amenities; and
- environmental issues.

The majority comments on the alternatives preferred Alternative 3, but with several changes. These include not increasing building heights, providing affordable housing mixed in with market rate, and having smaller dispersed public areas (e.g., parks or plazas) instead of a larger central one.

Extensive outreach has been conducted for the project using multiple methods and a variety of participation opportunities have been offered. See the "Public Outreach" document for additional details.

Financial Impact:

The project is funded by a \$250,000 Transit Oriented Development and Implementation grant from the Washington State Department of Commerce. The City of Olympia has supplemented the project with an additional \$83,529.

Options:

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

Attachments:

Public Outreach Summary Project Webpage



Capital Mall Triangle - Outreach Summary

CNA = Council of Neighborhoods Association LUEC = Land Use and Environment Committee

2022

January

5 – Letter to project area & vicinity announcing upcoming planning project. 624 recipients.

February

1 – City Council grant recognition at meeting17 – West Olympia Business Association

March

17 - LUEC

18 – E-mail to POR, City Council, & OPC

31 – E-Newsletter #1. Announced that the grant was secured and the webpage launched. Approximately 1500 recipients.

31 – Email to POR. 137 recipients.

April

1 – JOLT Newsletter

4 – JOLT newsletter (ICYMI section)

June

12 – Student at Fosbre Academy of Hair Design

28 – E-Newsletter #2. Announced consultant selection, how to get involved, and next steps. 1603 recipients

28 – Email to POR. 148 recipients.

July

15 – Thurston Chamber Meeting. 15 attendees.

17 – Burbank/Elliot Neighborhood Association meeting. 25 attendees.

21 – West Olympia Business Association meeting. Approximately 50 attendees (including mall manager, City Manager, and Mayor) XX – Mayor Selby interview on Jim Greene podcast (Greene Realty Group).

August

OPC = Olympia Planning Commission

POR = Parties of Record

RNA = Recognized Neighborhood Associations

5 – Mall ownership/management group meeting. 7 attendees.

8 – CNA meeting. 17 attendees.

9 – Multiple Listing Services Association meeting.Approximately 30 attendees.

12 – Interview with NW, SW, and BENA neighborhood presidents.

13 - Sustainable Steps Ecotour & Expo.

Approximately 40 people stopped by the booth.

23 - Interview with mall ownership

28 - Thurston Talk article

September

15 – Interview with ownership of shopping center at SE corner of Harrison/Cooper Point (Goodwill, etc) 19 – Interview with ownership of shopping center at north/northeast corner of Black Lake/Cooper Point (5-guys Burgers, etc.)

22 – South Sound Real Estate Forum. 15 stopped by city table, approximately 200 in attendance.

October

4 – Stakeholder workgroup meeting #1. 12 Attendees.

14 - Interview by staff with two business owners within the area (Iron Rabbit and Brons Automotive) 20 – Community Workshop #1. 62 attendees. ~3600 letters to property owners, businesses, residents in triangle, within 300ft and large area to west with 7 apartment complexes and a mobile home park. Enews #3 with 2189 recipients to five subscription lists - Planning & Development, Climate Action, Diversity, Equity & Inclusion, Parks & Rec and the Housing and Homelessness groups. Emails to POR including tribes, CIELO, Asian Pacific Islanders Coalition, Ecology, DOT, Commerce, CNA, (170 addresses), RNAs on west side (7), OPC (9), Council+City Manager+all dept directors (22), stakeholder group (14), 7 onsite notices, one notice in library inside mall, social media (twitter, instagram, facebook), and Olympian notice.



Capital Mall Triangle - Outreach Summary

24 - SEPA Scoping comment period. Notice in the Olympian, POR list (193), E-news #4 (1653), 300ft property owner and site address list (~2000 – support staff estimate), SEPA Register, Council plus admin., social media. Comment period open from October 24 through November 14.

24 – Mall ownership/management meeting. 10 attendees.

26 – Capital High School Climate Club meeting. 12 Attendees.

November

- 1 InterCity Transit meeting
- 7 OPC meeting/briefing
- 8 Difference Makers Employee E-newsletter. ~500 recipients.
- 17 LUEC meeting/briefing

2023

January

11 – Stakeholder Workgroup meeting #2. 12 attendees.

