



City of Lacey, Washington Lacey City Council Worksession Agenda

Refer to the bottom of the agenda for meeting information.

Tuesday, November 12, 2024

6:00 PM

Council Chambers and Online

1. Call to Order

2. Roll Call

3. Land Acknowledgment

We, the City of Lacey, are on the ancestral land of the Tribal People of the Treaty of Medicine Creek, including the Nisqually Indian Tribe and Squaxin Island Tribe. We acknowledge and remember those Tribal People not recognized today who were absorbed or relocated into other tribes for survival. We recognize the ancestors and their descendants who are still here. We recognize and respect the Tribal People of the Treaty of Medicine Creek as the traditional stewards of this land since time immemorial and their role today in taking care of these lands in perpetuity. We recognize and have the responsibility to call attention to the histories of dispossession, forced removal, and abridged treaty rights that allowed our nation, state, and city to develop as they have today. We recommend that community members read the Medicine Creek Treaty of 1854.

4. Approval of the Agenda

5. Public Comment

Refer to the bottom of the agenda for instructions on how to provide public comment.

6. Agenda Items

A. South Sound Military and Communities Partnership Annual Update

Bill Adamson, Program Director

B. Bond Issuance Update

Troy Woo, Finance Director

David Trageser, Senior Vice President, Public Finance, D.A. Davidson & Co.

C. Franz Anderson Interlocal Agreement Amendment

Vanessa Dolbee, Community & Economic Development Director

Ryan Andrews, Planning Manager

D. Community & Economic Development Private Development Update

Vanessa Dolbee, Community & Economic Development Director

Sarah Schelling, Senior Planner

7. Adjourn

Meeting Information:

Attendance (Remote or In-Person)

The public may attend the meeting in-person, or you may view or listen to the meeting using one of the following platforms:

In-Person: Council Chambers at Lacey City Hall
420 College Street SE, Lacey, WA 98503

Zoom: https://us02web.zoom.us/webinar/register/WN_0Evz1GDQR-CjK4d1evbgXQ

Website: <https://cityoflacey.org/government/public-meetings/>

Facebook: <https://www.facebook.com/cityoflacey>

YouTube: <https://www.youtube.com/watch?v=sUtaMQUUX94>

Phone: (888) 788-0099 or (877) 853-5247 (Webinar ID 821 5323 4493)

Verbal Public Comment

Each speaker is limited to three minutes. Comments are welcome on matters connected to City business or specific agenda items.

Prior to starting your comments, please provide your:

- a. Name
- b. City of residence or connection to the City
- c. Topic or subject matter of your comments

Those wishing to provide verbal public comment may do so in-person or by Zoom:

In-Person: Use the sign-up sheet located in the Council Chambers.

Zoom: Preregister using the following Zoom link no later than two hours prior to the meeting:
https://us02web.zoom.us/webinar/register/WN_0Evz1GDQR-CjK4d1evbgXQ

Instructions and access details will be provided once registration is complete.



Written Public Comment

Public comments may also be submitted by email to PublicComment@cityoflacey.org. The commenting period will close two hours before the meeting time.

Written comments will be provided to the City Council electronically prior to the meeting.

Comments will not be addressed during the Council meeting; however, comments received will be added to the official record.





LACEY CITY COUNCIL WORKSESSION

November 12, 2024

SUBJECT: Interlocal Agreement Amendment—Pooling of Funds for Franz Anderson Permanent Supportive Housing Project

RECOMMENDATION: Briefing item only. The City Council is scheduled to take action on the amended interlocal agreement at a regular meeting scheduled for December 3, 2024.

STAFF CONTACT: Rick Walk, City Manager *RW*
Vanessa Dolbee, Community & Economic Dev. Director *VD*
Ryan Andrews, Community Planning Manager *RA*

ORIGINATED BY: Regional Initiative

ATTACHMENTS:

1. Draft Interlocal Agreement Amendment
2. Executed Interlocal Agreement

FISCAL NOTE: \$3,000,000 has been budgeted to carry forward into 2025

WORK PLAN GOAL AND STRATEGY: Vibrant Place to Live, Work and Play – (D)(7)

HOUSING ACTION PLAN: Goal 1.m.: Fund development projects that increase low-income housing through grants or loans.

PRIOR REVIEW: None

BACKGROUND:

The Franz Anderson Road project located in Olympia was awarded funding through the Washington State Rights-of-Way Safety Initiative to house individuals living in the Washington State Department of Transportation right-of-way. The first phase of the project includes 50 temporary tiny shelters which have been installed and are currently occupied. The second phase of the project will be to construct permanent supportive housing on the

site. Residents of the tiny shelters will be transferred into the permanent supportive housing after construction is completed. The project will contain 71 units (35 studio, 36 one bedroom) which will not only house the residents of the Franz Anderson Tiny Shelter Village but also those exiting Maple Court until the time that Maple Court is converted from an enhanced shelter into permanent supportive housing. The construction of the Franz Anderson project is to be complete by December 31, 2026.

To support the initiative, regional partners including the City of Tumwater and Thurston County previously committed, through an interlocal agreement (ILA) signed in late 2023, to transfer a portion of the funds received through the American Rescue Plan Act of 2021 (ARPA) through the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to the project. At that time, the City of Lacey committed \$3 million from the general fund to the project.

Because of challenges around construction timing of the Franz Anderson permanent supportive housing project and deadlines around the use of ARPA funds, the draft amendment proposes to remove ARPA fund commitments from Tumwater and Thurston County and replaces them with other funding sources. Approval of the interlocal agreement will address removing the ARPA fund commitment from Tumwater and Thurston County and will not change the City of Lacey's commitment of \$3 million of General Fund dollars to support the construction of the permanent supportive housing. The City of Tumwater and Thurston County will be contributing General Fund dollars and Local funds respectively to the project.

NEXT STEPS:

Briefing item only. The City Council is scheduled to take action on the draft amended ILA at a regular meeting scheduled for December 3, 2024. Should any amendments be proposed to the draft amended ILA, these will need to be reviewed by the partners to the agreement which would alter this timeline.

~~Amendment One~~ **AMENDED AND RESTATED**
INTERLOCAL AGREEMENT
BETWEEN THE CITY OF OLYMPIA, CITY OF LACEY, CITY OF TUMWATER AND
THURSTON COUNTY
FOR
POOLING AND TRANSFER OF FUNDS
TO
SUPPORT PERMANENT SUPPORTIVE HOUSING PROJECT
AT
FRANZ ANDERSON ROAD

THIS AMENDED AND RESTATED INTERLOCAL AGREEMENT ("Agreement") amends and restates the [original agreement date] Interlocal Agreement is ("Original Agreement") between the City of Olympia, a municipality organized under the laws of the State of Washington ("OLYMPIA"), the City of Lacey, a municipality organized under the laws of the State of Washington ("LACEY"), the City of Tumwater, a municipality organized under the laws of the State of Washington ("TUMWATER"), and Thurston County, a Washington municipal corporation, ("COUNTY"), jointly referred to herein as "the Parties," or singularly as a "Party."

RECITALS

WHEREAS, ~~the Original Amendment One to this Agreement involved the use of Coronavirus State and Local Fiscal Recovery Funds (SLFRF), established by the American Rescue Plan Act of 2021 (ARPA), this Agreement no longer utilizes those SLFRF/ARPA funds, changes the source of funds to be and instead relies on funding provided by Thurston County and City of Tumwater, and which removes requirements related to compliance with the SLFRF/ARPA American Rescue Plan Act of 2021 (ARPA) which established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF); and~~

WHEREAS, RCW 39.34.010 permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and

WHEREAS, pursuant to RCW 39.34.080, each party is authorized to contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform; provided, that such contract shall be authorized by the governing body of each party to the contract and shall set forth its purposes, powers, rights, objectives and responsibilities of the contracting parties; and

Amended and Restated Interlocal Agreement/City of Olympia, City of Lacey, City of Tumwater, and Thurston County/Franz Anderson Road SE Property Permanent Supportive Housing

WHEREAS, unsheltered and unmanaged homelessness constitutes a public health emergency that requires the Parties to coordinate their resources and actions to work together to abate detrimental effects that threaten public health and safety; and

WHEREAS, the Parties do not have sufficient resources to address the ongoing impacts or needs of unsheltered homelessness without mutual cooperation; and

WHEREAS, the Regional Housing Council supports the development of a permanent supportive housing project at the Franz Anderson Road property; and

WHEREAS, the development of a permanent supportive housing project at Franz Anderson Road property is aligned with the Permanent Supportive Housing Strategic Framework adopted by the Regional Housing Council in 2021 with the intent of funding 200 new permanent supportive housing units in Thurston County by 2024; and

WHEREAS, the Franz Anderson Road project was included in a proposal awarded funding through the State Rights of Way Safety Initiative, an initiative of the Washington State Governor's Office; and

WHEREAS, in March 2021, the American Rescue Plan Act of 2021 (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to provide State, local, and Tribal Governments with the resources needed to respond to the pandemic and its economic effects; and

WHEREAS, pursuant to RCW 39.34.030, local governments may transfer SLFRF funds to each other provided the entity receiving the funds agrees to certain conditions applicable to a subrecipient enter into agreements for the purpose of financing joint projects; and

WHEREAS, the COUNTY has identified \$3,500,000 in SLFRF-local funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property; and

WHEREAS, TUMWATER has identified \$275,000 in SLFRF-General Funds funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property; and

WHEREAS, LACEY has identified \$3,000,000 in General Funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property; and

WHEREAS, this Interlocal Agreement stands as an obligation of SLFRF and General Fund funds, thereby meeting the U.S. Department of Treasury commitment deadline of December 31, 2024; and

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~~WHEREAS, in accordance with the Coronavirus State and Local Fiscal Recovery Funds Interim Rule, SLFRF funds must be obligated no later than December 31, 2024, and fully expended no later than December 31, 2026; and~~

~~WHEREAS, as permitted by the Coronavirus State and Local Fiscal Recovery Fund Interim Rule,~~ the funds will be pooled and managed by OLYMPIA; and

WHEREAS, the pooled funds will be disbursed by OLYMPIA on a cost reimbursement basis to Low Income Housing Institute (LIHI) to construct the permanent supportive housing at the Franz Anderson Road Property; and;

WHEREAS, LIHI has proposed a development timeline to complete the construction of permanent supportive housing at the Franz Anderson Road Property by that meets the SLFRF expenditure deadline of December 31, 2026.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties agree as follows:

1. Purpose/Objective/Funding

The purpose of this Agreement is to accommodate for the transfer of funding available for affordable housing capital projects and originating from LACEY, TUMWATER, and COUNTY to OLYMPIA so that the funding may be pooled; committed by contract to be applied toward the development of a permanent supportive housing project (hereinafter “the Project”) proposed to occur at the Franz Anderson Road property (hereinafter “the Property”), as legally described in Exhibit “A” attached hereto; and managed by OLYMPIA in connection to the Project.

A. COUNTY has spent \$825,547 ~~in SLFRF funds~~ towards acquisition of the real property located on Franz Anderson Road and has identified \$3,500,000 in local document recording fee and sales tax ~~SLFRF funds~~ it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property for households with incomes below 50 percent of area median income.

B. LACEY has identified \$3,000,000 in General Funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property.

C. TUMWATER has identified \$275,000 in ~~SLFRF funds~~ General Funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property.

D. OLYMPIA has spent \$825,547 towards acquisition of the real property located on Franz Anderson Road.

Commented [SD1]: Given the decision to use County funds (I assume SSB 5386) instead of SLFRF funds, in order to reduce compliance issues, I assume there has been a legal analysis underlying that decision which took into account that the property used here was purchased with SLFRF funds.

Commented [TW2R1]: Yes - we have a separate ILA related to the purchase of the property

Commented [SD3]: If this is funding derived from RCW 36.22.190(c), it might be a good idea to add the income requirements from that subsection to the Scope of Work.

