



City Council

Approval of a Resolution Authorizing an Interlocal Agreement with Thurston County to Combine the Olympia and Thurston County Home Funds

Agenda Date: 12/13/2022
Agenda Item Number: 4.F
File Number: 22-1169

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

Title

Approval of a Resolution Authorizing an Interlocal Agreement with Thurston County to Combine the Olympia and Thurston County Home Funds

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve the resolution authorizing an interlocal agreement with Thurston County to combine the Olympia and Thurston County Home Funds.

Report

Issue:

Whether to approve the resolution authorizing an interlocal agreement with Thurston County to combine the Olympia and Thurston County Home Funds.

Staff Contact:

Darian Lightfoot, Director of Housing and Homeless Response, 360.280.8951

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

On February 13, 2018, voters in the City of Olympia approved an additional one tenth of one percent (0.1%) sales and use tax to establish a Home Fund as provided by RCW 82.14.530. Subsequently, on March 6, 2018, the Olympia City Council passed Ordinance No. 7127 authorizing the imposition of the sales and use tax increase in the City of Olympia to construct low income affordable housing and housing related services, including mental and behavioral health related facilities. The Home Fund has completed 4 rounds of funding allocations since its inception, dedicating approximately \$10 million to permanent supportive housing development and immediate homelessness response in

Olympia.

On January 11, 2022, the Olympia City Council approved a resolution of support of a Thurston County Home Fund and intent to partner with Thurston County, should the County take action to create a county-wide Home Fund. The Council further resolved to partner with Thurston County to coordinate use of the City's and County's respective Home Fund revenues to provide housing and housing related services within Thurston County and the City of Olympia. Under this approach, the Regional Housing Council would serve as the regional decision making process for the combined Olympia and County Home Fund revenues.

On January 25, 2022, the Thurston County Board of County Commissioners passed an ordinance imposing an additional sales and use tax of one tenth of one percent (0.1%) for housing and housing related services. Since the passing of the ordinance, leadership at the City of Olympia and Thurston County, along with members of the Regional Housing Council, have been developing the proposed Interlocal Agreement, outlining roles, responsibilities, administration, and other related requirements for combining the Home Funds.

The attached Interlocal Agreement sets forth the combined Home Funds, allowing the Regional Housing Council to oversee the newly established \$5-7 million annual funding source to leverage low-income housing development in Thurston County. This will add to the approximately 250 units already created by the Olympia Home Fund. Under the ILA, the County will serve as the fiscal agent for Olympia's Home Fund capital revenues and funds will be managed as provided in the Regional Housing Council (RHC) Interlocal Agreement.

Under the RHC Interlocal Agreement, a new County-wide Affordable Housing Advisory Board will be created to advise the RHC on funding recommendations. This new Advisory Board will replace Olympia's existing Home Fund Advisory Board. Under this Interlocal Agreement, one-third of the members of the new County-wide Advisory Board must be Olympia residents or representing organizations based or located in Olympia. To enact this requirement, the RHC Interlocal Agreement must be amended within 90 days of approval of the Home Fund Interlocal Agreement, or the Agreement is made null and void.

Under the proposed Interlocal Agreement, implementation of the combined Home Fund will be phased. The initial phase will combine the capital portion (65%) of Olympia's Home Fund with the County Home Fund. The operating funds (35%) will remain with Olympia to support staffing and emergent homeless response over the next three years. Over that period, the City and County intend to work towards a goal of full integration of the Home Funds.

Neighborhood/Community Interests (if known):

Thurston County is under a state of emergency on homelessness and experiencing an affordable housing crisis. A regional funding source that is flexible and can be used to leverage permanent supportive housing development is crucial to making an impact on unhoused and housing insecure residents.

Options:

1. Approve the resolution authorizing the interlocal agreement between the City of Olympia and Thurston County to combine and operate the Home Fund

2. Approve the resolution authorizing the interlocal agreement between the City of Olympia and Thurston County to combine and operate the Home Fund with amendments
3. Take other action

Financial Impact:

The City of Olympia Home Fund generates approximately \$2.3 million per year. The ordinance sets aside 35% of those funds for administration and homeless response urgent needs. The City has dedicated those funds to waste removal and sanitation throughout the community at identified encampments along with operation support at several tiny home villages (Quince Street Village, Plum Street Village, Hope and New Hope Village). The remaining 65% of the fund has been allocated to capital housing projects through a request for proposals (RFP) process. Those capital funds will now be directed to Thurston County to conduct a single RFP process to entice more developers and create more housing projects. The 35% reserved for administration and homeless response urgent needs will remain with the City to support ongoing projects for the next 3 years with the goal of full integration of the Home Funds during that period.

Attachments:

Resolution
Agreement