February

2 – Community Meeting #2 (Open House). ~55 attendees in person. ~8 attendees online. E-news #5 with 2189 recipients to five subscription lists - Planning & Development, Climate Action, Diversity, Equity & Inclusion, Parks & Rec and the Housing and Homelessness groups. Emails to POR including tribes, CIELO, Asian Pacific Islanders Coalition, Ecology, DOT, Commerce, CNA, (250 addresses), RNAs on west side (7), OPC (9), Council+City Manager (22), stakeholder group (14), social media (twitter, instagram, facebook), and notice sent to media outlets.

14 – Meeting with mall ownership. ~10 attendees. Economic Development staff, consultants, and CP&D Director.

14 - Difference Makers Employee E-Newsletter Feb. 2023 vol. 1

17 – Thurston Chamber of Commerce briefing and update. 25 attendees.

March

13 – Meeting with mall ownership. ~12 attendees. Economic Development staff, consultants, and CP&D Director also attended.

15 – Bicycle Pedestrian Advisory Committee (BPAC). ~10 attendees.

23 - Olympia Master Builders (OMB). 6 attendees.

23 – Email to stakeholder work group regarding project timeline extension. 16 recipients.

30 – Email to Parties of Record regarding project timeline extension and update. 253 recipients.

30 – E-news #6. Announcement about extended timeline for project and update on project status. ~1600 recipients.

April

26 – Thurston Economic Development Council (EDC). ~30 attendees.

May

3 – E-news #7. Update on project (timeline drafting, next steps, current work underway). ~1600 recipients.

3 – Parties of Record (POR) email list. Update on project (timeline drafting, next steps, current work underway). 253 recipients.

16 – Meeting with mall ownership and management. 10 attendees.

24 – Meeting/interview with business organization representatives including West Olympia Business Organization, Thurston Chamber, realtors, Community Vision Group, and the Economic Development Council. 7 attendees.

June

5 – Kiwanis Club briefing (~45 attendees)

7 – E-news #8. Update on project and offer to provide briefings for groups and organizations. ~1600 recipients.

7 – Parties of Record (POR) email list. Update on project and offer to provide briefings for groups and organizations. 253 recipients.

13 – Council study session.

15 – Meeting with businesses & business organizations. 8 attendees.

15 – Southwest Olympia Neighborhood Association. 30 attendees.



Capital Mall Triangle - Outreach Summary

September

28 – Draft EIS and Subarea Plan Publication. E-news #9 with 2189 recipients to five subscription lists - Planning & Development, Climate Action, Diversity, Equity & Inclusion, Parks & Rec and the Housing and Homelessness groups. Email #11 to POR including tribes, CIELO, Asian Pacific Islanders Coalition, Ecology, DOT, Commerce, CNA, RNA's (265 addresses), Council+City Manager (22), stakeholder group (14). Posted on social media (twitter, instagram, facebook), Engage Olympia and project webpage updated, notice sent to media outlets, notice published in The Olympia, and 300ft notification by letter (~345 recipients). Also included outreach to the Lewis-Mason-Thurston Area Agency on Aging.

October

- 2 KXXO radio interview
- 5 "Week Without Driving" bus tour. 10 attendees including TRPC staff and director, Intercity Transit General Manager, Olympia School Board, and other local transportation leaders/staff.
- 9 CNA briefing. ~15 attendees.
- 10 Lions Club briefing. 16 Attendees.
- 12 Business meeting #2. 9 Attendees
- 16 OPC briefing. ~14 Attendees
- 18 Community Meeting #3. Announcement for meeting was included in the September 28 public outreach efforts.
- 25 Community Meeting #4. 34 attendees. Reminder sent to Parties of Record email list (280 recipients) and social media announcements sent 3 days before meeting. Announcement for meeting was also included in the September 28 public outreach efforts.
- 26 Land Use and Environment Committee

