



## City Council

### Proposal for City-Owned Emergency Housing Facilities and Approval of Resolution Authorizing the Purchase of Real Estate Owned by Donald and Joan Hovancsek

**Agenda Date:** 7/24/2018  
**Agenda Item Number:** 6.A  
**File Number:** 18-0682

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**Type:** resolution **Version:** 2 **Status:** Passed

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#### **Title**

Proposal for City-Owned Emergency Housing Facilities and Approval of Resolution Authorizing the Purchase of Real Estate Owned by Donald and Joan Hovancsek

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Move to direct staff to continue moving forward with implementation of two city owned emergency housing facilities as proposed, pending review of costs by the Council Finance Committee, and approve the resolution authorizing the City Manager to execute all documents necessary to acquire 1.12 acres of real estate from Donald and Joan Hovancsek.

#### **Report**

##### **Issue:**

Whether to move forward with implementing two city owned emergency housing sites and approve the purchase of real estate from Donald and Joan Hovancsek to be used for sheltering of homeless persons and providing other housing and homeless services.

##### **Staff Contact:**

Amy Buckler, Downtown Programs Manager, CPD, 360.570.5847  
Mike Reid, Economic Development Director, 360.753.8591  
Mark Barber, City Attorney, 360.753.8338

##### **Presenter(s):**

Colin Deforrest, Homeless Response Coordinator, CPD, 360.709.2688  
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#### **Background and Analysis:**

On May 15, 2018 the City Council unanimously passed Resolution M-1942, A RESOLUTION OF THE CITY COUNCIL OF OLYMPIA, WASHINGTON, ESTABLISHING IMMEDIATE ACTIONS TO ADDRESS HOMELESSNESS IN OLYMPIA, directing the identification of “opportunities for legal camping including cars and RV’s with the inclusion of hygiene and storage services in Olympia for unhoused community members.”

As part of implementing this direction, City staff have identified two potential sites for safe, managed emergency housing facilities. These sites would be owned by the City of Olympia and managed under a contract with an experienced provider. The sites are:

1. A Currently City-Owned (tree) Nursery site adjacent to the Lee Creighton Justice Center (former City Hall). **See attached** fact sheet.
2. 2828 Martin Way, a privately owned property which staff recommends the City purchase.

The site provides the opportunity to be immediately utilized to meet the objectives identified in Resolution M-1942, while also being a well-suited site for future development of permanent supportive housing as identified as a critical need in Olympia with the passage of the Home Fund in February 2018.

#### Emergency Housing Facilities

Staff will review a proposed framework, management and operating structure for the proposed facilities at the meeting. The basic framework includes:

- Emergency housing for those experiencing homelessness in Olympia
- Approximately 40 spots at each site
- Adults/couples (no children)
- Tents/small structures
- Opportunity for car camping at one of the sites
- Storage and hygiene facilities, and garbage services
- City would contract for site management, case management and nighttime security
- Each site would include a private meeting area for connection to tailored services
- Open 24/7, residents come and go as they please
- Harm reduction model
- Clear rules and expectations
- Good neighbor policy
- No illegal drug use or possession on site

Following the briefing, staff is asking Council for direction and approval to move forward with implementing the proposed plan, including authorizing the City Manager to execute documents necessary to purchase the Martin Way property for the proposed use.

#### Martin Way Property Acquisition

Donald and Joan Hovancsek. (Seller) own a 1.12-acre property located at 2828 Martin Way, Assessor Parcel No. 69510000200 and 69510000100 (see attached Property Location Map).

Staff has concluded negotiations with the Seller, and has prepared the Real Estate Purchase and Sale Agreement attached to this staff report. The purchase price is \$1,350,000. There will be additional costs to improve the property for use as an emergency housing facility.

The proposed funding source for the property acquisition and improvements is an inter-fund loan from the City Investment Pool, to be repaid from future collections of the Home Fund sales tax. A separate staff report in tonight's packet includes a resolution authorizing such an Inter-fund loan for up to \$2,450,000, which is enough to fund the purchase and improvements. Total cost of the needed improvements is unknown at this time, and will become more clear during the feasibility period.

The Purchase and Sales Agreement contains a 60 day Feasibility Contingency Period in which the City will conduct a feasibility review which will include an environmental review of the property, building assessment, title and lease review, and stakeholder and surrounding property owner outreach. Upon the completion of the 60-day feasibility review, if the site is deemed suitable the contingency will be removed and the city will close on the property within 30 days. If the property is deemed unsuitable for any reason during the 60-day Feasibility Contingency period the transaction will be terminated.

Anticipated closing on the property would be approximately mid to late October if the resolution was approved.

#### Subsequent Steps

Following Council direction at this meeting, subsequent steps would include:

- Reviewing estimated costs with the Council's Finance Committee on July 31
- Entering into contracts with providers for site management, case management and security
- Completing site improvements for the nursery site
- Conducting feasibility review on the Martin Way site
- Consultation with service providers
- Neighborhood and community outreach

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

Homelessness is an issue that affects the entire region and is a significant issue of concern for the Olympia community. Stakeholder and neighbor outreach will be a part of the feasibility process.

#### **Options:**

1. Move to direct staff to continue moving forward with implementation of two city owned emergency housing facilities as proposed, pending review of costs by Council's Finance Committee, and approve the resolution authorizing the City Manager to execute all documents necessary to acquire 1.12 acres of real estate from Donald and Joan Hovancsek.
2. Do not move forward with implementation of two city owned emergency housing facilities and do not authorize the purchase of real estate from Donald and Joan Hovancsek.

#### **Financial Impact:**

\$1,350,000 for the property acquisition, plus additional costs for improvements.

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**Attachments:**

Resolution

Purchase & Sale Agreement

Property Location Map

Resolution M-1942

Nursery site fact sheet