# INTERLOCAL AGREEMENT
# BETWEEN THURSTON COUNTY AND THE CITY OF OLYMPIA TO COMBINE THE OLYMPIA AND THURSTON COUNTY HOME FUNDS AS PERMITTED BY STATE LAW

**THIS INTERLOCAL AGREEMENT** ("Agreement") is made and entered into as of the date of the last signature below (which is the "effective date") by and between the City of Olympia, a Washington municipal corporation ("Olympia") and Thurston County, a Washington municipal corporation ("County"), collectively referred to herein as "the Parties" and individually as "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 pursuant to forms of governmental organization that will accord best with geographic, economic, populations, 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 is authorized by the governing body of each Party to the contract and sets forth its purposes, powers, rights, objectives, and responsibilities of the contracting parties; and

**WHEREAS,** RCW 82.14.540(10) provides that a county and city may enter into an interlocal agreement for the purpose of pooling tax receipts received under RCW 82.14.530 and .540 for the purpose of pledging those taxes to bonds issued by one or more parties to the agreement, and allocating the proceeds of the taxes levied or the bonds issued in accordance with the terms of such interlocal agreement and Section .540; and

**WHEREAS,** on February 13, 2018, voters in the City of Olympia approved an additional one-tenth of one percent (0.1%) sales and use tax as provided by RCW 82.14.530. Subsequently, on March 6, 2018, the Olympia City Council passed Ordinance No. 7127 authorizing the imposition of the sales and use tax increase in the City of Olympia to construct low-income affordable housing and housing related services, including mental and behavioral health-related facilities, as permitted by RCW 82.14.530; and

**WHEREAS,** on January 11, 2022, the Olympia City Council approved a Resolution of Support of a Thurston County Home Fund and Intent to Partner with Thurston County, should the County take action to create a Home Fund. The Council further found that homelessness was caused by a variety of factors and that homelessness is a public health emergency existing in Olympia and Thurston County. The Council further resolved to partner with Thurston County to coordinate use of the City's and County's respective Home Fund revenues to provide housing and housing-related services to homeless persons residing within Thurston County and the City of Olympia, in coordination with the Regional Housing Council ("RHC") to achieve a regional decision-making process for the combined Olympia and County Home Fund revenues; and

**WHEREAS,** on January 25, 2022, the Thurston County Board of County Commissioners passed Ordinance No. 16128, imposing an additional sales and use tax of one-tenth of one percent (0.1%) for housing and housing related services as authorized by RCW 82.14.530, permitting the legislative authority of a county or city to impose a one-tenth of one percent (0.1%) local sales and use tax by councilmanic action for affordable housing and related services; and

**WHEREAS,** on June 14, 2018, the Thurston County Board of Health adopted Resolution No. H-2-2018, declaring homelessness a public health crisis, resolving to "provide support and leadership in effective community-wide collaborative coordination, planning, and policy efforts to end this crisis and to implement actions that will reduce homelessness, increase affordable housing development opportunities, and address the health, safety, social, economic, and environmental impacts of homelessness . . . "; and

**WHEREAS**, the housing affordability problem and its impact by increasing homelessness in Thurston County has continued to grow worse since 2018, and requires prompt action to mitigate economic impacts, enhance public safety, and reduce human suffering for County residents; and

**WHEREAS**, the Regional Housing Council ("RHC") was created in January 2021 with the primary purpose to leverage resources and partnerships through policies and projects that promote equitable access to safe and affordable housing, and the RHC has developed a strategic framework to create an initial stock of 150-200 permanent supportive housing units, which requires additional funding to fully implement; and

**WHEREAS,** County Ordinance No. 16128 requires the County Manager to (a) develop an Interlocal Agreement with the City of Olympia outlining roles, responsibilities, administration, and other requirements related to combining Olympia's and the County's sales and use tax funds for housing and housing-related services; and (b) to work with participating jurisdictions to amend the Regional Housing Council Interlocal Agreement to create an administrative/executive arm to effectively guide the RHC on the use of the sales and use tax for housing and related services as permitted by law; and

**WHEREAS,** the County and Olympia agree that their objective is to create an efficient, effective, transparent, and inclusive system for funding, developing, managing, and implementing regional supportive and emergency housing projects in Thurston County and to jointly administer Olympia's and the County's Home Funds to accomplish this purpose; and

**WHEREAS,** the County and Olympia agree that all facilities funded using Home Fund revenues will support projects that are consistent with the objectives of the Thurston County Homeless Crisis Response Plan, and that this is best accomplished by working collaboratively to jointly manage the tax revenues from their respective Home Funds; and

**WHEREAS,** the County and Olympia further agree to continue to work towards an equitable sharing of the costs of supporting and managing existing emergency housing facilities and to work towards an equitable distribution of new facilities in the Thurston County region;

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

# AGREEMENT

## I. Purpose and Goals of Agreement

The purpose of this Agreement is to pool and combine the tax revenues received by the County's and Olympia's respective Home Funds to coordinate an efficient, effective, transparent, and inclusive system for funding, developing, managing, and implementing supportive and emergency affordable low-income housing and housing-related services in Thurston County and Olympia that are consistent with the objectives of the Thurston County Homeless Crisis Response Plan.

