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City Council

Approval of a Resolution Authorizing the Sale of City-Owned Real Property Located at 2828 Martin Way E. to the Low Income Housing Institute (LIHI)

Agenda Date: 8/20/2019
Agenda Item Number: 4.F
File Number: 19-0743

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

Title

Approval of a Resolution Authorizing the Sale of City-Owned Real Property Located at 2828 Martin Way E. to the Low Income Housing Institute (LIHI)

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve a resolution authorizing the City Manager to execute all documents necessary for the sale of City-owned property located at 2828 Martin Way E. to the Low Income Housing Institute (LIHI).

Report

Issue:

Whether to approve a resolution authorizing the City Manager to execute all documents necessary for the sale of City-owned property located at 2828 Martin Way E. to LIHI for the development of affordable housing and housing-related services on that site.

Staff Contact:

Cary Retlin, Home Fund Manager, Community Planning & Development, 360.570.3956

Presenter(s):

None - Consent Calendar Item

Background and Analysis:

In July 2018, the City Council purchased real property located at 2828 Martin Way for \$1,350,000 with Olympia Home Fund dollars for the purpose of future affordable housing development as provided in RCW 82.14.530. Since that time, Interfaith Works and the LIHI have partnered to plan 65 apartments of supportive housing and a 60-bed temporary shelter. Both LIHI and Interfaith Works provide housing and housing-related services to the population groups identified in RCW 82.14.530.

Those populations are in high need of housing according to the *Thurston County Homeless Housing Plan 2017-2022*.

Primary Contingency

This Real Estate Purchase and Sale Agreement is contingent upon LIHI receiving funds from the Washington State Housing Trust Fund and tax credit allocations from the Washington State Housing Finance Commission. If those funds are secured, the parties will proceed with closing by April 30, 2020. Authorizing this agreement now strengthens the LIHI/Interfaith application to those funders so that it puts our community's application in the best position when competing with other communities around Washington for limited funds and tax credits.

Term of Service and Use of Property

The Real Estate Purchase and Sale Agreement requires that the property be used for affordable housing in perpetuity by way of restrictive covenants.

The Agreement requires services on the property that are consistent with state law that authorized the Olympia Home Fund, RCW 82.14.530. The Agreement reads that the property shall be used:

“...to provide affordable housing and facilities providing housing-related facilities and programs within any of the following population groups whose income is at or below sixty percent (60%) of the median income of Thurston County, Washington, for persons who are residents of the City of Olympia, Thurston County, Washington, to wit: (i) persons with mental illness; (ii) veterans of the armed forces of the United States of America; (iii) senior citizens; (iv) homeless, or at-risk of being homeless, families with children; (v) unaccompanied homeless youth or young adults; (vi) persons with disabilities; or (vii) domestic violence survivors, as provided in RCW 82.14.530.”

Neighborhood/Community Interests (if known):

The City has partnered with LIHI and Interfaith Works to provide multiple community meetings about the Martin Way property and will require a Good Neighbor Plan to ensure long-term communication between LIHI, Interfaith, and the neighborhood.

Options:

1. Approve the resolution authorizing the City Manager to execute all documents necessary for the sale of City-owned property located at 2828 Martin Way E. to the LIHI.
2. Do not authorize the sale to LIHI and direct staff to seek other options for the use of 2828 Martin Way E. This may weaken our community's applications for state and federal construction funds for affordable housing at 2828 Martin Way.

Financial Impact:

This Real Estate Purchase and Sale Agreement proposes sale of the 2828 Martin Way E. property to LIHI for \$1,000 in support of the poor and infirm using Home Fund dollars provided via revenue received pursuant to RCW 82.14.530 for the statutory purposes therein.

Attachments:

Resolution
Agreement