Commented [TW4R3]: Good idea. I've listed 50% ami as that is the most restrictive AMI level. The local HOME fund does allow us to go to 60% AMI

E. In the event LIHI is unable to construct the Franz Anderson Road project after financial closing occurs, any party to this Agreement may withdraw. Upon the withdrawal of any party, OLYMPIA shall return to such party all funds transferred by such party to OLYMPIA pursuant to this Agreement.

2. Scope of Agreement/Work

The responsibilities of the Parties are as follows:

A. OLYMPIA shall communicate with LACEY, TUMWATER, and COUNTY to indicate when the Project has demonstrated full funding and is ready to start construction.

B. LACEY, TUMWATER, and COUNTY shall facilitate the transfer of funds intended for the development of the Project to OLYMPIA, on a reimbursement basis, at the time that LIHI can demonstrate the Project is fully funded at the time of financial closing and construction is ready to commence. OLYMPIA will process draws by LIHI of funds only after execution of an agreement between OLYMPIA and LIHI that requires LIHI to submit an invoice package to OLYMPIA that includes the percentage of the project completed, what funding amount is being requested, what the funds cover regarding work performed, and approval of the funds requested and activities conducted as issued by the project architect. Prior to any payment to LIHI, OLYMPIA will visit the project site to confirm with photographic evidence the work performed. The agreement between OLYMPIA and LIHI shall require that invoice packages requesting funds shall be submitted by LIHI to all funders.

C. OLYMPIA shall perform the following:

- Coordinate with other State and private funders regarding financing of the Project;
- Approve funding draws submitted by LIHI for the Project;
- Prioritize ~~SLFRF-LACEY, TUMWATER, and COUNTY~~ funds to be drawn prior to other funds ~~to ensure compliance with the associated expenditure deadline, as communicated in the Interim Rule or as amended;~~
- Monitor the Project throughout the construction phase to ensure the Project is timely and in compliance with ~~SLFRF~~ and other requirements;
- Ensure that LIHI will perform all covenants in the Real Estate Purchase and Sale Agreement between OLYMPIA and LIHI (see, Exhibit A), including but not limited to LIHI pursuing project-based vouchers from the Housing Authority of Thurston County to meet affordability requirements; that LIHI shall utilize Thurston County's coordinated entry system to place persons into housing units to be constructed upon the Property; that LIHI shall give initial preference to single adults and couples associated with the State of Washington's Rights-of-Way Safety Initiative exiting OLYMPIA's tiny house village and then to single adults and couples associated with the State of Washington's Rights-of-Way Safety Initiative exiting Maple Court until Maple Court has been converted from an enhanced shelter to permanent supportive housing or has been funded for said conversion; that LIHI will use its best efforts to have Sea Mar Community Health Centers provide behavioral health services for

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tenants in the multi-family housing units to be constructed upon the Property; that LIHI shall provide two case managers who will have offices on-site in the project to be constructed on the Property; and that LIHI will operate with a low-barrier model and will offer consistent and accessible supportive services to eligible tenants but will not require tenants to participate in services as a condition of receiving housing.

- Ensure that LIHI shall execute and record a Restrictive Covenant as required by the Real Estate Purchase and Sale Agreement between OLYMPIA and LIHI, dictating that the Property shall be used for affordable housing in perpetuity;
- Execute any other agreements needed by LIHI to facilitate State, Federal, or private funding necessary to develop the Project;
- Provide periodic Project updates, as requested, to the Regional Housing Council;
- Close out the Project upon completion of development and upon lease up of Project.

D. Each Party to this Agreement is responsible for paying the full cost of its respective staff members to support this project.

E. The Parties shall have the opportunity to jointly participate in any neighborhood outreach or communications to facilitate open communications between the Parties, residents and surrounding businesses, or property owners.

~~F. OLYMPIA, as a recipient of SLFRF funds from the COUNTY, agrees to comply with the conditions, that are attached and incorporated herein by reference as Exhibit "B". The Final Rule, Treasury FAQs, and other Treasury guidance related to the award of funds herein is hereby incorporated by reference into this Agreement.~~

~~G. OLYMPIA has performed an objective comparison required for capital expenditures of \$1,000,000 or more using SLFRF described in Final Rule, pp., 53-55. The harm or need to be addressed by the Franz Anderson Road project is to provide housing units for low income persons who are without homes in Thurston County, Washington. Capital expenditure is necessary to construct housing units for extremely low income individuals to reduce human suffering and risk to human health and welfare. The housing units to be constructed are for persons unable to afford market rate housing units.~~

3. Method of Payment

LACEY, TUMWATER, and COUNTY shall provide their respective portions of funding for the Project to OLYMPIA via wire transfer. The parties agree that OLYMPIA shall provide an opportunity to LACEY, TUMWATER, and COUNTY to review all contracts and subawards prior to execution for a period of thirty (30) days before processing same for payment.

4. Indemnification & Insurance

LACEY, TUMWATER, and COUNTY agree to defend, indemnify and hold OLYMPIA, its officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits including reasonable attorney fees, arising out of or in connection with

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OLYMPIA's responsibilities under this Agreement, except to the extent such injuries and damages are caused by the negligence of OLYMPIA.

OLYMPIA agrees to defend, indemnify and hold LACEY, TUMWATER, and COUNTY, and their officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits including reasonable attorney fees, arising out of or in connection with LACEY's, TUMWATER's, and COUNTY's responsibilities under this Agreement, except to the extent such injuries and damages are caused by the negligence of LACEY, TUMWATER, and COUNTY.

5. Duration of Agreement

This Agreement shall be effective until terminated in the manner described under the termination section of this Agreement, or upon completion of construction and issuance of a final certificate of occupancy by OLYMPIA and payment of all obligations under this Agreement.

6. Termination of Agreement

This Agreement may be terminated upon ninety (90) days' written notice to the other Parties using the method of notice provided for in this Agreement in Section 12 below.

7. Entire Agreement

This Agreement sets forth all terms and conditions agreed upon by the Parties and supersedes any and all prior agreements, oral or otherwise, with respect to the subject matter and property addressed herein.

8. Recitals Incorporated

The recitals set forth above are hereby incorporated into this Agreement as though fully set forth herein.

9. Counterparts

This Agreement may be executed in a number of identical counterparts which, taken together, constitute collectively one Agreement; but in making proof of this Agreement, it is not necessary to produce or account for more than one such counterpart. Additionally, (i) the signature pages taken from separate individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (ii) a facsimile signature or an electronically scanned signature, or an electronic or digital signature where permitted by law, shall be deemed to be an original signature for all purposes. All executed counterparts of this Agreement are originals, but all such counterparts, when taken together, constitute one and the same Agreement.

10. Posting or Recording

Prior to its entry into force, this Agreement shall be posted upon the websites of the Parties or other electronically retrievable public source or filed with the Thurston County Auditor's Office or as required by RCW 39.34.040.

11. Employment Relationship

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Employees of all Parties shall remain at all times under the direction and control of their original agency and the performance of work for any other agency pursuant to this Agreement shall not change that relationship for any purpose. No Parties shall be deemed to have agreed to pay the other agency's employees any wages or benefits afforded to its own employees. Further, each Party's responsibilities to its own employees for workplace injuries shall remain unchanged by this Agreement.

12. Notice/Contract Representative

Any notice required under this Agreement shall be to the party at the address listed below and shall become effective three days following the date of deposit in the United States Postal Service.

CITY OF OLYMPIA
Attn: Darian Lightfoot
Housing Manager
City of Olympia
PO Box 1967
Olympia, WA 98507-1967
dlightfo@ci.olympia.wa.us
360.753.8033

THURSTON COUNTY
Attn: Thomas Webster
Thurston County
412 Lilly Road
Olympia, WA 98506
Thomas.webster@co.thurston.wa.us
360.280.6265

CITY OF LACEY
Attn: Rick Walk
City of Lacey
420 College St. SE
Lacey, WA 98503
rwalk@ci.lacey.wa.us
(360) 438-2638

CITY OF TUMWATER
Attn: Lisa Parks
555 Israel Road SW
Tumwater, WA 98501
(360) 754-4120

13. Records

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Each party shall maintain its own public records and shall be solely responsible for responding to records requests received about the subject matter of this Agreement. Any public records request addressed to the Parties as if this interlocal created a separate legal entity, shall be deemed to be a request received by each party individually. Each party shall respond separately, unless agreed to otherwise in writing and properly documented. The parties agree to cooperate in responding to requests for public records received about the subject matter of this Agreement.

14. Jurisdiction and Venue

This Agreement shall be governed by the laws of the State of Washington as to interpretation and performance. The Parties hereby agree that venue for enforcement of this Agreement shall be in the Superior Court of Washington for Thurston County.

15. Effective Date

This Agreement shall take effect upon the final signature date affixed hereto.

16. Modification

This Agreement may only be changed, amended, or modified, if in writing, and executed by each of the Parties hereto.

SIGNATURES APPEAR ON NEXT PAGE

CITY OF OLYMPIA

Steven J. Burney, City Manager

Date

Approved as to form:

City Attorney

THURSTON COUNTY

Robin Campbell,
Interim County Manager

Date

Approved as to form:

~~Chief Civil~~ Deputy Prosecuting Attorney

CITY OF LACEY

Rick Walk, City Manager

Date

Approved as to form:

City Attorney

CITY OF TUMWATER

Debbie Sullivan, Mayor

Date

Approved as to form:

City Attorney

[Amended and Restated](#) Interlocal Agreement/City of Olympia, City of Lacey, City of Tumwater, and Thurston County/Franz Anderson Road SE Property Permanent Supportive Housing

DRAFT

EXHIBIT "A"
REAL ESTATE PURCHASE AND SALE AGREEMENT
BETWEEN CITY OF OLYMPIA AND LIHI

EXHIBIT "B"
SLFRF CONDITIONS

This agreement includes a transfer of American Recovery Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) from Thurston County and City of Tumwater to the City of Olympia. In accordance with the US Department of the Treasury Final Rule, dated January 27, 2022, the City of Olympia (OLYMPIA) is designated as a subrecipient, and payments made by Thurston County (COUNTY) and City of Tumwater (TUMWATER) using SLFRF funds are subawards.

Federal Award Identification:

American Recovery Plan Act (ARPA) Coronavirus State and Local Fiscal Relief Fund (SLFRF), Assistance Listing 21.027

Subrecipient: City of Olympia, Washington

Subrecipient Unique Entity Identifier: Olympia UEI # YGAHKBHB8B43

Federal Award Identification Number: XXXX

Federal Award Date: March 3, 2021

Subaward Period of Performance: December 15, 2021 – December 31, 2024

Subaward Budget Period: December 15, 2021 – December 31, 2024

Amount of SLFRF Obligated for development of the property: \$3,275,000

Total SLFRF Funds Obligated to this subrecipient as of February 15, 2021: xxxxx

Total Federal Funds Obligated to this subrecipient as of February 15, 2022: \$0

Federal Awarding Agency: U.S. Department of Treasury

Recipient (pass-thru entity): Thurston County, City of Tumwater

Recipient Awarding Official:

Robin Campbell, Interim County Manager

360-709-3063

campber@co.thurston.wa.us

Debbie Sullivan, Mayor

(360) 754-4120

dsullivan@ci.tumwater.wa.us

Indirect Cost Rate:

No indirect costs will be charged for this project.

Subrecipient Requirements:

The project funded under this Agreement is the development of property to provide permanent supportive housing to homeless individuals as described in the Interlocal Agreement. This activity is eligible under the SLFRF Final Rule "Development, repair, and operation of affordable housing and services or programs to increase long-term housing security"

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This program includes a capital expenditure that exceeds \$1 million. An Interlocal Agreement Between the City of Olympia and Thurston County for Sharing Costs of Acquisition, Planning, Development, and Operations of Property Located on Franz Anderson Road, which was preceded by a Memorandum of Understanding (MOU) entered into between OLYMPIA and Thurston County on December 15, 2021, agreeing to jointly and equally share in the costs of purchase, development of the Franz Anderson property; jointly provide and coordinate funding support through the Regional Housing Council (RHC) for ongoing management of the facility for three years, provided that funding support is provided by the RHC; and prepare all necessary agreements to achieve the goals of the MOU, preceded a Real Estate Purchase and Sale Agreement entered into between OLYMPIA and Kaufman Holdings, Inc., and Kaufman Real Estate, LLC, on December 15, 2021, in anticipation of the joint project showed significant steps toward obligating SLFRF funds have been taken prior to January 6, 2022. This precludes the need for written justification for a capital project under the SLFRF Final Rule.

