

TO: City Council
FROM: Troy Niemeyer, Finance Director, and Brad Medrud, Planning Manager
DATE: March 21, 2023
SUBJECT: Capital Agreement with the Washington State Department of Commerce for the South Puget Sound Habitat Humanity Tâlicn Townhomes – Connecting Housing to Infrastructure Program (CHIP)

1) Recommended Action:

Approve the Capital Agreement with the Washington State Department of Commerce for the South Puget Sound Habitat for the Humanity Tâlicn Townhomes – Connecting Housing to Infrastructure Program (CHIP) for the Mayor's signature

2) Background:

After the City Council adopted Resolution No. R2018-016 in the summer of 2018, the City has undertaken a number of actions to address homelessness, increase affordable housing, and continue to work with other jurisdictions and agencies to explore regional solutions to these issues. In September 2021, the City Council adopted the Tumwater Housing Action Plan, which informs the City's Comprehensive Plan policies and development regulations and guides implementation strategies to help the City meet its housing needs.

The City has determined it to be an equitable choice to support an affordable housing project in Tumwater, which would result in affordable long-term housing and serve as a public benefit.

South Puget Sound Habitat for Humanity, with assistance from the City, was awarded by the Washington State Department of Commerce a Connecting Housing to Infrastructure Program (CHIP) America Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds federal grant of \$726,000 to offset utility infrastructure costs for the Tâlicn Townhomes project on 73rd Avenue SE. The City would enter into a Capital Agreement with the Department of Commerce for the grant and the City would manage that grant through an Assignment of Agreement, which is a separate item on the Council agenda.

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:

- ☐ Take off consent, modify and approve the Capital Agreement with the Washington State Department of Commerce for the South Puget Sound Habitat for the Humanity

Tâlicn Townhomes – Connecting Housing to Infrastructure Program (CHIP) for signature by the Mayor

- ☐ Take off consent and reject the Capital Agreement with the Washington State Department of Commerce for the South Puget Sound Habitat for the Humanity Tâlicn Townhomes – Connecting Housing to Infrastructure Program (CHIP)

5) Fiscal Notes:

The Capital Agreement with the Washington State Department of Commerce for the CHIP ARPA State and Local Fiscal Recovery Funds federal grant will fund infrastructure improvements for the South Puget Sound Habitat Humanity Tâlicn Townhomes. The City would manage that grant through an Assignment of Agreement, which will be a separate item on the General Government Committee agenda.

6) Attachment:

- A. Capital Agreement with the Washington State Department of Commerce – South Puget Sound Habitat for Humanity Connecting Housing to Infrastructure Program (CHIP)