



City Council

Approval of a Resolution Authorizing the Purchase of 1211 Quince Street SE, Real Estate Owned by Chandra Holdings, Inc.

Agenda Date: 7/13/2021
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Title

Approval of a Resolution Authorizing the Purchase of 1211 Quince Street SE, Real Estate Owned by Chandra Holdings, Inc.

Recommended Action

Committee Recommendation:

Not referred to a committee

City Manager Recommendation:

Move to approve a Resolution authorizing the purchase of 1211 Quince Street SE, real estate owned by Chandra Holdings, Inc.

Report

Issue:

Whether to approve a resolution authorizing the purchase of real estate owned by Chandra Holdings, Inc.

Staff Contact:

Keith Stahley, Assistant City Manager, 360.753.8227

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

The City of Olympia will acquire this 1.41-acre property formerly known as the Quality Inn located at 1211 Quince Street SE. The purchase and sale agreement requires the remaining building on the property to be razed and the site cleared prior to closing. Staff anticipates using the property for a variety of temporary and permanent shelter and housing facilities to address Olympia's growing population of unsheltered individuals.

The most recent Point-In-Time Census found a total of 639 people living unsheltered in Thurston County and a total of 1,145 homeless individuals. This is an increase of 150 individuals from the 995 counted in 2020 and an increase in the unsheltered population of 98 individuals from 2020. People

are taking shelter in vacant lots, along highways, in wetlands and most visibly along our streets.

Thurston County, like all communities across the country, struggled to meet the shelter needs of unhoused people in our community during the Covid-19 pandemic. Shelter capacity was decreased due to social distancing requirements associated with Covid-19 while the number of people experiencing homelessness increased.

The City of Olympia is committed to increasing shelter capacity and to building supportive housing to address the housing needs of Olympia's most vulnerable individuals and mitigate the impacts of Covid-19 on our unsheltered community members. City of Olympia voters approved a sales tax levy in February 2018, creating a Home Fund. This levy generates approximately \$2,000,000 per year for the construction and operation of supportive housing facilities.

Upon acquisition the Chandra property, the City would begin to work with Thurston County and other potential funding sources and developers to lay the groundwork for another supportive housing facility similar to the 2828 Martin Way project that is nearing completion. That project consists of 64 supportive housing units and a 60-bed shelter. In the interim, the City may use the property to provide a managed camping option for those living on the streets, vacant lots, cars and campers and to replace the existing mitigation site.

Neighborhood/Community Interests:

Responding to homelessness and its varied impacts is an issue of citywide significance. In February 2019, the City of Olympia adopted the One Community Plan.

The One Community Plan calls to *Expand temporary shelter or other supported site capacity to transition people out of encampments (1.3)*. This is in recognition that, although the ultimate goal is to connect people to permanent housing solutions, housing will not come online fast enough to meet the need. In the short and midterm more regional shelter options are needed. There is also widespread agreement among Olympians that additional shelter should not be located Downtown.

The purchase also presents additional long-term strategic opportunities on both the Downtown and hotel site. Olympia's Housing Action Plan calls for the City to *Donate or lease surplus or underutilized jurisdiction-owned land to developers that provide low-income housing (1.a)*. Land acquisition and siting is a powerful tool for spurring development of permanent supportive and affordable housing. In the future, the hotel site could be used for such a purpose.

Options:

1. Approve a Resolution authorizing the purchase of real estate owned by Chandra Holdings, Inc.
2. Do not approve a Resolution authorizing the purchase of real estate owned by Chandra Holdings, Inc.
3. Provide feedback and direction to the City Manager on an alternative approach.

Financial Impact:

The purchase price for this property is \$2.175 million dollars. Funds for this purchase will come from American Rescue Plan Act funding.

Redevelopment of the site into a supportive housing facility will require state and federal dollars and the City will seek a qualified development partner to pursue that funding.

In the short-term, operating the property as a managed camping area will require contracted social service support and infrastructure improvements. Staff has not yet developed a funding approach for this work. Partnership from the County and other entities will be necessary to financially support this project.

Attachments:

Resolution
Agreement