This program is intended to benefit low income households, a group US Department of the Treasury presumes as disproportionately impacted by the pandemic. Improvements to a vacant property, including rehabilitation, maintenance, renovation, demolition or deconstruction, and cleanup and conversion to affordable housing is an allowable use of funds to respond to the disproportionate impact of the pandemic on low income households. In operating this site, the subrecipient must ensure users of this site meet the US Treasury definition of low income.

Each calendar quarter, OLYMPIA shall provide all required information to enable COUNTY and TUMWATER to meet reporting requirements of the SLFRF as directed by US Department of the Treasury.

OLYMPIA is a local government municipality subject to the Federal Single Audit Act and audited regularly by the Washington State Auditor's Office. COUNTY and TUMWATER shall each conduct a risk assessment of OLYMPIA and shall each develop a Monitoring Plan based on the risk assessment determination. To the extent possible, Monitoring Plans should be consistent and developed in coordination with OLYMPIA.

By signing this agreement, OLYMPIA is confirming that they are not suspended, disbarred, or otherwise excluded from participation in federal assistance.

OLYMPIA shall maintain effective internal controls to provide reasonable assurance the federal award is managed in accordance with applicable rules and regulations. Federal funds shall not be used as cost sharing or to meet matching requirements of other federal awards.

In the event federal funds are used for purposes other than the purchase of the Franz Anderson property, OLYMPIA must comply with procurement rules of 2 CFR 200.317–327.

OLYMPIA shall submit to the COUNTY an annual report of the status of real property acquired using federal funds under this Agreement.

OLYMPIA must make available upon request of the COUNTY or an auditor all records, personnel, and financial statements as necessary to meet monitoring requirements.

OLYMPIA shall provide COUNTY and TUMWATER an opportunity to review all contracts and sub-awards, prior to execution, for the purpose of ensuring SLFRF compliance and alignment with overall project goals.

Financial records, supporting documents and all other records relating to the Interlocal Agreement must be retained for five (5) years following the final disposition of the Franz Anderson property.

No expenditures of SLFRF costs shall be incurred after December 31, 2024, unless the cost is allowable under the terms of this agreement including any amendments signed by both parties, SLFRF funding is available, the award period in the agreement is extended, and an obligation is authorized by COUNTY.

At the end of the Interlocal Agreement, all reports required for close-out of the award will be provided by OLYMPIA no later than 90 days following the end date of performance. Costs paid with federal funds must be allowable and allocable in accordance with 2 CFR 200 Subpart E.

Cost Principles:

All SLFRF funds pooled as part of this agreement and must comply with 2 CFR 200, in its entirety, unless specifically exempted by the U.S. Department of Treasury.

This agreement is subject to termination in the event of non-compliance with the terms of this agreement. If the agreement is terminated, COUNTY will provide a written notice of the reason for the termination, the effective date of the termination and the portion to be terminated. Prior to termination, COUNTY and OLYMPIA will come to an agreement of any settlement due to OLYMPIA for services provided.

Additional regulations that apply to this award, without limitation, include:

- SLFRF Final Rule, 31 CFR Part 35, and SLFRF Frequently Asked Questions issued by the U.S. Department of Treasury are hereby incorporated by reference.
- Universal Identifier and System for Award Management (SAM), 2 CFR Part 25, pursuant to which the award term set forth in Appendix A to 2 CFR Part 25 is hereby incorporated by reference.
- Reporting Subaward and Executive Compensation Information, 2 CFR Part 170, pursuant to which the award term set forth in Appendix A to 2 CFR Part 170 is hereby incorporated by reference.

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- OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement), 2 CFR Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 CFR, Part 180, subpart B) that the award is subject to 2 CFR Part 180 and Treasury's implementing regulation at 31 CFR Part 19.3 9. b. v. vi. vii, viii. ix. c. i. ii. iii. iv. v. 10. 11. 12. 13. 14. a. b. 15.
- Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 CFR Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
- Governmentwide Requirements for Drug-Free Workplace, 31 CFR Part 20.
- New Restrictions on Lobbying, 31 CFR Part 21. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 USC §§ 4601-4655) and implementing regulations.
- Hatch Act (5 USC §§ 1501–1508 and 7324–7328), which limits certain political activities of state or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.
- Protections for Whistleblowers (41 USC §§ 4712).
- The subrecipient shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 USC § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this agreement. Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 USC § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.
- Any publications produced with funds from this award must display the following language: "This project is supported, in whole or in part, by federal award under assistance listing number 21.027 awarded to Thurston County by the US Department of the Treasury." Clean Air Act and the Federal Water Pollution Control Act—2 C.F.R. Part 200, Appendix II (G); 42 U.S.C. §§ 7401-7671q.; 33 U.S.C. §§ 1251-1387.
- Federal Water Pollution Control Act.
- Conflict of Interest and Code of Conduct.
- Treasury labor standards described in the Final Rule on p. 56: project labor agreements, wages at or above prevailing rate, local hire provisions, etc.
- The Final Rule, p. 56, requirements of 2 C.F.R. 200 Appendix II to capital expenditure over \$100,000 with a contract involving employment of mechanics or laborers.
- Termination for Cause and for Convenience.
- Equal employment opportunity.
- Davis-Bacon Act.
- The Final Rule, p. 56, regarding compliance with Contract Work Hours and Safety Standards Act, 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations, 29 C.F.R. Part 5.

**INTERLOCAL AGREEMENT
BETWEEN THE CITY OF OLYMPIA, CITY OF LACEY, CITY OF TUMWATER AND
THURSTON COUNTY
FOR
POOLING AND TRANSFER OF FUNDS
TO
SUPPORT PERMANENT SUPPORTIVE HOUSING PROJECT
AT
FRANZ ANDERSON ROAD**

THIS INTERLOCAL AGREEMENT ("Agreement") is between the City of Olympia, a municipality organized under the laws of the State of Washington ("OLYMPIA"), the City of Lacey, a municipality organized under the laws of the State of Washington ("LACEY"), the City of Tumwater, a municipality organized under the laws of the State of Washington ("TUMWATER"), and Thurston County, a Washington municipal corporation, ("COUNTY"), jointly referred to herein as "the Parties," or singularly as a "Party."

RECITALS

WHEREAS, RCW 39.34.010 permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and

WHEREAS, pursuant to RCW 39.34.080, each party is authorized to contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform; provided, that such contract shall be authorized by the governing body of each party to the contract and shall set forth its purposes, powers, rights, objectives and responsibilities of the contracting parties; and

WHEREAS, unsheltered and unmanaged homelessness constitutes a public health emergency that requires the Parties to coordinate their resources and actions to work together to abate detrimental effects that threaten public health and safety; and

WHEREAS, the Parties do not have sufficient resources to address the ongoing impacts or needs of unsheltered homelessness without mutual cooperation; and

WHEREAS, the Regional Housing Council supports the development of a permanent supportive housing project at the Franz Anderson Road property; and

WHEREAS, the development of a permanent supportive housing project at Franz Anderson Road property is aligned with the Permanent Supportive Housing Strategic Framework adopted

Interlocal Agreement/City of Olympia, City of Lacey, City of Tumwater, and Thurston County/Franz Anderson Road SE Property Permanent Supportive Housing

by the Regional Housing Council in 2021 with the intent of funding 200 new permanent supportive housing units in Thurston County by 2024; and

WHEREAS, the Franz Anderson Road project was included in a proposal awarded funding through the State Rights of Way Safety Initiative, an initiative of the Washington State Governor's Office; and

WHEREAS, in March 2021, the American Rescue Plan Act of 2021 (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to provide State, local, and Tribal Governments with the resources needed to respond to the pandemic and its economic effects; and

WHEREAS, local governments may transfer SLFRF funds to each other provided the entity receiving the funds agrees to certain conditions applicable to a subrecipient; and

WHEREAS, the COUNTY has identified \$3,500,000 in SLFRF funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property; and

WHEREAS, TUMWATER has identified \$275,000 in general funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property; and

WHEREAS, LACEY has identified \$3,000,000 in General Funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property; and

WHEREAS, this Interlocal Agreement stands as an obligation of SLFRF and General Fund funds, thereby meeting the U.S. Department of Treasury commitment deadline of December 31, 2024; and

WHEREAS, in accordance with the Coronavirus State and Local Fiscal Recovery Funds Interim Rule, SLFRF funds must be obligated no later than December 31, 2024, and fully expended no later than December 31, 2026; and

WHEREAS, as permitted by the Coronavirus State and Local Fiscal Recovery Fund Interim Rule, the funds will be pooled and managed by OLYMPIA; and

WHEREAS, the pooled funds will be disbursed by OLYMPIA on a cost reimbursement basis to Low Income Housing Institute (LIHI) to construct the permanent supportive housing at the Franz Anderson Road Property; and

WHEREAS, LIHI has proposed a development timeline that meets the SLFRF expenditure deadline of December 31, 2026 (see, Exhibit "C");

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties agree as follows:

1. Purpose/Objective/Funding

The purpose of this Agreement is to accommodate for the transfer of funding available for affordable housing capital projects and originating from LACEY, TUMWATER, and COUNTY to OLYMPIA so that the funding may be pooled; committed by contract to be applied toward the development of a permanent supportive housing project (hereinafter “the Project”) proposed to occur at the Franz Anderson Road property (hereinafter “the Property”), as legally described in Exhibit “A” attached hereto; and managed by OLYMPIA in connection to the Project.

A. COUNTY has spent \$825,547 towards acquisition of the real property located on Franz Anderson Road and identified \$3,500,000 in SLFRF funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property.

B. LACEY has identified \$3,000,000 in General Funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property.

C. TUMWATER has identified \$275,000 in general funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property.

D. OLYMPIA has spent \$825,547 in ARPA funds towards acquisition of the real property located on Franz Anderson Road.

E. In the event LIHI is unable to construct the Franz Anderson Road project after financial closing occurs, any party to this Agreement may withdraw. Upon withdrawal of any party, OLYMPIA shall return to such party all funds transferred by such party to OLYMPIA pursuant to this Agreement.

2. Scope of Agreement/Work

The responsibilities of the Parties are as follows:

A. OLYMPIA shall communicate with LACEY, TUMWATER, and COUNTY to indicate when the Project has demonstrated full funding and is ready to start construction.

B. LACEY, TUMWATER, and COUNTY shall facilitate the transfer of funds intended for the development of the Project to OLYMPIA, on a reimbursement basis, at the time that LIHI can demonstrate the Project is fully funded at the time of financial closing and construction is ready to commence. OLYMPIA will process draws by LIHI of funds only after execution of an agreement between OLYMPIA and LIHI that requires LIHI to submit an invoice package to OLYMPIA that includes the percentage of the project completed, what

Interlocal Agreement/City of Olympia, City of Lacey, City of Tumwater, and Thurston County/Franz Anderson Road SE Property Permanent Supportive Housing

funding amount is being requested, what the funds cover regarding work performed, and approval of the funds requested, and activities conducted as issued by the project architect. Prior to any payment to LIHI, OLYMPIA will visit the project site to confirm with photographic evidence the work performed. The agreement between OLYMPIA and LIHI shall require that invoice packages requesting funds shall be submitted by LIHI to all funders.

