



City Council

Approval of a Resolution Authorizing an Agreement to Sell City-Owned Real Property at 308-310 4th Avenue East to Urban Olympia 12, LLC, for Mixed Use Development

Agenda Date: 5/4/2021
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Title

Approval of a Resolution Authorizing an Agreement to Sell City-Owned Real Property at 308-310 4th Avenue East to Urban Olympia 12, LLC, for Mixed Use Development

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 to sell certain real property located at 308-310 4th Avenue East (formerly known as the Griswold Site) to Urban Olympia 12, LLC, for mixed use development including affordable housing for low-income households.

Report

Issue:

Whether to approve the Resolution authorizing the City Manager to execute all documents necessary to sell certain real property located at 308-310 4th Avenue East (formerly known as the Griswold Site) to Urban Olympia 12, LLC, for mixed use development including affordable housing for low-income households.

Staff Contact:

Mike Reid, Economic Development Director, 360.753.8591
Mark Barber, City Attorney, 360.753.8223

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

On February 3, 2015, the Olympia City Council approved Resolution No. M-1814, declaring the real property located at 308-310 4th Avenue East in Olympia, Washington (aka the Griswold property), to

be within a blighted area as defined in RCW 35.81.010(2) and designated as a Community Renewal Area (CRA) pursuant to RCW Chapter 35.81. The City of Olympia acquired the Griswold property in 2016, with the objective of eliminating blight and creating opportunities for redevelopment and low to moderate income housing. The City and Urban Olympia, LLC have negotiated terms and conditions for the purchase of the City's real property that will provide mixed use and a percentage of residential units to be constructed for use as affordable housing made available to low-income households for a period of 20 years from issuance of a certificate of occupancy.

Affordable low-income housing is defined as serving persons with adjusted median income (AMI) in Thurston County, Washington of eighty percent (80%) AMI or less, as reported by the United States Department of Housing and Urban Development (HUD). Additionally, "affordable low income housing" is defined as set forth in Olympia Municipal Code (OMC) Section 5.86.010.H as residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent (30%) of the person's or household's monthly income. The percentage of required affordable housing in the development is reduced over the term of the 20-year commitment as follows:

- Years 1-12, 60% of the total units are required to meet affordability requirements
- Years 13-15, 30% of the total units are required to meet affordability requirements
- Years 16-20, 20 % of the total units are required to meet affordability requirements

A restrictive covenant providing for affordable low-income housing units shall be executed by the Parties and shall be recorded in the chain of title of the Property upon Closing, either as part of the deed or in a separate document.

The Parties also agree that Urban Olympia 12 LLC ("Buyer") shall apply to City of Olympia ("Seller") for an affordable housing multi-family tax exemption (MFTE) for the Property, pursuant to OMC Section 5.86.010.A.2.b. Seller agrees to timely process said application and submit same for consideration and approval by the Olympia City Council.

Additional terms include:

- Purchase price - \$50,000
- Closing shall occur within 30 days of the demolition by the City of Olympia of the existing structure on site.
- Buyer will have a 120-day Feasibility Contingency Period upon the execution of the Purchase and Sales Agreement to complete necessary due diligence on the site.
- Buyer will be required to submit for Design Review within 120 days of the removal of the Feasibility Contingency Period,
- Buyer will be required to apply for building permits within 120 days of design review approval.
- Buyer will be required to commence construction on the property within 10 months of the closing date.

The current budget for the demolition of the blighted structure on site is \$308,850.

By approving this Resolution, the Olympia City Council hereby accepts terms, among others, to sell the aforesaid real property for \$50,000 and commit to the demolition of the existing blighted structure.

Neighborhood/Community Interests:

Affordable housing and downtown redevelopment are interests that are shared by the Downtown

Neighborhood and the broader community.

Options:

1. Approve the Resolution authorizing the City Manager to execute all documents necessary to sell certain real property located at 308-310 4th Avenue East (formerly known as the Griswold Site) to Urban Olympia 12, LLC, for mixed use development including affordable housing for low-income households.
2. Do not approve the Resolution authorizing the City Manager to execute all documents necessary to sell certain real property located at 308-310 4th Avenue East (formerly known as the Griswold Site) Urban Olympia 12, LLC, for mixed use development including affordable housing for low-income households.
3. Refer the Resolution to a City Council Committee for further consideration.

Financial Impact:

The City of Olympia acquired the property in 2016 for \$300,000. The current tax assessed value of the property is \$212,300. Staff recommends selling the former Griswold property for \$50,000, obtaining the community benefit of 20 years of affordable housing on the site, and achieving the stated Community Renewal Benefit of blight elimination. The current estimate for demolition of the existing structure is \$308,850.

Attachments:

Resolution
Agreement