## II. Combining Home Fund Revenues, Management, and Use

Olympia agrees to allocate a minimum of sixty-five percent (65%) of its annual Home Fund tax revenues to capital projects for affordable low-income housing for those population groups identified in RCW 82.14.530. These funds shall be transferred to Thurston County's Home Fund for administration in accordance with RCW 82.14.530 for low-income housing capital projects. The County agrees it will serve as the fiscal agent for management and distribution of Olympia's Home Fund revenues and that these funds shall be managed as provided in the Regional Housing Council Interlocal Agreement ("RHC ILA"). The County agrees it will use no more than ten percent (10%) of the combined Home Fund revenues for program administration.

## III. County Advisory Subcommittee to the RHC

The Parties agree that Olympia's existing Home Fund Advisory Board will form the basis of the County Advisory Subcommittee to the Regional Housing Council. Olympia's Home Fund Advisory Board shall be expanded and modified to comply with the requirements of the County's ordinance that the County Advisory Subcommittee to the Regional Housing Council be composed of community members, including private sector stakeholders, representing all areas of the County. The modified County Advisory Subcommittee to the RHC will make recommendations to the full RHC for the RHC's consideration and approval. Home Fund revenue shall be managed as provided in the RHC ILA Amendment One approved in April 2021 and any amendments made pursuant to this Agreement.

## IV. Future Appointments to County Advisory Subcommittee to the RHC

The RHC shall accept applications from persons wishing to serve on the County Advisory Subcommittee to the Regional Housing Council and shall make recommendations on appointments to the County Advisory Subcommittee. The Board of County Commissioners will make formal appointments for service upon the County Advisory Subcommittee to the RHC. In recognition of Olympia combining its Home Fund with the County's Home Fund, Olympia requires that one-third (1/3) of the members of the County Advisory Subcommittee be Olympia residents, or represent organizations based or located in Olympia. This goal will be accomplished by amending the RHC ILA to provide for same. This Interlocal Agreement to combine the Olympia and Thurston County Home Funds is contingent upon the amendment of the RHC ILA by its members to provide that at least one-third (1/3) of the members of the County Advisory Subcommittee shall be residents of Olympia, or represent organizations based or located in Olympia. If the RHC ILA is not amended to provide Olympia one-third (1/3) representation on the County Advisory Subcommittee within ninety (90) days of the last signature to this Agreement, then this Agreement to combine Olympia's and the County's Home Funds shall be void and of no further legal effect, and any Olympia Home Fund monies during

the ninety (90) day period following final signature to this Agreement shall remain with or be returned to Olympia.

**V. Regional Housing Council Interlocal Agreement**

The RHC ILA shall serve as the basis for decision-making on the use of County and Olympia Home Fund tax revenues. The Parties agree that the RHC ILA shall be amended to incorporate County and Olympia Home Fund tax revenues, as well as the recommendations for funding by the County Advisory Subcommittee.

**VI. Olympia to Retain Portion of Home Fund Tax Revenues**

Olympia shall retain up to thirty-five percent (35%) of tax revenues deposited into the Olympia Home Fund. Olympia may use said funds as permitted by RCW 82.14.530 to support existing homeless services and projects such as the Olympia downtown mitigation site, Quince Street Village, or Plum Street Village, until such time as these services or projects are discontinued or are supported by RHC funds. Further, it is agreed that Olympia may use its retained Home Fund tax revenues to support up to 1.5 FTE. One funded staff person will serve as a member of the RHC Executive/Administrative Team, and all funded staff shall remain Olympia employees until such time when County and Olympia Home Fund programs are fully integrated.

**VII. RHC Executive/Administrative Team**

The County and Olympia, in coordination with the RHC Board, shall agree upon the makeup, organization, and administration of the RHC Executive/Administration Team and how it will generally be operated to support the implementation of the Parties' combined Home Funds and the RHC ILA.

**VIII. Annual Report Required**

As required by County Ordinance No. 16128, the Parties agree that the Regional Housing Council shall prepare an annual report on the use of County and Olympia Home Fund revenues each year this Agreement is in effect. Further, the RHC shall published the report and provide a copy to the Board of County Commissioners and a copy to the Olympia City Council.

**IX. Dissolution of RHC**

In the event the Regional Housing Council dissolves, and no replacement regional body is created, Olympia shall retain one hundred percent (100%) of its Home Fund revenues.