C. OLYMPIA shall perform the following:

- Coordinate with other State and private funders regarding financing of the Project;
- Approve funding draws submitted by LIHI for the Project;
- Prioritize SLFRF funds to be drawn prior to other funds to ensure compliance with the associated expenditure deadline, as communicated in the Interim Rule or as amended;
- Monitor the Project throughout the construction phase to ensure the Project is timely and in compliance with SLFRF and other requirements;
- Ensure that LIHI will perform all covenants in the Real Estate Purchase and Sale Agreement between OLYMPIA and LIHI (see, Exhibit “A”), including but not limited to LIHI pursuing project-based vouchers from the Housing Authority of Thurston County to meet affordability requirements; that LIHI shall utilize Thurston County’s coordinated entry system to place persons into housing units to be constructed upon the Property; that LIHI shall give initial preference to single adults and couples associated with the State of Washington’s Rights-of-Way Safety Initiative exiting OLYMPIA’s tiny house village and then to single adults and couples associated with the State of Washington’s Rights-of-Way Safety Initiative exiting Maple Court until Maple Court has been converted from an enhanced shelter to permanent supportive housing or has been funded for said conversion; that LIHI will use its best efforts to have Sea Mar Community Health Centers provide behavioral health services for tenants in the multi-family housing units to be constructed upon the Property; that LIHI shall provide two case managers who will have offices on-site in the project to be constructed on the Property; and that LIHI will operate with a low-barrier model and will offer consistent and accessible supportive services to eligible tenants but will not require tenants to participate in services as a condition of receiving housing.
- Ensure that LIHI shall execute and record a Restrictive Covenant as required by the Real Estate Purchase and Sale Agreement between OLYMPIA and LIHI, dictating that the Property shall be used for affordable housing in perpetuity;
- Execute any other agreements needed by LIHI to facilitate State, Federal, or private funding necessary to develop the Project;
- Provide periodic Project updates, as requested, to the Regional Housing Council;
- Close out the Project upon completion of development and upon lease up of Project.

D. Each Party to this Agreement is responsible for paying the full cost of its respective staff members to support this project.

E. The Parties shall have the opportunity to jointly participate in any neighborhood outreach or communications to facilitate open communications between the Parties, residents and surrounding businesses, or property owners.

F. OLYMPIA, as a recipient of SLFRF funds from the COUNTY, agrees to comply with the conditions, that are attached and incorporated herein by reference as Exhibit “B” . The Final Rule, Treasury FAQs, and other Treasury guidance related to the award of funds herein is hereby incorporated by reference into this Agreement.

G. OLYMPIA has performed an objective comparison required for capital expenditures of \$1,000,000 or more using SLFRF described in Final Rule, pp. 53-55. The harm or need to be addressed by the Franz Anderson Road project is to provide housing units for low income persons who are without homes in Thurston County, Washington. Capital expenditure is necessary to construct housing units for extremely low income individuals to reduce human suffering and risk to human health and welfare. The housing units to be constructed are for persons unable to afford market rate housing units.

3. Method of Payment

LACEY, TUMWATER, and COUNTY shall provide their respective portions of funding for the Project to OLYMPIA via wire transfer. The parties agree that OLYMPIA shall provide an opportunity to LACEY, TUMWATER, and COUNTY to review all contracts and subawards prior to execution for a period of thirty (30) days before processing same for payment.

4. Indemnification & Insurance

LACEY, TUMWATER, and COUNTY agree to defend, indemnify and hold OLYMPIA, its officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits including reasonable attorney fees, arising out of or in connection with OLYMPIA’s responsibilities under this Agreement, except to the extent such injuries and damages are caused by the negligence of OLYMPIA.

OLYMPIA agrees to defend, indemnify and hold LACEY, TUMWATER, and COUNTY, and their officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits including reasonable attorney fees, arising out of or in connection with LACEY’s, TUMWATER’s, and COUNTY’s responsibilities under this Agreement, except to the extent such injuries and damages are caused by the negligence of LACEY, TUMWATER, and COUNTY.

5. Duration of Agreement

This Agreement shall be effective until terminated in the manner described under the termination section of this Agreement, or upon completion of construction and issuance of a final certificate of occupancy by OLYMPIA and payment of all obligations under this Agreement.

6. Termination of Agreement

This Agreement may be terminated upon ninety (90) days' written notice to the other Parties using the method of notice provided for in this Agreement in Section 12 below.

7. Entire Agreement

This Agreement sets forth all terms and conditions agreed upon by the Parties and supersedes any and all prior agreements, oral or otherwise, with respect to the subject matter and property addressed herein.

8. Recitals Incorporated

The recitals set forth above are hereby incorporated into this Agreement as though fully set forth herein.

9. Counterparts

This Agreement may be executed in a number of identical counterparts which, taken together, constitute collectively one Agreement; but in making proof of this Agreement, it is not necessary to produce or account for more than one such counterpart. Additionally, (i) the signature pages taken from separate individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (ii) a facsimile signature or an electronically scanned signature, or an electronic or digital signature where permitted by law, shall be deemed to be an original signature for all purposes. All executed counterparts of this Agreement are originals, but all such counterparts, when taken together, constitute one and the same Agreement.

10. Posting or Recording

Prior to its entry into force, this Agreement shall be posted upon the websites of the Parties or other electronically retrievable public source or filed with the Thurston County Auditor's Office or as required by RCW 39.34.040.

11. Employment Relationship

Employees of all Parties shall remain at all times under the direction and control of their original agency and the performance of work for any other agency pursuant to this Agreement shall not change that relationship for any purpose. No Parties shall be deemed to have agreed to pay the other agency's employees any wages or benefits afforded to its own employees. Further, each Party's responsibilities to its own employees for workplace injuries shall remain unchanged by this Agreement.

12. Notice/Contract Representative

Any notice required under this Agreement shall be to the party at the address listed below and shall become effective three days following the date of deposit in the United States Postal Service.

CITY OF OLYMPIA
Attn: Darian Lightfoot
Housing Manager
City of Olympia
PO Box 1967
Olympia, WA 98507-1967
dlightfo@ci.olympia.wa.us
360.753.8033

THURSTON COUNTY
Attn: Thomas Webster
Thurston County
412 Lilly Road
Olympia, WA 98506
Thomas.webster@co.thurston.wa.us
360.280.6265

CITY OF LACEY
Attn: Rick Walk
City of Lacey
420 College St. SE
Lacey, WA 98503
rwalk@ci.lacey.wa.us
(360) 438-2638

CITY OF TUMWATER
Attn: Lisa Parks
555 Israel Road SW
Tumwater, WA 98501
(360) 754-4120

13. Records

Each party shall maintain its own public records and shall be solely responsible for responding to records requests received about the subject matter of this Agreement. Any public records request addressed to the Parties as if this interlocal created a separate legal entity, shall be deemed to be a request received by each party individually. Each party shall respond separately, unless agreed to otherwise in writing and properly documented. The parties agree to cooperate in responding to requests for public records received about the subject matter of this Agreement.

14. Jurisdiction and Venue

This Agreement shall be governed by the laws of the State of Washington as to interpretation and performance. The Parties hereby agree that venue for enforcement of this Agreement shall be in the Superior Court of Washington for Thurston County.

Interlocal Agreement/City of Olympia, City of Lacey, City of Tumwater, and Thurston County/Franz Anderson
Road SE Property Permanent Supportive Housing

15. Effective Date

This Agreement shall take effect upon the final signature date affixed hereto.

16. Modification

This Agreement may only be changed, amended, or modified, if in writing, and executed by each of the Parties hereto.

*****SIGNATURES ON FOLLOWING PAGE*****

CITY OF OLYMPIA

Steven J. Burney
Steven J. Burney, City Manager

11/07/2023
Date

Approved as to form:

Mark Barber
City Attorney

THURSTON COUNTY

Robin Campbell
Robin Campbell,
Interim County Manager

12/26/2023
Date

Approved as to form:

Elizabeth Petrich
Chief Civil Deputy Prosecuting Attorney

CITY OF LACEY

Rick Walk
Rick Walk, City Manager

12/20/2023
Date

Approved as to form:

Dave Schneider
City Attorney

CITY OF TUMWATER

Debbie Sullivan
Debbie Sullivan, Mayor

12/08/2023
Date

Approved as to form:

Karen Kufnabel
City Attorney

EXHIBIT "A"
REAL ESTATE PURCHASE AND SALE AGREEMENT
BETWEEN CITY OF OLYMPIA AND LIHI

REAL ESTATE PURCHASE AND SALE AGREEMENT

This REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement") is between the City of Olympia, a municipality organized under the laws of the State of Washington ("Seller"), and Low Income Housing Institute (LIHI), a Washington nonprofit corporation ("Buyer"), jointly referred to as "the Parties." This Agreement shall not be effective until the "Effective Date" (as defined in Paragraph 18.16 below).

RECITALS

Seller is the owner of certain real property ("Property") located in the **City of Olympia, Thurston County, Washington**, consisting of TPN Nos. 58900000300, 58900000301, 58900000400, 58900000500, and 58900000600 and located near Franz Anderson Road in Olympia, Thurston County, Washington, and more particularly described on **Exhibit "A"** (legal description) and shown on **Exhibit "B"** (sketch) attached hereto and by this reference incorporated herein.

Pursuant to the Washington State Constitution, Article VIII, § 7, Seller is permitted to make provision for the necessary support of the poor and infirm. The Seller intends, and the Parties agree, that the Property shall be used to construct permanent supportive housing and facilities in a multi-family rental project as the term "permanent supportive housing" is defined in RCW 36.70A.030(19), which is defined as 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, and no other purpose except as expressly agreed by the Parties herein.

The Parties specifically agree that the Property shall in perpetuity be used to provide affordable housing as defined in RCW 36.70A.030(2) and permanent supportive housing as defined in RCW 36.70A.030(19). Buyer proposes, and Seller agrees, that the project to be constructed upon the Property will consist of approximately seventy (70) studio and one-bedroom housing units, with one additional one-bedroom unit for an on-site manager (the "Project"). Unit sizes will range from approximately 470 to 630 square feet. An estimated thirty (30) housing units will be accessible to disabled persons. Approximately thirty-five (35) housing units will be studio units designated for households with Area Median Income (AMI) of thirty percent (30%) or less by household size. The remaining thirty-five (35) units will be one-bedroom housing units designated for households with Area Median Income (AMI) at or below thirty percent (30%) by household size. At no time will tenants occupying these housing units pay an amount for rent and utilities that exceeds thirty percent (30%) of their income. Buyer agrees it will pursue project-based vouchers from the Housing Authority of Thurston County to meet affordability requirements.

It is further agreed by the Parties that Buyer shall utilize Thurston County's coordinated entry system to place persons into housing units to be constructed upon the Property. Preference will be given by Buyer to single adults and couples exiting Seller's tiny house village associated

with the State of Washington's Rights-of-Way Safety Initiative. Further, it is proposed by Buyer, and agreed by Seller, that best efforts will be made to have Sea Mar Community Health Centers provide behavioral health services for tenants in the multi-family housing units to be constructed upon the Property. Further, Buyer shall provide two case managers who will have offices on-site in the Project. Buyer proposes, and Seller agrees, that the Project will operate with a low-barrier model and will offer consistent and accessible supportive services to eligible tenants but will not require tenants to participate in services as a condition of receiving housing.

Buyer anticipates utilizing regional funds, including American Rescue Plan Act funds in an amount of approximately \$6.7 million in the development of the Project. Buyer shall use all reasonable due diligence to enter into an agreement to commit these regional funds no later than November 2024, and to fully draw these funds no later than December 2026 in connection with the housing project. The goal of the Parties is to have housing units upon the Property in service no later than April 2026.

The Parties agree and covenant that the use of the Property shall be subject to a restrictive covenant limiting the Property's use in perpetuity for affordable housing as defined in RCW 36.70A.030(2) and (19), as now or hereafter amended by law.

Buyer has determined that the Property is suitable for providing affordable housing and housing-related services and programs for persons experiencing homelessness, housing insecurity, or inability to secure affordable housing in Thurston County, Washington. Seller and Buyer agree that the Property is appropriate and suitable for redevelopment to provide new construction of affordable housing and facilities providing housing-related facilities and programs. Further, as additional consideration to Seller, Buyer agrees to comply with Olympia City Council Resolution No. M-2289, a copy of which is attached hereto and incorporated herein as "**Exhibit F**" to this Agreement, requiring new construction of housing units upon the Property to meet requirements for electrification, except where exemptions are necessary due to physical space limitations, availability of technology, or cost constraints as set forth in Section 2 of Resolution No. M-2289.

