

TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF VIRTUAL MEETING
December 13, 2022 Page 1

CONVENE: 6:31 p.m.

PRESENT: Mayor Debbie Sullivan and Councilmembers Michael Althausen, Joan Cathey, Angela Jefferson, Charlie Schneider, and Eileen Swarthout.

Excused: Councilmembers Peter Agabi and Leatta Dahlhoff.

Staff: City Administrator John Doan, City Attorney Karen Kirkpatrick, Parks and Recreation Director Chuck Denney, and Communications Manager Ann Cook.

**PROPOSAL FOR
AMERICAN
RECOVERY PLAN
(ARP) HOUSING
FUNDING:**

City Administrator Doan requested guidance for investment of City-designated American Recovery Plan (ARP) funds for the Franz Anderson Permanent Support Housing Project. He introduced Jacinda Steltjes with the Office of Housing & Homeless Prevention, Thurston County Public Health & Social Services, to present the proposal for the Franz Anderson property. The first phase of the project was evaluating the option of providing shelter in support of individuals transitioning from homelessness followed by a second phase of providing permanent supportive housing. Ms. Steltjes is working with the Regional Housing Council (RHC) to assemble different funding sources.

Ms. Steltjes reported the City of Olympia and Thurston County collaborated to purchase 6.2 acres along Franz Anderson Road SE for \$1.65 million in March 2022. American Rescue Plan funds were used for the purchase. The east side of the site was recently cleared. The west side is still moderately wooded. Work to bring utilities to the site is currently underway and is funded through the State's Rights of Way Initiative.

Primary goals of the project would provide a tiny home village (50 units) on the east side of the site to serve Rights of Way Initiative and permanent supportive housing on the west side of the site to align with Permanent Supportive Housing Framework adopted by the RHC in September 2021 to provide 200 permanent supportive housing units by 2024. Permanent supportive housing is subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors.

The project is new construction of 40-70 multi-family, permanent supportive housing rental units serving low-income single adults, primarily homeless at entry. The estimated cost is approximately \$20-25 million.

TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF VIRTUAL MEETING
December 13, 2022 Page 2

The project offers an opportunity to fill a needed gap in the housing market on property owned by the City of Olympia. The project would likely score high for competitive state funding due to population served and significant local leverage. The project is close to a bus line and services and would provide continuum of housing for individuals exiting the adjacent tiny home village. The project aligns with RHC's Permanent Supportive Housing Framework.

The selected developer (operator) is responsible for identifying operational sources needed to sustain the development. Potential operating sources include rental income, Rights of Way Initiative, and Apple Health and Homes program, among others.

Next steps include securing funding for construction, releasing the Request for Proposal (RFP), design, and construction. The timeline calls for issuing the RFP in February 2023 for developers/operators and selection of the candidate in spring 2023. Local commitments should be identified by spring 2023 to enable securing the last three funding sources from the State Housing Trust Fund, Home Fund (Olympia & Thurston County), and state low-income tax credits. Construction is anticipated to begin in fall 2024 and continue for up to 18 months with completion in spring 2026. By summer 2026, the units will be occupied.

Ms. Steltjes invited questions. Feedback and questions from the Council with responses included:

- As a privately managed project, would wraparound services for residents be provided, such as mental health and drug and alcohol counseling? *Permanent supportive housing includes supportive services. The proposed project would serve single adults.*
- Councilmember Althaus commented on the level of need for the single adult population and the gap in supportive services, which would be served by the proposed project.
- Councilmember Cathey commented on the possibility of Tumwater converting a hotel property and suggested allocating \$275,000 of the \$550,000 for the City to invest in the community. *ARP funding must be obligated no later than December 31, 2024 and expended by December 31, 2026. The City of Lacey has conveyed interest in contributing non-ARP funding. The City of Tumwater's allocation of Community Development Block Grant (CDBG) funds is not scheduled until 2024 and cannot be used for new construction.*

In response to City Administrator Doan's suggested proposal to allocate

TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF VIRTUAL MEETING
December 13, 2022 Page 3

\$275,000 to the project and retain \$275,000 in reserve for a future Tumwater project, Ms. Steltjes advised that the proposal acknowledges that other projects might materialize for the City. The intent by RHC was identifying the approximate level of local commitment for leverage when the City of Olympia issues the RFP soliciting a developer for the project. Should the City's project fail to meet funding timelines, time is available to reconsider the remaining \$275,000 for the project.

Councilmember Althaus pointed out the difficulty of the City completing a project in the next 18 months that is not currently in the pipeline.

Ms. Steltjes shared information on other funding sources that could be available to support a hotel conversion project.