**X. Goal of Full Integration**

It is the goal of the Parties to continue to work toward fully integrating the County and Olympia Home Fund programs over a period of three years following the final execution of this Agreement. During this time, the Parties agree to mutually examine opportunities to combine all available Home Fund revenues.

**XI. Effective Date**

This Agreement shall be effective on January 1 of the year following approval of this Agreement by the Board of County Commissioners and the Olympia City Council, and execution of this Interlocal Agreement by authorized representatives of the Parties.

**XII. Duration of Agreement**

This Agreement may be terminated by either Party upon six (6) months' notice to the other Party as provided in Paragraph XIV.

**XIII. Amendment of Agreement**

This Agreement may be amended only by written agreement executed by all Parties in accordance with Chapter 39.34 RCW.

**XIV. Termination of Agreement**

This Agreement may be terminated upon mutual agreement of the Parties. Any party may withdraw upon six (6) months' written notice to the other Parties.

**XV. Interpretation and Venue**

This Agreement is governed by the laws of the State of Washington as to interpretation and performance. Venue for enforcement of any provision of this Agreement, or for any lawsuit arising out of or relating to this Agreement, shall be in the Superior Court of Thurston County.

**XVI. Entire Agreement**

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

**XVII. 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 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.

**XVIII. No Third-Party Rights.**

This Agreement is between the signatory Parties only and does not create any third-party rights.

**XIX. Notice**

Any notice required under this Agreement shall be to the Party at the address listed below and shall become effective five (5) business days following the date of deposit with the United States Postal Service or shall be effective twenty-four (24) hours after deposit with a recognized overnight service via FedEx, UPS, or USPS, or shall be immediately effective upon personal service on the person and address designated below. Service of a notice may also be immediately effective by email, but only upon proof of acknowledgement of receipt of said email notice.

**THURSTON COUNTY**
Ramiro Chavez, County Manager
Thurston County
2000 Lakeridge Drive SW
Olympia, WA 98502
Email: Ramiro.chavez@co.thurston.wa.us

**CITY OF OLYMPIA**
Steven J. Burney, City Manager
City of Olympia
P.O. Box 1967
601 4th Ave E
Olympia, WA 98507-1967
Email: jburney@ci.olympia.wa.us

**XX. Waiver**

A failure by a Party to exercise its rights under this Agreement shall not preclude that Party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement unless stated to be such in a writing signed by an authorized representative of the Party and attached as an addendum to the original Agreement.

**XXI. Severability**

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision if such remainder conforms to the requirements of applicable law and the fundamental purpose of this Agreement, and to this end the provisions of this Agreement are declared to be severable.

**XXII. Records Retention and Audit**

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 group as if this Agreement created a separate legal entity, shall be deemed to be a request received by each Party individually. Each Party shall separately respond, unless otherwise agreed by the Parties in writing and properly documented.

**XXIII. No Separate Legal Entity Created; Real or Personal Property Acquired or Held**

This Agreement creates no separate legal entity. To the extent any Party furnishes property for purposes of carrying out this Agreement, such property must be returned to that Party upon termination of this Agreement, or upon that Party's withdrawal from this Agreement.

**XXIV. Relationship of the Parties**

The employees or agents of each Party who are engaged in the performance of this Agreement shall continue to be employees or agents of that Party and shall not be considered for any purpose to be employees or agents of the other Party. This Agreement is for the benefit of the Parties, and no third-party beneficiary relationship is intended.

**XXV. Recitals**

The Recitals set forth above are hereby incorporated into this Agreement as if fully stated herein.

**XXVI. Dispute Resolution**

The Parties shall make every effort to resolve disputes arising out of or relating to this Agreement through discussion and negotiation. In the event discussion and negotiation fail to resolve a dispute arising under this Agreement, the issue shall be determined by a Dispute Board in the following manner: Each Party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint one additional member to the Dispute Board. The Dispute Board shall review the fats, Agreement terms and applicable statutes and rules and make a determination of the dispute. The determination of the Dispute Board shall be final and binding on the Parties hereto. All cost associated with the appointment of the additional member will be equally shared between the Parties to this Agreement.

**XXVII. Posting and 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 as required by RCW 39.34.040.

This Agreement is hereby entered into between the Parties, and it shall take effect on the date of the last authorizing signature affixed hereto and posting or recording as provided in Paragraph XXVII.

**CITY OF OLYMPIA**, a Washington municipal corporation

**Steven J. Burney,** City Manager

Date:_____

Approved as to form:

Mark Barber

**Mark Barber**, City Attorney

**THURSTON COUNTY,** a Washington municipal corporation

**Ramiro Chavez,** County Manager

Date:_____

Approved as to form**:**

**Elizabeth Petrich**, Deputy Prosecuting Attorney