The signatories to this Agreement acknowledge they are authorized to execute associated documents, to correct legal descriptions, if necessary, and to correct scrivener's errors and other errors or omissions that are otherwise in substantial conformance with this Agreement.

The Parties now enter into this Agreement to memorialize the terms and conditions under which Seller will sell the Property to Buyer and Buyer will purchase the Property from Seller.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Property. Subject to the terms and conditions of this Agreement, Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, the following:

1.1 **Land.** The real property constituting the Property legally described on **Exhibit "A"** to this Agreement and generally shown on a sketch attached as **Exhibit "B"** to this Agreement "as is."

1.2 **Appurtenances.** All rights, privileges, and easements appurtenant to the Property owned by Seller, including without limitation any and all leases, subleases, easements, rights-of-way and other appurtenances, including any buildings, structures or fixtures, if any, used in connection with the beneficial use and enjoyment of the Property (the "Appurtenances").

The Property and Appurtenances described in Paragraph 1 above are collectively referred to in this Agreement as the "Property."

2. **Escrow.** Within thirty (30) business days after the Effective Date of this Agreement as defined in Paragraph 18.16, the Parties shall confirm that an escrow account is opened for the transaction contemplated by this Agreement with Thurston County Title Company (in such capacity, "Escrow Company"). Jen Dempsey or another designee of Escrow Company will serve as escrow agent for Closing of this Agreement ("Escrow Agent"). The Parties shall deliver a fully executed copy of this Agreement to Escrow Agent.

3. **Purchase Price.** The purchase price to be paid by Buyer to Seller for the Property (the "Purchase Price") is **One Dollar and NO/100 Cents** (\$1.00) U.S., together with other additional nonmonetary consideration consisting of a Restrictive Covenant to be recorded upon the Property, limiting the Property's use in perpetuity for affordable housing as defined in RCW 36.70A.030(2) and (19), as now or hereafter amended by law, and providing for electrification of all new construction upon the Property, except where exemptions are necessary due to physical space limitations, availability of technology, or cost constraints as set forth in Section 2 of Olympia City Council Resolution No. M-2289, a copy of which is attached hereto and incorporated herein as **"Exhibit F"** to this Agreement.

4. **Payment of Purchase Price.** On the Closing Date, Buyer shall deposit with Escrow Agent the amount of the Purchase Price, less any amounts to be credited against the Purchase Price, pursuant to this Agreement.

5. **Closing Date.** The Closing (the "Closing") of the purchase and sale of the Property under this Agreement shall be held at the offices of the Escrow Company, and shall occur on or before February 29, 2024, unless otherwise agreed in writing by the Parties. Closing shall occur when the Deed to Buyer and the Restrictive Covenant (as hereinafter defined) are executed and recorded, and the Purchase Price is delivered to the Escrow Company for delivery to Seller.

6. **Title and Survey Matters.**

6.1 **Title Binder and Survey.** Buyer shall order a preliminary commitment for an ALTA owner's extended coverage title insurance policy provided by Thurston County Title Insurance Company ("Title Company") describing the Property, showing all matters of record pertaining to the Property and listing Buyer as the prospective named insured. Following the mutual execution of this Agreement, Buyer shall obtain from Title Company a written

supplemental report to such preliminary commitment in a form acceptable to Buyer, updating the preliminary commitment to the execution date of the Agreement. Such preliminary commitment, supplemental reports and true, correct, and legible copies of all documents referred to in such preliminary commitment and supplemental reports as conditions or exceptions to title to the Property are collectively referred to herein as the "Title Binder." Buyer may order a survey of the Property (the "Survey").

6.2 Title Review. Within sixty (60) business days after Buyer's receipt of the updated Title Binder and Survey, Buyer shall review the Title Binder and any surveys of the Property, and shall notify Seller what exceptions to title, if any, affect the marketability or insurability of the title to the Property or which adversely affect the use of the Property (the "Title Review Period"). If no title matters appear in the updated Title Binder since the initial preliminary commitments, then the Parties shall proceed to Closing as set forth in this Agreement. If any title matters appear and Buyer objects to any of the same during the Title Review Period, then Seller shall have thirty (30) business days after receiving Buyer's objections to notify Buyer if Seller will remove any of the exceptions objected to prior to the Closing Date or if Seller elects not to remove such objected to exceptions. If Seller shall fail to remove any such exceptions objected to by Buyer from title prior to the Closing Date, and Buyer is unwilling to take title subject thereto, Buyer may elect to either terminate this Agreement, or take title despite the existence of such exception. If Buyer elects to terminate, neither Buyer nor Seller shall have any further liabilities, obligations or rights with regard to this Agreement which shall then become null and void and of no further force or effect.

6.3 Title Policy. At Closing, Seller and Buyer shall cause Title Company to issue a standard ALTA owner's policy ("Title Policy") to Buyer, at Buyer's cost. The Title Policy shall (a) be satisfactory to Buyer, (b) be issued in the amount of the total Purchase Price and (c) insure fee simple, indefeasible title to the Property in Buyer. The Title Policy shall contain endorsements as Buyer may require. Buyer's obligation to close this transaction shall be contingent on Buyer's approval, in its sole and absolute discretion of the Title Policy required under this Paragraph 6.

7. Conditions and/or Contingencies to Buyer's Obligations.

7.1 Documents and Reports. Within sixty (60) business days after the execution and delivery of this Agreement (the "Document Delivery Date"), Seller shall deliver to Buyer copies of the documents and reports listed on attached **Exhibit "C"** to this Agreement and in Seller's possession. Seller shall certify to Buyer, as of the Document Delivery Date, as to any documents listed on **Exhibit "C"** not in Seller's possession.

7.2 Inspection of the Property. Buyer shall have the right and permission from the date Seller signs this Agreement through the Closing Date (or earlier termination of this Agreement) to enter upon the Property or any part thereof at all reasonable times and from time to time for the purpose, at Buyer's cost and expense, of making all tests and/or studies of the Property that Buyer may wish to undertake, including, without limitation, soils tests (including borings), toxic and hazardous waste studies, surveys, structural studies and review of zoning, fire, safety and other compliance matters; provided, however, Buyer shall indemnify and hold

harmless Seller from and against any mechanic's or other liens or claims that may be filed or asserted against the Property or Seller as a direct result of any actions taken by Buyer in connection with the Property, including but not limited to permitting Seller to review a written description of Buyer's proposed testing and work to ensure same is properly done and will not exacerbate any existing condition of contamination on the property. Buyer shall also provide Seller with a copy of all soil or environmental test results for the property upon Seller's request. Buyer shall reasonably restore the Property to its condition immediately prior to any invasive testing. The effect of the representations and warranties made by Seller in this Agreement shall not be diminished or deemed to be waived by any inspections, tests or investigations made by Buyer or its agents.

7.3 Appraisal of the Property. Buyer shall have the right to obtain an appraisal. Buyer's appraiser may enter onto the property upon reasonable notice to Seller as is necessary to appraise the Property.

7.4 Approval of Property/Feasibility Contingency. Buyer's obligation to purchase the Property shall be subject to and contingent upon Buyer's approval, in its sole and absolute discretion, prior to the expiration of the Contingency Period, of all aspects of the Property, including, without limitation, the physical condition of the Property and documents delivered by Seller pursuant to Paragraph 7.1 above, or otherwise obtained by Buyer regarding the Property. Buyer's approval and obligation to purchase the Property under this paragraph shall be for the period set forth in Paragraph 7.5. Upon waiver by Buyer or expiration of the feasibility contingency, the Parties shall move on to Closing.

7.5 Feasibility Contingency Period. As used herein, the term "Contingency or Feasibility Period" shall mean the period from the Effective Date of this Agreement as defined in Paragraph 18.16 until the period ending on October 1, 2023.

7.6 Buyer's Right to Terminate. If in Buyer's sole and absolute discretion, Buyer is not satisfied with the condition of the Property, Buyer may terminate this Agreement by sending written notice to Seller and Escrow Agent (such notice referred to as a "Termination Notice") prior to the expiration of the Contingency/Feasibility Period. If Buyer gives its Termination Notice to Seller, this Agreement shall terminate and neither Buyer nor Seller shall have any further liability to the other under this Agreement.

7.7 Additional Closing Conditions. Buyer's obligation to purchase the Property shall also be subject to the following conditions that must be satisfied as of Closing.

(i) Prior to Closing, all Contracts or Leases (whether written or oral) with respect to the Property, if any, shall be terminated in writing by Seller. Seller shall provide Buyer, prior to Closing, with written termination agreements with respect to all Contracts or Leases, which are not assumed by Buyer;

(ii) All representations and warranties of Seller contained herein, to the best of Seller's knowledge, shall be true, accurate and complete at the time of the Closing as if made again at such time;

(iii) Seller shall have performed all obligations to be performed by it hereunder on or before Closing (or, if earlier, on or before the date set forth in this Agreement for such performance);

(iv) At Closing, title to the Property shall be in the condition required by Paragraph 6 of this Agreement and Escrow Agent shall deliver the Title Policy to Buyer; and

If the conditions set forth in this Paragraph 7 are not satisfied as of Closing and Buyer does not waive the same, Buyer may terminate this Agreement, and thereafter neither Buyer nor Seller shall have any further liability to the other under this Agreement.

8. Seller's Representations and Warranties. Seller hereby makes the following representations and warranties, to the best of Seller's knowledge, which representations and warranties shall be deemed made by Seller to Buyer also as of the Closing Date:

8.1 Title. Seller is the sole owner of the Property, except for reservations of record. At Closing, Seller shall convey the entire fee simple estate and right, title and interest in and to the Property by statutory warranty deed to Buyer with a restrictive covenant limiting use of the Property to affordable housing as provided in the Recitals hereto, free and clear of unapproved encumbrances of record.

8.2 Compliance with Law; Compliance with Property Restrictions. The Property complies in all material respects (both as to condition and use) with all applicable statutes, ordinances, codes, rules and regulations of any governmental authority having jurisdiction over the Property related to zoning, building, subdivision, and engineering.

8.3 Bankruptcy, etc. No bankruptcy, insolvency, rearrangement or similar action involving Seller or the Property, whether voluntary or involuntary, is pending, threatened, by a third party, or contemplated by Seller.

8.4 Taxes and Assessments. Other than amounts disclosed by the Title Binder, no other property taxes have been or will be assessed against the Property for the current tax year, and there are no general or special assessments or charges that have been levied, assessed or imposed on or against the Property.

8.5 Foreign Person. Seller is not a foreign person and is a "United States Person" as such term is defined in Section 7701(a) (30) of the Internal Revenue Code of 1986, as amended (the "Code") and shall deliver to Buyer prior to the Closing an affidavit evidencing such fact and such other documents as may be required under the Code.

8.6 Mechanics' Liens. No labor, material or services have been furnished in, on or about the Property or any part thereof as a result of which any mechanics', laborer's or materialmen's liens or claims might arise.

8.7 Underground Storage Tanks. Seller has knowledge of one underground storage tank, and a decommissioned well. Other than as previously stated, Seller has no knowledge of other (a) subterranean storage or underground storage tanks that exist on the Property, and (b) any previously existing underground storage tanks that have been removed or filled in compliance with applicable law. If there had been an underground storage tank on the site, to the best of Seller's knowledge, the tank was decommissioned in compliance with applicable law.

8.8 Leases and Other Agreements. Seller represents that there are no leases, occupancy agreements, service agreements, licenses, easements, or option agreements with regard to the Property, except those of record or disclosed pursuant to Paragraph 7.1.

8.9 Assumption of Liabilities. Buyer, by virtue of the purchase of the Property, will not be required to satisfy any obligation of Seller arising prior to the Closing Date.

