



City Council

Approval of a Resolution Authorizing Submission of a Connecting Housing to Infrastructure Program Grant Application for the Habitat for Humanity Boulevard Road Project

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Title

Approval of a Resolution Authorizing Submission of a Connecting Housing to Infrastructure Program Grant Application for the Habitat for Humanity Boulevard Road Project

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve a Resolution authorizing submission of a Connecting Housing to Infrastructure Program grant application for the Habitat for Humanity Boulevard Road Project

Report

Issue:

Whether to approve a Resolution authorizing submission of a Connecting Housing to Infrastructure Program grant application for the Habitat for Humanity Boulevard Road Project

Staff Contact:

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Presenter(s):

None - Consent Item

Background and Analysis:

Earlier this year, the City formalized a sale agreement with Habitat for Humanity for the Boulevard Road project. Supporting a project like this helps address many elements in the City's Housing Action Plan and helps advance the regional work set forward in Thurston County. Along with the local land donation and impact fee waivers, the City sees applying for additional funding on behalf of the project best address the community housing crisis and highlights the City's commitment to serving residents facing housing insecurity. Staff has identified an opportunity to apply for a Connecting Housing to

Infrastructure Program (CHIP) grant in the amount of up to \$2,000,000 to be used for infrastructure improvements prompted by the development of the project.

CHIP

The CHIP grant opportunity is offered by the Washington State Department of Commerce. The grant supports the development of affordable housing by paying for water, sewer and stormwater utility improvements and/or waived system development charges for new affordable housing units. Cities, counties or utility districts may apply in partnership with a housing developer. A total of \$55.5 million is available and the maximum award amount is \$2,000,000.

Habitat for Humanity Blvd Housing Project

Habitat's proposal articulates a vision for a mix of owner-occupied townhomes and "senior cottages" with the inclusion of a small neighborhood center. Habitat's objective is the creation of owner-occupied housing that is affordable to people making 30-80% of the area median income for Thurston County. Approximately 126 housing units are anticipated.

The homes will be designated as affordable in perpetuity. Over 50% of the homes will be ADA accessible, and all units will be built to the Evergreen Sustainable Development Standard. This establishes criteria that safeguards health and safety, increases durability, promotes sustainable living, preserves the environment and increases energy and water efficiency.

Development Timeline

The development team anticipates starting construction on a portion of the units early next year and seeing occupancy by late 2025. Units will continue to be built and gradually come on line for the following three years.

Climate Analysis:

The project will occur on property adjacent to the Olympia Transit bus line. Per city code, the project will include minimal parking spaces in an effort to increase housing density, decrease greenhouse gas emissions and encourage use of public transportation. Per Resolution No. M-2289, the project will be constructed to utilize all electric energy in an effort to reduce natural gas use and associated carbon dioxide emissions.

Equity Analysis:

The proposed project will meet several community needs by providing housing for homeless households, households living with a disability, and extremely low-income households.

Homeownership

Access to homeownership is the leading way to create generational wealth in our society. Due to rising housing prices and strict financing regulations, marginalized residents are less likely to become homeowners and continue to perpetuate the discriminatory structure of power in our community. Providing an opportunity to generate wealth and have housing stability helps advance many of the City's equity goals and supports an organization with a long-standing record of positively impacting affordable housing in Thurston County.

Disabled Households

City staff recently conducted an Assessment of Fair Housing as part of its Five-Year Consolidated Plan, to be submitted to the U.S. Department of Housing and Urban Development (HUD). According to the assessment, an estimated 7,385 individuals in Olympia have one or more disabilities, of which nearly 16% had incomes below the federal poverty level. Approximately 80 individuals who responded to a data-gathering survey associated with the assessment reported they have difficulty accessing transportation near where they live. Many also reported it is challenging for them to find housing units that are both affordable and easily accessible. The plan is to build over half of the units in compliance with ADA standards to best support residents with disabilities.

Low Income and Homeless Households

There is an immense need for deeply affordable housing for Olympian households whose income is 30% or less of area median income. According to the Thurston Regional Housing Council's Housing Needs Assessment produced in 2021, approximately 7,605 of Olympia's current 23,000 households are cost burdened, meaning they pay more than 30% of their income on their housing needs. Of these cost burdened households, 2,375 have annual incomes at or below 30% of area median income. Additionally, according to the Washington State Department of Commerce, Olympia will need to plan for 12,500 new housing units by 2045 to meet the City's projected population growth. Of those units, an estimated 2,300 units are needed for households whose annual incomes are at or below 30% of Area Median Income. Another nearly 2,800 units are needed for households with annual incomes between 30 and 50% of Area Median Income.

Neighborhood/Community Interests (if known):

Affordable housing is a top community concern.

Financial Impact:

Applying for the grant will not have a financial impact on the City of Olympia.

Options:

1. Approve the Resolution authorizing the submission of a CHIP grant application in the amount of \$2 million for the Habitat for Humanity Boulevard Road Project
2. Approve the Resolution authorizing the submission of a CHIP grant application with amendments.
3. Do not approve the Resolution authorizing the submission of a CHIP grant application for the Habitat for Humanity Boulevard Road Project

Attachments:

Resolution