

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON, APPROVING A PRIORITY AND SUBORDINATION AGREEMENT BETWEEN THE CITY OF OLYMPIA, VARIOUS OTHER PARTIES, AND BEHAVIORAL HEALTH RESOURCES FOR SUBORDINATING EXISTING CDBG LOANS

WHEREAS, The City of Olympia’s Community Development Block Grant (CDBG) funding has supported the improvements of Behavioral Health Resources’ B&B Apartments ; and

WHEREAS, the City has seven existing CDBG funded loans for the property; other parties also have made loans to Behavioral Health Resources for the B&B Apartments, including the State Department of Commerce and Thurston County; and

WHEREAS, Behavioral Health Resources provides affordable housing for individuals with incomes below 50 percent AMI who are struggling with mental health and substance abuse disorders; and

WHEREAS, Behavioral Health Resources is seeking funding to redevelop the B&B apartments to expand unit count; and

WHEREAS, Behavioral Health Resources has requested the City, and other entities holding liens, to subordinate their lien position on the B&B properties to secure funding for the redevelopment; Behavioral Health Resources has prepared a Priority and Subordination Agreement to effectuate this subordination; the parties to that Agreement are BHR B&B Building LLC, the State Department of Commerce, Thurston County, the City of Olympia, and the Federal Home Loan Bank of Des Moines; and

WHEREAS, per Olympia Municipal Code Subsection 3.16.020(B), it is necessary for the City Council to approve the Priority and Subordination Agreement and to authorize execution the City Manager to execute that Agreement.

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL RESOLVES as follows:

1. The Olympia City Council hereby approves the Subordination Agreement between the City of Olympia and Behavioral Health Resources for the B&B apartments redevelopment and the terms and conditions contained therein.
2. The City Manager is hereby directed and authorized to execute on behalf of the City of Olympia the subordination Agreement, and any other documents necessary to subordinate and to make any amendments or minor modifications as may be required and are consistent with the intent of the subordination Agreement, or to correct any scrivener’s errors.

PASSED BY THE OLYMPIA CITY COUNCIL this _____ day of _____ 2026.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

Michael M. Young

SENIOR DEPUTY CITY ATTORNEY