8.10 Defaults. Seller is not in default and there has occurred no uncured event, which, with notice, the passage of time or both would be a default, under any contract, agreement, lease, encumbrance, or instrument pertaining to the Property.

8.11 Utilities. The Property may or may not be served by water, storm and sanitary or septic sewer, electricity, and telephone supplied directly to the Property by facilities of public utilities. All such utilities are located within the boundaries of the Property or within lands dedicated to public use or within recorded easements for the same.

8.12 Public Improvements. Seller has no knowledge of any federal, state, county, municipal or other governmental plans to change the road system in the vicinity of the Property.

8.13 Subdivision. The conveyance of the Property will not constitute a violation of any subdivision ordinance. The improvements on the Property comply in all material respects with all applicable subdivision ordinances and statutes.

8.14 Due Authority. Seller and Buyer have all requisite power and authority to execute and deliver this Agreement and to carry out its obligations hereunder and the transactions contemplated hereby. This Agreement has been, and the documents contemplated hereby will be, duly executed and delivered by Seller and Buyer and constitute their legal, valid and binding obligation enforceable against Seller and Buyer in accordance with its terms.

8.15 No Omissions. The copies of any documents furnished to Buyer in connection with this transaction are true and complete copies of the documents they purport to be and contain no untrue statement of material fact and do not omit to state any material facts necessary to make the statements contained therein not misleading.

9. Covenants of Seller. Seller covenants and agrees as follows:

9.1 **Perform Obligations.** From the date of this Agreement to the Closing Date, Seller will perform any monetary and non-monetary obligations they have regarding the Property.

9.2 **No Liens.** From the date of this Agreement to the Closing Date, Seller will not allow any lien to attach to the Property, nor will Seller grant, create, or voluntarily allow the creating of, or amend, extend, modify or change, any easement, right-of-way, encumbrance, restriction, covenant, lease, license, option or other right affecting the Property or any part thereof without Buyer's written consent first having been obtained.

9.3 **Provide Further Information.** From the date of this Agreement to the Closing Date, Seller will notify Buyer of each event of which Seller becomes aware affecting the Property or any part thereof immediately upon learning of the occurrence of such event.

10. Covenants of Buyer. Buyer covenants and agrees as follows:

10.1 **Perform Obligations.** Buyer shall perform all obligations from the date of this Agreement, including all provisions herein that shall survive the Closing, including those relating to its obligations to provide affordable low-income housing units upon the Property.

10.2 **Application for Impact Fee Reduction.** Buyer may apply for impact fee reductions as permitted by OMC Section 15.04.060.C. for any form of low-income housing occupied by households whose income meets the definition of low-income housing in OMC 15.04.020.Y when adjusted for size is at or below eighty percent (80%) of the area median income as annually adjusted by the U.S. Department of Housing and Urban Development (HUD) from paying school impact fees, provided a covenant is approved by the Olympia School District No. 111 to assure continued use for low income housing and that the covenant is recorded against the title to the Property. As provided in OMC 15.04.060.F, upon application a partial exemption of not more than eighty percent (80%) of park, transportation and school impact fees, with no explicit requirement to pay the exempted portion of the fee from public funds, may be granted to a low-income housing development.

10.3 **Application for Land Use Approval.** Buyer covenants and agrees it shall promptly submit the Project to Seller for land use approval following written removal of the contingency/feasibility period set forth in Paragraphs 7.4 and 7.5 herein; however, Buyer further agrees to schedule with Seller's planning staff a preapplication conference prior to submittal of Buyer's land use application for the Property.

10.4 **Seller's Option to Repurchase.** Buyer agrees that Seller shall have an option to repurchase the Property at the same price as the Property is sold to Buyer in this Agreement in the event Buyer fails to commence construction of the housing units contemplated in this Agreement within twenty-four (24) months of the Closing date. Seller agrees that Buyer will have an option to extend its period of construction for an additional year based upon an economic or financial circumstance beyond Buyer's control upon a showing of its best efforts to

move forward with the construction of affordable housing units contemplated in this Agreement. In the event the City (Seller) exercises its option to repurchase the Property, the City (Seller) shall pay any real estate excise tax due on repurchase. In no event shall any period of delay caused by the City permit approval process be counted against Buyer. Such approval process shall toll the deadlines in this paragraph.

11. Closing.

11.1 Time and Place. Provided that all the contingencies set forth in this Agreement have been previously fulfilled, the Closing shall take place at the place and time determined as set forth in Paragraph 5 of this Agreement.

11.2 Documents to be Delivered by Seller. For and in consideration of, and as a condition precedent to the payment to Seller of the Purchase Price, Seller shall obtain and deliver to Buyer at Closing the following documents (all of which shall be duly executed and acknowledged where required):

(i) **Title Documents.** Such other documents, including, without limitation, lien waivers, indemnity bonds, indemnification agreements, and certificates of good standing as shall be required by Buyer, or by the Title Company as a condition to its insuring Buyer's good and marketable fee simple title to the Property.

(ii) **Authority.** Such evidence as the Title Company shall require as to authority of Seller to convey the Property to Buyer.

(iii) **Surveys and Drawings.** All surveys, site plans, and plans and specifications relating to the Property as are in the possession or control of Seller, if any.

(iv) **Assignment.** Seller and Buyer agree any assignment of Buyer's rights under this Agreement shall be subject to Seller's approval, which shall not be unreasonably withheld, conditioned or denied except as provided in this Agreement. Seller acknowledges and agrees that Buyer shall either assign this Agreement or transfer the Property after Closing to an entity that is affiliated with Buyer. Such transfer or assignment shall not require the consent of Seller.

(v) **Warranty Deed.** A statutory warranty deed ("Deed") conveying to Buyer a good, marketable and indefeasible title in fee simple absolute to the Property in the form set forth in **Exhibit "D"** attached hereto.

(vi) **Restrictive Covenant.** A covenant restricting use of the Property in perpetuity for the specific purposes as defined in RCW 36.70A.030(2) and (19), and as otherwise agreed by the Parties, in the form set forth in **"Exhibit E"** attached hereto.

11.3 Payment of Costs. At Closing, Buyer shall pay all charges for title insurance for a standard ALTA owner's title policy insuring Buyer's title, the escrow fee, all

recording fees, technology fees, and real property excise taxes, if any, and any other costs of Closing.

11.4 **Taxes.** Seller is exempt from payment of real property excise taxes for the Property pursuant to WAC 458-61A-205(2).

11.5 **Monetary Liens.** Seller shall pay or cause to be satisfied at or prior to Closing all monetary liens on or with respect to all or any portion of the Property, including, but not limited to, mortgages, deeds of trust, security agreements, assignments of leases, rents and/or easements, judgment liens, tax liens (other than those for taxes not yet due and payable) and financing statements, except where Seller is exempt by statute or administrative rule or regulation.

11.6 **Possession.** Possession of the Property shall be delivered to Buyer at Closing. The Property, including without limitation the improvements, if any, shall be delivered to Buyer in good order.

11.7 **Proration.** All amounts required to be prorated hereunder as of Closing, shall be calculated as if Buyer were in possession of the Property as of the date of Closing.

12. **Environmental.**

12.1 Notwithstanding anything to the contrary in this Agreement or otherwise, the Parties agree that Seller shall have no obligation to defend, indemnify, or hold Buyer harmless with respect to any loss, liability, claim, demand, damage, or expense of any kind, including attorneys' fees, costs, and expenses (collectively, "Loss") arising (a) out of the release or threatened release of Hazardous Substances on, under, above, or about the Property after Closing, or (b) out of the past release or threatened release of any Hazardous Substance on, under, above, or about the Property caused or contributed to by Buyer, or any employee, agent, tenant, or contractor of Buyer.

12.2 **Definitions.** The term "Hazardous Substance" includes without limitation (a) those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," "hazardous wastes," or "solid wastes" in any Environmental Law; (b) petroleum products and petroleum byproducts; (c) polychlorinated biphenyls; (d) chlorinated solvents; and (e) asbestos. The term "Environmental Law" includes any federal, state, municipal or local law, statute, ordinance, regulation, order or rule pertaining to health, industrial hygiene, environmental conditions, or hazardous substances.

13. **Indemnification.** Seller shall pay, protect, pay the defense costs of, indemnify and hold Buyer and their successors and assigns harmless from and against any and all loss, liability, claim, damage and expense suffered or incurred by reason of (a) the breach of any representation, warranty or agreement of Seller set forth in this Agreement, (b) the failure of Seller to perform any obligation required by this Agreement to be performed by Seller, (c) the ownership, maintenance, and/or operation of the Property by Seller prior to the Closing not in conformance with this Agreement, or (d) any injuries to persons or property from any cause

occasioned in whole or in part by any acts or omissions of the Seller, its representatives, employees, contractors or suppliers that occurred before Closing; provided, however, that nothing in this Paragraph 12 applies to Losses arising out of the presence of Hazardous Substances on, under, above, or about the Property, including Hazardous Substances that migrate or migrated to or from the Property except as specifically provided in Paragraph 11 above.

14. Condemnation. In the event of any commenced, to be commenced or consummated proceedings in eminent domain or condemnation (collectively “Condemnation”) respecting the Property or any portion thereof, Buyer may elect, by written notice to Seller, to terminate this Agreement and the escrow created pursuant hereto and be relieved of its obligation to purchase the Property. If Buyer terminates this Agreement, neither Buyer nor Seller shall have any further liability to the other hereunder. If Buyer fails to make such election prior to the Closing Date, this Agreement shall continue in effect, there shall be no reduction in the Purchase Price, and Seller shall, prior to the Closing Date, assign to Buyer, by an assignment agreement in form and substance satisfactory to Buyer, Seller’s entire right, title and interest in and to any condemnation award or settlement made or to be made in connection with such Condemnation proceeding. Buyer shall have the right at all times to participate in all negotiations and dealings with the condemning authority and approve or disapprove any proposed settlement in respect to such matter. Seller shall forthwith notify Buyer in writing of any such Condemnation respecting the Property.

15. Casualty. If any fire, windstorm or casualty occurs and materially affects all or any portion of the Property on or after the date of this Agreement and prior to the Closing, Buyer may elect, by written notice to Seller, to terminate this Agreement and the escrow created pursuant hereto and be relieved of its obligation to purchase the Property. If Buyer terminates this Agreement, neither Buyer nor Seller has any further liability to the other hereunder. If Buyer fails to make such election prior to the Closing Date, this Agreement shall continue in effect. The Purchase Price shall not be reduced by the amount of loss or damage occasioned by such casualty not covered by insurance, and Seller shall, prior to the Closing Date, assign to Buyer, by an assignment agreement in form and substance satisfactory to Buyer, its entire right, title and interest in and to all insurance claims and proceeds to which Seller may be entitled in connection with such casualty. Buyer shall have the right at all times to participate in all negotiations and other dealings with the insurance carrier providing such coverage and to approve or disapprove any proposed settlement in respect to such matter. Seller shall forthwith notify Buyer in writing of any such casualty respecting the Property.

16. Notices. Unless applicable law requires a different method of giving notice, any and all notices, demands or other communications required or desired to be given hereunder by any party (collectively, “Notices”) shall be in writing and shall be validly given or made to another party if delivered either personally or by FedEx, UPS, USPS or other overnight delivery service of recognized standing, or if deposited in the United States mail, certified, registered, or express mail with postage prepaid. If such Notice is personally delivered, it shall be conclusively deemed given at the time of such delivery. If such Notice is delivered by FedEx or other overnight delivery service of recognized standing, it shall be deemed given twenty-four (24) hours after the deposit thereof with such delivery service. If such Notice is mailed as provided herein, such shall be deemed given seven days (7) days after the deposit thereof in the

United States mail. Each such Notice shall be deemed given only if properly addressed to the party to whom such notice is to be given as follows:

To Seller: Steven J. Burney, City Manager
City of Olympia
601 4th Ave E
PO Box 1967
Olympia, WA 98507-1967
Email: jburney@ci.olympia.wa.us

With a copy to: Mark Barber, City Attorney
City of Olympia
601 4th Ave E
PO Box 1967
Olympia, WA 98507-1967
Email: mbarber@ci.olympia.wa.us

To Buyer: Low Income Housing Institute (LIHI)
Attn: Lynne Behar, Chief Financial Officer
1253 S Jackson Street, Suite A
Seattle, WA 98144
Email: lynneb@lihi.org

Any party hereto may change its address for receiving notices as herein provided by a written notice given in the manner aforesaid to the other Party hereto.

