



## City Council

# Approval of a Resolution Authorizing a Subordination Agreement with Community Youth Services for Subordination of a CDBG Loan

**Agenda Date:** 6/14/2022  
**Agenda Item Number:** 4.B  
**File Number:** 22-0561

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

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### Title

Approval of a Resolution Authorizing a Subordination Agreement with Community Youth Services for Subordination of a CDBG Loan

### Recommended Action

#### Committee Recommendation:

Not referred to a committee.

#### City Manager Recommendation:

Move to approve a resolution authorizing the City Manager to sign a Subordination Agreement with Community Youth Services for Subordination of a CDBG Loan.

### Report

#### Issue:

Whether to authorize the City Manager to sign a subordination agreement with Community Youth Services for subordination of a CDBG loan.

#### Staff Contact:

Anastasia Everett, CDBG Program Specialist, 360.233.6971

#### Presenter(s):

None - Consent Calendar Item.

#### Background and Analysis:

In 2007, the City issued Community Youth Services (CYS) a deferred payment loan (DPL) of \$50,000 for their property at 711 State Ave NE for rehabilitation of the property. This loan was a 0% interest, payment deferred until sale or transfer of title loan.

Currently, CYS is seeking a line of credit from Timberland Regional Bank to acquire a new property. Timberland Regional Bank has requested that the City subordinate our \$50,000 loan to second position behind the proposed line of credit from Timberland.

CYS is a critical organization that provides youth at-risk and their families with resources and services and the City is dedicated to supporting their work.

Because the loan is not meant to be paid back until 2050, Olympia is proposing a Resolution to subordinate our position so that CYS can secure this additional funding and acquire the new property, expanding their services to the community.

**Neighborhood/Community Interests (if known):**

CYS provides critical services to youth at-risk and their families.

**Options:**

1. Approve the Resolution.
2. Do not approve the Resolution.
3. Consider the Resolution at another time.

**Financial Impact:**

A \$50,000 CDBG loan granted to Community Youth Services will be subordinated to the second position to secure a \$500,000 line of credit for acquiring a new building.

**Attachments:**

Resolution  
Agreement