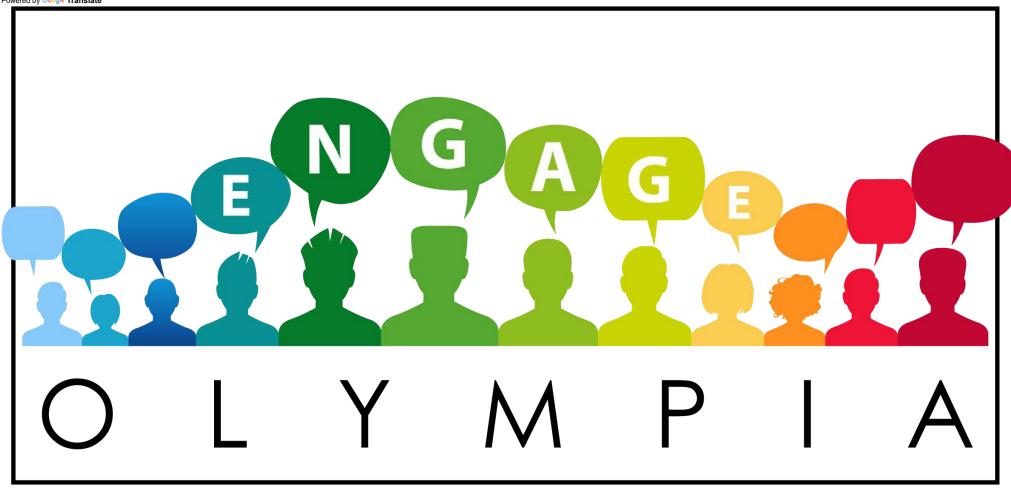
November

- 6 City Council
- 15 Bicycle and Pedestrian Advisory Committee (scheduled)
- 16 Northwest Olympia Neighborhood Association (NWONA) (scheduled)



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Home / Capital Mall Triangle

Capital Mall Triangle







Who's listening

David Ginther

Senior Planner



Phone 360-753-8335

Email triangle@ci.olympia.wa.us



What is the Capital Mall Triangle?

The Capital Mall Triangle is one of three urban centers envisioned in <u>Olympia's 20-year Comprehensive Plan</u>. We anticipate this area will remain a regional destination for shopping and services - while also realizing significantly more housing development than exists there today.

The vision is that over the next 20 years this area will grow into a more people-oriented urban neighborhood. A place where residents can commute to work, shop, recreate, and meet basic needs without a car.

Upcoming public meetings

Community public meeting #3

- October 18, 2023, 6-8 p.m.
- Olympia City Hall, City Council Chambers
- Or via Zoom (link)

Community public meeting #4

- October 25, 2023, 6-8 p.m.
- Capital Mall meeting room (next to the Stack 571 restaurant)
- Or via Zoom (link)

Capital Mall Triangle Subarea Plan and Planned Action Environmental Impact Statement

A subarea plan will provide a long-range strategic and implementation framework to help us realize our Comprehensive Plan vision for this area.

The City received a \$250,000 grant from the Washington State Department of Commerce to help with this work. We will engage with community members in the preparation of the subarea plan and non-project environmental impact statement (EIS) to facilitate transit-oriented development within the Triangle.

Extended timeline

Fall 2022

- Existing Conditions and Market Analysis
- Visioning (first community workshop and EIS scoping)

Spring-Summer 2023

- Second community workshop on alternative for EIS
- Refine alternatives for the Draft EIS

Fall 2023

- Third community workshop
- Second open house
- Draft EIS
- Draft Subarea Plan

Winter 2023

Fourth community workshop

Spring 2024

 Final Draft Subarea Plan Any changes as a result of this process will take time. Progress will depend on the implementation of further work by City staff and private investments. Yet, with patience, you can anticipate the chance to see future generations able to live, walk, play, shop, dine, and be entertained all within the Capital Mall triangle portion of our community.

Present conditions

The current land use pattern reflects the 1970's-80's development era. The primary uses are traditional automobile-oriented big box retail and a suburban mall. These are surrounded by vast parking lots accessed by a sparse network of 5-lane arterials. Street connectivity is limited and existing intersections are strained.

Future state

Over time, the plan will help us transition this area to a mixed-use, grid-based street network. This will:

- require shorter trips while driving.
- · make it easier to use transit.
- give residents the chance to walk or bike to jobs, schools, services, and recreation opportunities.

This area will also play a significant role in realizing more mixed-use housing. Housing types will be appropriate for families and individuals at all income levels, including some homes for those who require access to low-income affordable housing.