17. Event of Default. In the event of a default under this Agreement by Seller (including a breach of any representation, warranty or covenant set forth herein), Buyer shall be entitled, in addition to all other remedies, to seek monetary damages and specific performance of Seller's obligations hereunder.

18. Miscellaneous.

18.1 Applicable Law. This Agreement shall in all respects, be governed by the laws of the State of Washington.

18.2 Further Assurances. Each of the Parties shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of its obligations hereunder to carry out the intent of the Parties hereto.

18.3 Modification or Amendment, Waivers. No amendment, change or modification of this Agreement shall be valid, unless in writing and signed by all of the Parties hereto. No waiver of any breach of any covenant or provision in this Agreement shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision in

this Agreement. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

18.4 Successors and Assigns. All of the terms and provisions contained herein shall inure to the benefit of and shall be binding upon the Parties hereto and their respective heirs, legal representatives, successors and assigns. Any assignment shall be subject to Seller's approval, which shall not be unreasonably withheld, conditioned or denied except by the terms of this Agreement. Buyer must notify and, if required, request approval by Seller of any such assignment prior to the Closing. Any such assignee shall for all purposes be regarded as Buyer under this Agreement.

18.5 Entire Agreement and No Third Party Beneficiaries. This Agreement constitutes the entire understanding and agreement of the Parties with respect to its subject matter and any and all prior agreements, understandings or representations with respect to its subject matter are hereby canceled in their entirety and are of no further force or effect. The Parties do not intend to confer any benefit under this Agreement to any person, firm or corporation other than the Parties.

18.6 Jurisdiction, Venue, and Attorneys' Fees. Jurisdiction and venue shall be in the Superior Court of Thurston County for the State of Washington. Should either party bring suit to enforce this Agreement, the prevailing party in such lawsuit shall be entitled to an award of its reasonable attorneys' fees and costs incurred in connection with such lawsuit.

18.7 Construction. Captions are solely for the convenience of the Parties and are not a part of this Agreement. This Agreement shall not be construed as if it had been prepared by one of the Parties, but rather as if both Parties had prepared it. If the date on which Buyer or Seller are required to take any action under the terms of this Agreement is not a business day, the action shall be taken on the next succeeding business day.

18.8 Partial Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby; and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

18.9 Survival. The recitals, covenants, agreements, obligations to indemnify, representations and warranties made in this Agreement shall survive the Closing unimpaired and shall not merge into the Deed and the recordation thereof and are fully enforceable by either Party.

18.10 Finders' or Brokers' Fees. Seller represents and warrants that it has not engaged the services of any broker or finder to which a commission or other fee is due in connection with any of the transactions contemplated by this Agreement. Seller agrees to indemnify, defend and hold harmless Buyer against any loss, liability, damage, cost, claim or

expense, including interest, penalties and reasonable attorneys' fees that Buyer shall incur or suffer by reason of a breach by Seller of the representation and warranty set forth above.

18.11 **Time.** Time is of the essence of every provision of this Agreement.

18.12 **Risk of Loss.** All of Seller's personal property, of any kind or description whatsoever that is on the Property after Closing, shall be at Seller's sole risk of loss.

18.13 **Force Majeure.** Performance by Seller or Buyer of their obligations under this Agreement shall be extended by the period of delay caused by force majeure. Force majeure is war, natural catastrophe, strikes, walkouts or other labor industrial disturbance, order of any government, court or regulatory body having jurisdiction, shortages, blockade, embargo, riot, civil disorder, or any similar cause beyond the reasonable control of the party who is obligated to render performance (but excluding financial inability to perform, however caused).

18.14 **Recitals.** The Recitals set forth above are incorporated by this reference into this Agreement and are made a part hereof and shall survive the Closing unimpaired and shall not merge into the Deed and the recordation thereof and are fully enforceable by either Party.

18.15 **Counterparts.** This Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one Agreement; but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart. Additionally, (i) the signature pages taken from separate individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (ii) a facsimile signature or an electronically scanned or digital signature, where permitted by law, shall be deemed to be an original signature for all purposes. All executed counterparts of this Agreement shall be deemed to be originals, but all such counterparts, when taken together, shall constitute one and the same Agreement.

18.16 **Effective Date.** The term "date of this Agreement" or "date hereof" or "Effective Date," as used in this Agreement, shall mean the later of the following dates: (1) the date of Buyer's signature on this Agreement; or (2) the date of Seller's signature on this Agreement.

*****SIGNATURES APPEAR ON NEXT PAGE*****

BUYER:

**LOW INCOME HOUSING INSTITUTE
(LIHI)**, a Washington nonprofit corporation

Lynne Behar
Lynne Behar, Chief Financial Officer

Date: 06/07/2023

SELLER:

CITY OF OLYMPIA, a Washington
municipal corporation

Steven J. Burney
Steven J. Burney, City Manager

Date: 06/21/2023

APPROVED AS TO FORM:

Mark Barber
Mark Barber, City Attorney

Date: 06/06/2023

EXHIBIT "A"
LEGAL DESCRIPTION

Lots 3, 4, 5, and 6 of Leach's Johnson Hill Tracts as recorded April 3, 1923, under Auditor's File No. 126186, in Volume 10 of Plats, Page 2, records of Thurston County, Washington.

TOGETHER WITH an easement for ingress and egress, over the North 12-feet of the South 77-feet of the East 200-feet of said Lot 3.

EXCEPTING therefrom those portions of said Lot 6 conveyed to the State of Washington for highway purposes by deeds recorded December 21, 1956 under Auditor's File No. 579323 and February 20, 1985 under Auditor's File No. 8502200047.

All situated in the Southeast Quarter of Section 18, Township 18 North, Range 1 West, W.M., Thurston County, Washington.

Subject to reservations, restrictions, and easements of record.

EXHIBIT "B"

GENERAL VICINITY SKETCH

Vol. 10, Pg. 2
AF # 126186

Vol. 12, Pg. 2

LEACH'S JOHNSON HILL TRACTS THURSTON COUNTY WASHINGTON

DEDICATION AND DESCRIPTION

This is to certify that Gertrude E. Leach, owner in her own right and as her separate estate of the following described premises:- Commencing at the $\frac{1}{4}$ corner between Sections 17 and 10 T. 10 N., R. 1 W., W.M., thence N. 09°-09'-32" W. 307.412 feet, thence S. 0°-04'-10" E. 772.900 feet to the true place of beginning, thence S. 0°-04'-10" E. 1119.70 feet, thence S. 84°-05'-09" W. 995.70 feet, thence N. 0°-04'-28" E. 1228.01 feet, thence S. 89°-42'-16" E. 974.59 feet to the place of beginning, containing 26.48 acres and that I have caused the same to be surveyed and platted to be hereafter known as "Leach's Johnson Hill Tracts". All streets and roads are hereby dedicated as highways for uses and benefits of the public forever.

In witness hereof I have hereunto set my hand and seal this 21st day of March, A.D. 1923.

Gertrude E. Leach

ACKNOWLEDGMENT

State of Washington) ss
County of Thurston) ss

This is to certify on this 21st day of March, A.D. 1923, personally appeared before me, a Notary Public in and for the State of Washington, Gertrude E. Leach well and truly known to me to be the person described in and who executed the foregoing instrument, and acknowledged the same as her voluntary act and deed for the uses and purposes therein expressed.

In witness whereof I have hereunto set my hand and affixed my official seal, the day and year first above written.

Notary Public in and for the State of Washington, residing at Olympia.

Certificate of Surveyor

This is to certify that I have surveyed and staked the above plat, and the same is correct.

W. C. Billings
Surveyor

Certificate of Treasurer

This is to certify that all of the taxes on the land herein platted have been fully paid and discharged up to and including the year 1922.

County Treasurer.

Certificate of County Engineer

Approved this 20th day of March, A.D. 1923.

County Engineer

Certificate of County Commissioners

Approved by the Board of County Commissioners this 20th day of April, A.D. 1923.

Attest: *Chairman*
County Auditor & Clerk of Board

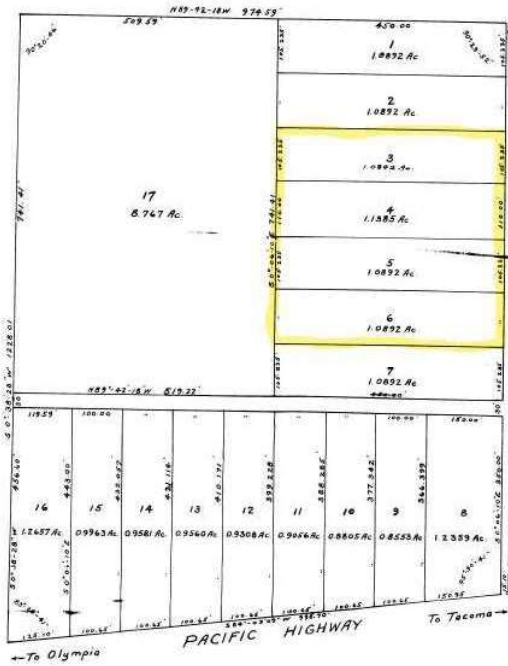
No. Filed for record this 21st day of March, 1923 at 2:00 o'clock

at the request of Gertrude E. Leach, and recorded in Vol. Page of Plat Records of Thurston County Washington.

by *County Auditor*

Deputy.

Scale 1 inch = 100 feet



Note: All stakes facing Pacific Highway offset 4 feet North.

EXHIBIT “C”
DOCUMENTS AND REPORTS

1. Copies of all leases or other occupancy agreements relating to the Property, if any, with originals to be delivered at Closing.
2. Copies of all licenses, permits and approvals, if any, issued by governmental authorities for the use and occupancy of the Property or any facility located thereon.
3. Any other information about the Property reasonably requested by Buyer if in the possession or control of Seller.
4. Any service contracts or other similar agreements related to the Property.
5. Reports of environmental conditions related to the Property, if any.
6. Surveys, if any.
7. Soils reports, if any.

EXHIBIT “D”
FORM OF STATUTORY WARRANTY DEED

Low Income Housing Institute (LIHI)
Attn: Lynne Behar, Chief Financial Officer
1253 S Jackson Street, Suite A
Seattle, WA 98144

Document Title:	Statutory Warranty Deed
Grantor:	City of Olympia, a Washington municipal corporation
Grantee:	Low Income Housing Institute (LIHI), a Washington nonprofit corporation
Abbreviated Legal Description:	Lots 3, 4, 5, and Ptn. of Lot 6, Leach’s Johnson Hill Tracts SE 18-18-1W
Assessor’s Tax Parcel Numbers:	58900000300, 58900000301, 58900000400, 58900000500, and 58900000600

The Grantor, **CITY OF OLYMPIA**, a Washington municipal corporation, for and in consideration of the sum of ONE and NO/100---(\$1.00) Dollar, and other good and valuable considerations, in hand paid, hereby conveys and warrants to the Grantee, **LOW INCOME HOUSING INSTITUTE (LIHI)**, a Washington nonprofit corporation, the following described real property and all rights thereto, situated in the City of Olympia, County of Thurston, in the State of Washington, including all after acquired title:

Lots 3, 4, 5, and 6 of Leach’s Johnson Hill Tracts as recorded April 3, 1923, under Auditor’s File No. 126186, in Volume 10 of Plats, Page 2, records of Thurston County, Washington.

TOGETHER WITH an easement for ingress and egress, over the North 12-feet of the South 77-feet of the East 200-feet of said Lot 3.

