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City Council

Approval of a Resolution Authorizing a Priority and Subordination Agreement with the Low Income Housing Institute for Unity Commons Phase II

Agenda Date: 5/9/2023
Agenda Item Number: 4.D
File Number: 23-0366

Type: resolution **Version:** 3 **Status:** Passed

Title

Approval of a Resolution Authorizing a Priority and Subordination Agreement with the Low Income Housing Institute for Unity Commons Phase II

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve a Resolution authorizing a Priority and Subordination agreement with the Low Income Housing Institute (LIHI) for Unity Commons Phase II related to City of Olympia Home Fund Grant agreement no. 22-hfc-006.

Report

Issue:

Whether to approve a Resolution authorizing a priority and subordination agreement with the Low Income Housing Institute (LIHI) for Unity Commons Phase II related to City of Olympia Home Fund Grant agreement no. 22-hfc-006 in substantially the final form as presented in the Resolution.

Staff Contact:

Jacinda Steltjes, Affordable Housing Program Manager, City Manager's Office, 360.753.8482

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

The City of Olympia has awarded the Low Income Housing Institute (LIHI) a Home Fund grant in the amount of \$150,000 to develop 63-units of multi-family rental housing for low-income and homeless individuals at 111 Pattison Street NE. The project is commonly referred to as Unity Commons Phase II. Development of the project is funded by various lenders. The Priority and Subordination Agreement outlines the priority of interests in the project and is executed between LIHI and all the

project's funders.

Climate Analysis:

Unity Commons Phase II is being constructed on the same parcel as the first phase of development and will result in over 120 units of housing where just down the street, a single-family home is being inhabited on a similarly sized lot. Phase II and the now completed Phase I project both optimized land use to address the urban sprawl and support the use of public transit, being on a bus line of a major transit corridor.

Equity Analysis:

Very low-income persons, including the 63 low-income tenants who will reside in the project, will benefit from the execution of the Priority and Subordination Agreement in the way that the document is needed before LIHI can begin construction of Unity Commons Phase II and the agreement legally documents the priority of restrictive covenants placed upon the project property and is another way to ensure the project maintains long-term affordability for very low-income persons.

Neighborhood/Community Interests (if known):

None known associated directly with the Priority and Subordination Agreement. However, affordable housing development and homelessness are of high interest to the community. The phased plan of this project has been communicated clearly from the start, allowing neighbors and interested community members to weigh in at several points throughout the development process.

Financial Impact:

This action has no financial impact.

Options:

1. Approve the Resolution authorizing the City Manager to sign and execute the Priority and Subordination Agreement with the Low Income Housing Institute.
2. Do not approve the Resolution and provide further direction to staff.
3. Direct staff to take other action.

Attachments:

Resolution
Agreement