Changes in land use and a gridded street network will generate more walk and transit trips as workforce housing expands throughout the subarea. This plan will guide policy and investment decisions needed to stimulate that transit-oriented redevelopment and infill.

Community workshop #1

A community workshop was held to introduce the Capital Mall Triangle Subarea Plan and EIS project to the public. Visioning and Q&A portions helped gather input from the public on desired outcomes. This was the first of several (3-4) community workshop meetings that will be held.

- · View meeting recording
- View meeting presentation
- <u>View results summary</u>

Community workshop #2

The second community workshop was held as an in-person open house on February 2, 2023. The purpose of the meeting was to have the public help to refine the three draft Alternatives (development scenarios) that the Environmental Impact Statement (EIS) will analyze. The Alternatives were drafted based on the 100 public comments received during the EIS scoping comment period held late last year.

View presentation

 Final Draft EIS



2024

 Review and adoption of EIS, subarea plan and implementing actions

Documents Preferred Alternative Selection Worksheet (457 KB) (pdf) Draft EIS (32.5 MB) (pdf) Draft Subarea Plan (11.2 MB) (pdf) Summary of community input (51.1 KB) (pdf) Feb 2, 2023 Open House presentation (954 KB) (pdf) Existing Conditions Report (4.01 MB) (pdf) Market Analysis.pdf (6.96 MB) (pdf) Triangle Subarea Map (13.2 MB) (pdf) Community Workshop #1: Presentation (16.1 MB) (pdf) Community Workshop #1: Results Summary (158 KB) (pdf)

View Draft EIS alternatives

General comments on the project

Comments on the subarea plan and the project in general are welcome at any time. Staff contact information is at the top right side of this page.

Comment on the Draft EIS

The Draft Environmental Impact Statement (EIS) is now available for public review and comment. The official comment period for the Draft EIS is from September 28, 2023 to October 30, 2023.

View the Draft EIS

All comments are welcome, but to be entered into the official record and be specifically addressed in the Environmental Impact Statement, they must be submitted by email, letter, or on this page using the **"Comment"** tool below. A name and valid mailing address are required to be a formal comment on the record.

Comments on the draft alternatives, the EIS in general, and significant adverse environmental impacts are all welcome. Your comments are critical in selecting the preferred alternative so the EIS can be completed.

Alternatives are future development scenarios which the environmental impact statement evaluates for potential significant adverse environmental impacts. One alternative includes a range of moderate actions the city can take to help facilitate the envisioned development within the triangle. The other alternative is a bold approach that includes a more extensive set of actions, partnerships, and investments for the city to undertake to spur a significant amount of the envisioned development within the triangle. The alternatives are described in detail in the draft environmental impact statement.

You are also being provided with the preliminary draft subarea plan. The plan would typicallybe released after the preferred alternative has been selected, however, it is being released now to provide you, the community, with as much additional time as possible to review and provide input and guidance for the final version. Comments on the draft subarea plan are welcome at any time.

• View the Draft Subarea Plan

NEWS FEED

COMMENTS

Extended timeline

12 Apr 2023







FAQs

What are the boundaries of the Capital Mall Triangle?

Why is the City doing this work now?

What is a subarea plan?

What are the benefits of this subarea plan?

What is an Environmental Impact Statement (EIS)?

How was this area identified for redevelopment?

How will traffic issues be addressed?

What is transit-oriented development?

How many residences will be added and what types of housing will be provided?

How quickly will these changes take place?

What is the status of the potential new Interchange at Kaiser Road and Yauger Way and will the subarea plan address this?

Email updates



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\$\\ \text{engagementhq.}

Grant funding for this project has been extended and therefore we can extend the project for another six months to allow for more public participation opportunities.

Page last updated: 25 Oct 2023, 03:29 PM

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City Council

Consideration of Transportation Revenue for Capital Projects

Agenda Date: 11/6/2023 Agenda Item Number: 6.B File Number: 23-0972

Type: decision Version: 1 Status: Other Business

Title

Consideration of Transportation Revenue for Capital Projects

Recommended Action

Finance Committee Recommendation:

Discuss Transportation Benefit District sales tax revenue with the full Council.

City Manager Recommendation:

Move to direct staff to draft an ordinance for City Council consideration to impose a Transportation Benefit District sales tax.

Report

Issue:

Whether to direct staff to draft an ordinance for City Council consideration to impose a Transportation Benefit District sales tax.

