



City Council

Public Hearing on a Development Agreement with Low-Income Housing Institute for 2828 Martin Way

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Title

Public Hearing on a Development Agreement with Low-Income Housing Institute for 2828 Martin Way

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Hold a public hearing on a development agreement with the Low-Income Housing Institute. After closing the public hearing, move to adopt the attached resolution approving a development agreement with the Low-Income Housing Institute for residential development to serve low-income individuals at 2828 Martin Way.

Report

Issue:

Whether the City Council should hold a public hearing and approve a development agreement with the Low-Income Housing Institute.

Staff Contact:

Leonard Bauer, Interim Director, Community Planning and Development, 360.753.8206

Presenter(s):

Leonard Bauer, Interim Director, Community Planning and Development

Background and Analysis:

This development agreement is requested by City staff in accordance with Chapter 18.53 of the Olympia Municipal Code. Staff from the Departments of Community Planning and Development and Public Works have worked with the Low-Income Housing Institute (LIHI) and the City Attorney's office to draft the proposed development agreement (see attached).

The development agreement is for a 1.12-acre property located at 2828 Martin Way, on the northwest corner of Martin Way and Pattison Street NE (tax parcel no. 69510000200). The property was purchased by the City of Olympia using its Home Fund and is being sold to LIHI to construct (in two

phases) approximately 111 units of housing affordable to low-income residents, and a shelter for approximately 60 individuals experiencing homelessness. A purchase and sale agreement has been signed with LIHI for the sale of the property.

The proposed agreement provides that LIHI will apply for the development of the property in two phases, and each application will be reviewed for consistency with the City's adopted development regulations at the time of the execution of this agreement.

The development agreement will be recorded with the property and remain in effect for this property even if it is subsequently sold to another party.

This public hearing and decision are on the terms of the proposed development agreement with LIHI for the subject property. This Public Hearing is not a hearing or decision on the proposed development itself. Consideration of proposed development on the property will occur in the future as part of the review of permit applications after they are received by the City.

Legal Requirements for Development Agreements

Chapter 36.70B.170 of the Revised Code of Washington authorizes cities to enter into a written development agreement with a property owner. The City of Olympia's procedures for development agreements are contained in Chapter 18.53 of the Olympia Municipal Code (OMC).

Following is a brief summary of those procedures as they relate to the proposed development agreement:

- The City Council is the authority to make a final decision on a development agreement.
- The City Council must hold a public hearing on the development agreement. Notice was provided for tonight's hearing consistent with the City's public notice requirements (OMC 18.78.040).
- A development agreement must be heard by the City Council prior to consideration of any application for development.
- A development agreement may address the development standards and other provisions that apply to the proposed development and vest to the development, the time frame of the agreement, and any mitigation measures to address potential impacts of the agreement. The attached development agreement would not change any existing city regulations as they would apply to the development, but would ensure that current regulations apply to all phases of the development. The agreement includes exceptions for future state or federal regulations that may supersede the city's authority, and for new regulations addressing threats to public health and safety. The term of the draft agreement is ten years.
- Development agreements are recorded with Thurston County and remain in force and applicable to the property according to the terms of the agreement, even if the property is sold or transferred to another party.

Neighborhood/Community Interests (if known):

There is significant interest from throughout the community in providing housing affordable to low-income individuals, as evidenced by voter approval of the Olympia Home Fund. There was interest from the surrounding neighborhood when the City originally purchased the 2828 Martin Way property using the Home Fund.

Options:

Following the close of the public hearing:

1. Approve the resolution approving the development agreement.
2. Do not approve the resolution.
3. Continue consideration of the resolution until a future Council meeting.

Financial Impact:

The development agreement itself does not have direct financial impact to the City. The associated sale of the property to LIHI is for \$1,000, for provision of low-income housing in perpetuity. The proposed development is being partially funded by the City of Olympia Home Fund. The construction of additional housing units affordable to low-income individuals will benefit those individuals and potentially help the City avoid additional costs for services to individuals that may otherwise experience homelessness.

Attachments:

Resolution

Development Agreement