

TO: City Council
FROM: Brad Medrud, Planning Manager
DATE: December 3, 2024
SUBJECT: Interlocal Agreement with the Regional Housing Council for the Franz Anderson Project Amendment No. 1

1) Recommended Action:

Approve Amendment One to Interlocal Agreement with the Regional Housing Council for the Franz Anderson Project. The General Government Committee was briefed on the amendment at their November 13, 2024, meeting and voted to place it on the City Council consent agenda for their December 3, 2024, meeting and authorize the Mayor to sign.

2) Background:

After the City Council adopted Resolution No. R2018-016 in the summer of 2018, the City has undertaken several actions to address homelessness, increase affordable housing, and continue to work with other jurisdictions and agencies to explore regional solutions to these issues.

With assistance from the City and the other members of the Regional Housing Council, the City of Olympia has been working on a permanently supportive housing project on Franz Anderson Road SE in Olympia near the Interstate 5 Pacific Avenue interchange.

The City has determined it to be an equitable choice to support the Franz Anderson permanently supportive housing project in the City of Olympia, which would result in affordable long-term housing and serve as a public benefit for the region.

The General Government Committee was briefed on the letter of commitment for \$275,000 for the project at their May 10, 2023, meeting and recommended City Council approval of the letter. The City Council approved the letter of commitment on May 16, 2023.

The City of Olympia staff in coordination with the other members of the Regional Housing Council drafted the interlocal agreement between the Cities of Olympia, Lacey, Tumwater, and Thurston County to use ARPA and other funds to facilitate development of the project.

The City Council discussed the interlocal agreement at a work session on November 28, 2023, and recommended that it be placed on the City Council's December 5, 2023, meeting consent calendar for approval.

The amendment updates the approved interlocal agreement to reflect that the original 2023 interlocal agreement involved the use of Coronavirus State and Local Fiscal Recovery Funds (SLFRF), established by the American Rescue Plan Act of 2021 (ARPA) and that now the project will no longer utilize those SLFRF/ARPA funds, and instead rely on funding provided by Thurston County and City of Tumwater, which removes requirements related to compliance with the SLFRF/ARPA.

3) Policy Support:

Strategic Priority to Build a Community Recognized for Quality, Compassion and Humanity with a goal of “Work with government, non-profit, and private partners to develop and implement a performance-based plan for affordable housing and to address homelessness.”

Housing Element Goal H-3: To provide adequate, affordable housing for residents of all income groups, including sufficient housing affordable to low and moderate-income groups.

4) Alternatives:

☐ None.

5) Fiscal Notes:

\$275,000 in City of Tumwater’s general funds will be used to fund the project.

6) Attachment:

A. Interlocal Agreement with the Regional Housing Council for the Franz Anderson Project