Staff Contact:

Sophie Stimson, Transportation Director, Public Works Transportation, 360.753.8497

Presenter(s):

Sophie Stimson, Transportation Director

Background and Analysis:

The community has asked for greater progress and more funding emphasis on bicycle and pedestrian infrastructure.

In April and July of this year, the Finance Committee discussed transportation funding needs and more fully funding the Transportation Master Plan (TMP) which emphasizes bicycle and pedestrian improvements.

A potential source of new revenue for transportation infrastructure projects is a Transportation Benefit District (TBD) sales tax. The TBD is an independent taxing district created for funding transportation improvements within the district. Olympia's TBD has been in place since 2009 and the district

Type: decision Version: 1 Status: Other Business

boundaries are the City limits.

Our TBD currently generates about \$1.5M per year through \$40 vehicle licensing fees. To date, we have used the revenue for pavement management, but it can be used for other transportation funding needs.

The TBD can also generate revenues through a sales tax. Other Washington cities use both the vehicle license fee and sales tax mechanisms to generate revenues.

A 0.1% sales tax, collected through our TBD would generate approximately \$3.1M annually. The revenue could fund pedestrian and bicycle infrastructure projects identified in the TMP.

If pursued by the Council at the end of this year, the new revenue would be available for funding capital projects starting with the 2025 Capital Facilities Plan (CFP).

In 2025, staff is proposing the additional revenues be specifically added to these types of projects:

- New sidewalks, including sidewalk repair
- Enhanced crosswalks
- Enhanced bike lanes
- Bike/pedestrian safety projects

Each year, the Council will have the opportunity to adjust funding levels to these programs with the adoption of the CFP. Flexibility annually is needed to fully fund a project in one year, to match grants, or to respond to urgent needs.

To increase the pace of CFP project delivery, sales tax revenue (approximately \$180,000 per year) is also proposed to be used for a Project Engineer position, who would help scope and design capital projects.

If the Council supports the sales tax proposal, staff will draft an ordinance for consideration at a future meeting this year.

Climate Analysis:

In the Thurston Region, transportation-related emissions are the second largest source of greenhouse gas emissions. Reducing our dependence on fossil fuels in transportation is essential to lessening our impact on the climate. We can do that by replacing gas-powered vehicle trips with trips made by walking, biking, and transit. Increasing funding for Transportation projects in the TMP make those modes more safe and inviting. Funding more projects in the TMP more quickly, will help us reduce those emissions.

Implementing the TMP will help us achieve the following strategies:

- T2. Increase the efficiency of the transportation system. TMP projects will retrofit our streets to make walking, biking and transit more safe and inviting.
- *T4. Increase the use of public transit.* TMP projects help make transit more inviting for more people through better access to bus stops. Changes to signals and street design to prioritize the movement of buses.
- T5. Increase the use of active forms of travel, such as walking and biking. TMP projects add

Type: decision Version: 1 Status: Other Business

enhanced bike lanes, bike corridors, sidewalks, enhanced crosswalks, and pathways to our streets to better serve people walking and biking.

Equity Analysis:

TMP projects will make it easier to walk, bike and ride the bus. These projects help make our transportation system more fair by changing our streets to better serve a wider range of people.

The projects can provide better mobility for people who choose not or, for a variety of reasons, cannot drive a car. With better mobility for more people, we can increase access to jobs, services, and social connections. The TMP contains a discussion of equity on page 146.

Neighborhood/Community Interests (if known):

Public input was sought in Fall 2019 on funding priorities as part of the development of the Transportation Master Plan. In comments about the 2023 and 2024 preliminary Capital Facilities Plan, members of the public and the Planning Commission had indicated a need to increase funding for multimodal transportation.

Financial Impact:

A sales tax increase of 0.1% implemented through the TBD, would generate approximately \$3.1 million for transportation infrastructure.

Options:

- Move to direct staff to draft an ordinance for City Council consideration to impose a
 Transportation Benefit District sales tax. This would provide approximately \$3.1 million in new
 revenues for transportation capital projects, available for the 2025 CFP.
- 2. Do not pursue the TBD sales tax option for transportation capital revenues at this time. Explore alternative funding sources.
- 3. Take other action.

Attachments:

None