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## City Council

### **Approval of a Resolution Authorizing an Interlocal Agreement with the State of Washington Department of Commerce for Infrastructure Improvements and Operating Expenses for a Tiny House Village on Franz Anderson Road**

**Agenda Date:** 6/21/2022  
**Agenda Item Number:** 4.H  
**File Number:** 22-0591

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

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**Title**

Approval of a Resolution Authorizing an Interlocal Agreement with the State of Washington Department of Commerce for Infrastructure Improvements and Operating Expenses for a Tiny House Village on Franz Anderson Road

**Recommended Action**

**Committee Recommendation:**

Not referred to a committee.

**City Manager Recommendation:**

Move to approve of a Resolution authorizing an Interlocal Agreement with the State of Washington Department of Commerce for infrastructure improvements and operating expenses for a tiny house village on Franz Anderson Road.

**Report**

**Issue:**

Whether to approve of a Resolution authorizing an Interlocal Agreement with the State of Washington Department of Commerce for infrastructure improvements and operating expenses for a tiny house village on Franz Anderson Road.

**Staff Contact:**

Darian Lightfoot, Housing Programs Manager, 360.280.8951

**Presenter(s):**

Darian Lightfoot, Housing Programs Manager

**Background and Analysis:**

The state of Washington has identified priority rights of way in five priority counties, including Thurston, to address encampments. Local governments associated with the prioritized sites were

offered the opportunity to submit a unified, multijurisdictional proposal to address closures of the encampments, including short term and long term solutions.

This City of Olympia's portion of the proposal includes making the Franz-Anderson site usable as a tiny home village, and the acquisition or construction and setup costs for at least 50 tiny house units. The costs incurred shall be connected to a plan for occupancy of units no later than October 30, 2022. The site subject to improvements funded by this contract must be used for affordable housing for at least 20 years.

Three years of operations and service costs associated with at least 50 units dedicated to people living in state rights of way are also included in this contract. Funded units will be reserved for people being transitioned from state rights of way but can be used to house other individuals if communicated that there is not a need for the units during a specific time period. People provided housing will be provided appropriate services and referrals to services.

The City will ensure that the right of way improvements to the site will consider the long term use of the site for development into affordable housing. This will allow for a shorter timeline for development and greater impact on the affordable housing market in the City.

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

Short term and long term housing options are desperately needed in our community. This contract will support folks transitioning out of residing in the right of way, offer short term housing shelter out of the elements, and also connect residents to long term housing.

**Options:**

1. Move to approve of a Resolution authorizing an Interlocal Agreement with the State of Washington Department of Commerce for infrastructure improvements and operating expenses for a tiny house village on Franz Anderson Road.
2. Propose changes to the scope of work and approve a Resolution authorizing an Interlocal Agreement with the State of Washington Department of Commerce for infrastructure improvements and operating expenses for a tiny house village on Franz Anderson Road.
3. Do not to approve a Resolution authorizing an Interlocal Agreement with the State of Washington Department of Commerce for infrastructure improvements and operating expenses for a tiny house village on Franz Anderson Road.

**Financial Impact:**

The proposed contract includes \$2.9 million for site improvements and preparation (including \$500,000 for the creation of a tiny home village) and \$3 million to operate the site for three years. Commerce also provided \$300,000 in administrative costs for city staff to coordinate site development and management. A separate service provider will be contracted for direct on-site management. This is an incredible impact to the housing and homeless response budget and will free up funds for continued encampment support and ongoing service provider contracts.

**Attachments:**

Resolution  
Agreement