Councilmember Schneider supported allocating the full amount to the project because of the lack of timing for a project in Tumwater, as well as reflecting the importance of City serving as a partner in support of the proposal that could serve to benefit the City in the future.

Councilmember Jefferson supported deferral of a decision for six months to enable time for the City of Tumwater to consider another project.

The Council discussed funding preferences and agreed on a compromise to commit \$275,000 to the Franz Anderson Permanent Support Housing Project and revisiting the balance of ARP funds (\$275,000) within 60 days prior to the release of the RFP in February 2023 to ascertain other City project options that would meet the funding timeline.

Ms. Steltjes shared information on a potential project in Tumwater scheduled for review by the RHC. The project requires a 5% match in order to be competitive to receive state funding. The application is due in early January and coincides with the Council's proposed 60-day timeframe for review of any viable projects in Tumwater.

POOL UPDATE:

Director Denney provided an update on the status of considering swimming facilities. Land for a swimming facility as part of the new community center was included in the ballot measure for the Metropolitan Park District. As staff moves forward on design and planning for the community center, staff is seeking a location that includes additional land to accommodate some type of aquatic facility.

Additionally, the City of Olympia's park survey generated the same results from the community on the need for a swimming facility in Thurston County. A swimming facility has been the top request of all the City's

TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF VIRTUAL MEETING
December 13, 2022 Page 4

parks and recreation surveys.

The City of Olympia allocated \$100,000 to hire a consultant Barker Rinker Seacat (BRS), an architectural firm based out of Denver, Colorado to complete an aquatic center feasibility study. Tumwater participated in the study. Two regional surveys were conducted as well as multiple meetings with stakeholders from local school districts/colleges/universities, user groups, non-profits, and interested citizens. Due to COVID-19 and closures, the study was extended well past the original completion date with final documents submitted in late 2021.

Director Denney reviewed the results of the study completed by the consultant.

In conjunction with the work of the advisory committee, staff proposes an indoor 5,000 square-foot leisure pool because it fits within the budget and meets most of the community needs. The proposal is comprised of a lazy river, water slides, play toy, a six-lane 25-yard lap pool, party room, and a multipurpose classroom.

Director Denney displayed a conceptual design of the proposed aquatics swimming facility with all the components as recommended. The proposed facility is projected to have an annual operating cost of \$2.3 million generating \$1.2 million annually resulting in a revenue deficit of \$1.1 million that would require a subsidy.

The City of Olympia is working on solidifying partnerships with other entities to move forward on the next steps of designing an aquatics facility. Olympia staff has been directed to contract with Barker Rinker Seacat to move the project forward and consider additional facility designs. The City of Olympia has selected a site located in the City.

Staff is moving forward on the design process for the Tumwater Community Center and is exploring different sites in the City to include sufficient land to accommodate a future aquatics facility.

**ELECTIONS & THE
LAW:**

Manager Cook and City Attorney Kirkpatrick briefed the Council on elections & the law as it pertains to the recent passage of a resolution to place the Regional Fire Authority proposal on the ballot.

Municipal elections, like state elections, are governed by state law. Three specific exceptions to the broad prohibition of using public facilities to support or oppose a ballot proposition include legislative resolutions, statements by elected officials, and “normal and regular conduct.” State

**TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF VIRTUAL MEETING
December 13, 2022 Page 5**

RCWs include a prohibition on the use of public offices or facilities in election campaigns, for election activities, or in support of or in opposition to ballot measures. The general prohibition against use of public facilities is very broad and comprehensive.

City Administrator Doan recounted the City of Olympia's recent assessment of a \$10,000 fine by the Public Disclosure Commission (PDC) for violations of election laws during a recent election campaign. He urged the Council to contact staff to receive guidance on appropriate actions.

City Attorney Kirkpatrick referred the Council to information received from the PDC for additional guidance on appropriate actions. She encouraged Councilmembers to contact her to address specific questions or scenarios.

Manager Cook noted that state law prohibits public agencies from paying PDC fines.

**MAYOR/CITY
ADMINISTRATOR'S
REPORT:**

City Administrator Doan advised of scheduling a future discussion on the format of meetings moving forward. Hybrid meetings require an extensive amount of staff resources.

Mayor Sullivan thanked staff and Council for their efforts over the last several months. The first Council meeting in January has been canceled.

ADJOURNMENT:

With there being no further business, Mayor Sullivan adjourned the meeting at 7:58 p.m.

Prepared by Valerie L. Gow, Recording Secretary/President
Puget Sound Meeting Services, psmsoly@earthlink.net