EXCEPTING therefrom those portions of said Lot 6 conveyed to the State of Washington for highway purposes by deeds recorded December 21, 1956 under Auditor’s File No. 579323 and February 20, 1985 under Auditor’s File No. 8502200047.

All situated in the Southeast Quarter of Section 18, Township 18 North, Range 1 West, W.M., Thurston County, Washington.

Subject to easements, restrictions, and reservations of record.

**EXHIBIT “E”
FORM OF RESTRICTIVE COVENANT**

After Recording Return to:

City of Olympia
Attn: Legal Department
P.O. Box 1967
Olympia, WA 98507-1967

Document Title:	Restrictive Covenant
Grantor:	Low Income Housing Institute (LIHI), a Washington nonprofit corporation
Grantee:	City of Olympia, a Washington municipal corporation
Abbreviated Legal Description:	Lots 3, 4, 5, and Ptn. of Lot 6, Leach’s Johnson Hill Tracts SE 18-18-1W
Assessor’s Tax Parcel Numbers:	58900000300, 58900000301, 58900000400, 58900000500, and 58900000600

RESTRICTIVE COVENANT

As additional consideration to the City of Olympia, a Washington municipal corporation (“Grantee”), for the purchase of its real property by Low Income Housing Institute (LIHI), a Washington nonprofit corporation (“Grantor”), Grantor and Grantee agree that the real property legally described as:

Lots 3, 4, 5, and 6 of Leach’s Johnson Hill Tracts as recorded April 3, 1923, under Auditor’s File No. 126186, in Volume 10 of Plats, Page 2, records of Thurston County, Washington.

TOGETHER WITH an easement for ingress and egress, over the North 12-feet of the South 77-feet of the East 200-feet of said Lot 3.

EXCEPTING therefrom those portions of said Lot 6 conveyed to the State of Washington for highway purposes by deeds recorded December 21, 1956 under Auditor’s File No. 579323 and February 20, 1985 under Auditor’s File No. 8502200047.

All situated in the Southeast Quarter of Section 18, Township 18 North, Range 1 West, W.M., Thurston County, Washington.

Subject to easements, restrictions, and reservations of record.

shall be held, transferred, sold, conveyed, leased, used, assigned, and occupied in perpetuity subject to the following covenants and restrictions:

1. The above legally described real property shall be used in perpetuity to provide affordable housing as defined in RCW 36.70A.030(2) and (19), as now or hereafter lawfully amended, and providing housing-related facilities and programs; and
2. The residential units to be constructed upon the real property shall have approximately seventy (70) studio and one-bedroom units, and one additional one-bedroom unit for an on-site housing manager; and
3. An estimated thirty (30) residential units shall be accessible to disabled persons; and
4. The real property shall be used to construct permanent supportive housing and facilities in a multi-family rental project as the term “permanent supportive housing” is defined in RCW 36.70A.030(19), as now or hereafter lawfully amended, which means 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, and no other purpose except as expressly agreed by the Parties herein; and
5. The residential units to be constructed upon the property shall be for households with Area Median Income (AMI) of thirty percent (30%) or less. At no time will tenants occupying these housing units pay an amount for rent and utilities that exceeds thirty percent (30%) of their income; provided, however, if a tenant is not receiving a project-based Section 8 voucher, such tenant may be charged the applicable restricted rent for such unit at 30% AMI; and
6. Grantor agrees it will seek project-based vouchers from the Housing Authority of Thurston County to meet affordability requirements; and
7. Grantor shall select persons for residential placement upon the real property by use of Thurston County’s Coordinated Entry system to prioritize persons who are homeless or facing housing insecurity in Thurston County, Washington; and
8. Grantor shall provide for electrification of all new construction upon the Property, except where exemptions are necessary due to physical space limitations, availability of technology, or cost constraints as set forth in Section 2 of Olympia City Council Resolution No. M-2289.

It is the express intent of the Grantor and Grantee that the provisions of the Restrictive Covenants stated herein shall be deemed to run with the land in perpetuity unless otherwise stated, and shall pass to and be binding upon Grantor’s successors in title, including any subsequent purchaser, grantee, owner, assignee, trustee, trustor, or lessee of any portion of the real property and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and assigns of any purchaser,

grantee, owner, assignee, trustee, trustor, or lessee of any portion of the real property and any other person or entity having any right, title or interest therein.

It is further agreed by Grantor and Grantee, that Grantee shall have the right to enforce the aforesaid Restrictive Covenants running with the land by either a request for equitable relief and specific performance or an action at law for damages, or by both such equitable relief and monetary damages, in the Superior Court of Thurston County for the State of Washington, as permitted by law. The prevailing party shall be entitled to recover its attorneys' fees and costs of litigation to enforce the covenants set forth herein.

GRANTOR: LOW INCOME HOUSING INSTITUTE (LIHI),
a Washington nonprofit corporation

Lynne Behar, Chief Financial Officer

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that **Lynne Behar**, Chief Financial Officer of the Low Income Housing Institute (LIHI), a Washington nonprofit corporation, appeared before me, and that said person acknowledged that she signed this instrument, and on oath stated that she is authorized to execute this instrument, and acknowledged it as her free and voluntary act for the uses and purposes mentioned in the instrument.

Signature
Print Name _____
NOTARY PUBLIC in and for the State of _____
Residing at _____
My appointment expires: _____

GRANTEE : CITY OF OLYMPIA,
a Washington municipal corporation

Steven J. Burney, City Manager

Dated: _____

Approved as to form:

Mark Barber, City Attorney

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

On the ____ day of _____, 2023, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared **Steven J. Burney**, to me known to be the City Manager of the City of Olympia, a municipal corporation, who executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned and on oath states that he is authorized to execute the said instrument.

WITNESS my hand and official seal the day and year first above written.

Signature

Print Name _____

NOTARY PUBLIC in and for the State of

Residing at _____

My appointment expires: _____

EXHIBIT "F"

RESOLUTION NO. M-2289

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON, TO RESPOND TO THE CLIMATE EMERGENCY, DECLARING THE INTENT OF THE CITY TO ELECTRIFY CITY-OWNED FACILITIES AND OLYMPIA'S BUILT ENVIRONMENT

WHEREAS, climate change is an existential crisis posing one of the most serious threats to the existence of humanity and all species on the planet; a threat that intersects and compounds all other crises facing humanity and our earth; and

WHEREAS, the 11th United Nations Intergovernmental Panel on Climate Change ("IPCC") report from October 2018 states that we must cut greenhouse gas emissions in half by 2030 to limit devastating global warming and avoid a climate catastrophe; and

WHEREAS, in 2018, the City of Olympia adopted Resolution No. M-1976 adopting common targets to reduce communitywide greenhouse gas emissions 45 percent below 2015 levels by 2030, and then 85 percent below 2015 levels by 2050. In 2019 these goals were placed in the Comprehensive Plan via amendment; and

WHEREAS, in 2019, in collaboration with Olympia High School students, Olympia approved a Resolution Expressing a Commitment to Protect the Youth of this Community from the Risks of Climate Destruction (M-2045), which among other things committed the City to achieve net zero emissions by 2040; and

WHEREAS, in February 2021, the City passed a Resolution Declaring a Climate Emergency (M-2194). A declaration that challenges our regional partners and community members to "to help further the Thurston County Climate Mitigation Plan through partnership with local jurisdictions and other entities" and to "adopt a lens of climate change and climate equity" in planning, zoning, permitting, budgeting, expenditures, ordinances, and all other city efforts, policies, and practices to further climate action efforts and our accepted regional climate mitigation plan; and

WHEREAS, in February 2021, the City accepted the Thurston Climate Mitigation Plan (TCMP), committing the City to working with Thurston County, the cities of Lacey and Tumwater and the Thurston Regional Planning Council to substantially reduce regional greenhouse gas emissions; and

WHEREAS, a Greenhouse Gas Inventory Report for Calendar Years 2015 – 2019 found that Thurston County greenhouse gas emissions have increased 15% since 2015, and the built environment was responsible for 63% of all emissions in 2019; and

WHEREAS, in Washington State, homes and buildings are the single fastest growing source of carbon pollution, up 50 percent since 1990, and now account for 27 percent of Washington's carbon emissions; and

WHEREAS, natural gas consumption represents the second largest source of greenhouse gas emissions from the built environment in Thurston County and the Thurston Climate Mitigation Plan identifies reducing natural gas use as a key strategy to achieve the most substantial reductions in local greenhouse gas emissions; and

WHEREAS, methane leaks during the production, processing, transmission, and distribution of natural gas can be substantial, releasing a potent greenhouse gas with 84 times the warming potential of carbon dioxide; and

WHEREAS, the United States and other leading economies recently agreed to the Global Methane Pledge to reduce Methane emissions 30 percent by 2030; and

WHEREAS, in 2019, Washington State passed the Clean Energy Transformation Act (CETA), which sets milestones for electric utilities to transition toward a 100% clean electricity. Under CETA, utilities must eliminate coal-fired electricity from their mix by 2025, become greenhouse-gas neutral by 2030 (using offsets, if necessary), and provide 100 percent renewable energy by 2045; and

WHEREAS, Olympia must take additional measures to decarbonize, transitioning from fossil fuel powered space-heating, water-heating, and cooking equipment to all-electric buildings powered by affordable, renewable electricity; and

WHEREAS, electrification will improve indoor air quality and overall health, by eliminating natural gas combustion inside homes that produces harmful indoor air pollution; and

WHEREAS, there are well-documented risks to respiratory health from gas stove pollution, and infants and children are particularly vulnerable to respiratory illnesses associated with gas stove pollution; and

WHEREAS, lower-income households are more likely to suffer from health impacts from outdoor and indoor air pollution, which are exacerbated when exposed to pollution from gas stoves; and

WHEREAS, electrification is widely recognized as a powerful strategy to address both climate change and poor air quality in the frontline communities most vulnerable to climate impacts; and

WHEREAS, every new building relying on fossil fuels for heating, cooling, and cooking will have a negative impact on the climate for decades to come and require additional investments to be retrofitted to electric systems as the climate emergency worsens; and

WHEREAS, in June of 2021, the Olympia City Council supported a referral to require the electrification of all new City-owned buildings and major renovations of existing City buildings; and

WHEREAS, in June of 2021, the Olympia City Council supported a referral directing staff to develop a scope, schedule, and budget to conduct a regional cost assessment of requiring non-fossil fuel sourced heating and power in new commercial and residential development in the City; and

WHEREAS, the City has the opportunity to lead by example to make decisive, transformative, and sustainable changes in its municipal energy consumption, and can significantly lower the City's greenhouse gas emissions and overall carbon impact; and

WHEREAS, citywide building electrification is necessary to achieve Olympia's greenhouse gas reduction targets, and such actions will also improve public health and increase the quality of life throughout the City;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OLYMPIA, that the City of Olympia recognizes the global and local benefits of accelerating the transition to all-electric buildings throughout the City; and be it

FURTHER RESOLVED as follows:

Section 1. The City Manager is directed to electrify all newly constructed City-owned buildings and major renovations of existing City buildings, except where exemptions are necessary due to physical space limitations, availability of technology, or cost constraints. Additional upfront costs of five percent (5%) or less shall not be considered a cost constraint. Exemptions must be approved by the City Council and exempt buildings should be built in a manner to support the easy transition to electric systems at any time during the life of the building. This policy will become effective January 12, 2022.

Section 2. The City Manager is directed to require the electrification of all new projects and major renovations of existing buildings receiving City funding of \$50,000 or more, a donation of City property with an appraised value of \$50,000 or more, or a sale of City-owned property where the difference between the appraised value and sale price is \$50,000 or more, except where exemptions are necessary due to physical space limitations, availability of technology, or cost constraints. Council may consider the total cost of construction and operating costs in determining the issue of cost constraints. Exemptions must be approved by the City Council and exempt buildings should be built in a manner to support the easy transition to electric systems at any time during the life of the building. This policy will become effective following a work session to discuss citywide electrification on or before April 1, 2022.

Section 3. The City Manager is directed to inventory City-owned facilities that use fossil fuels and evaluate the feasibility of retrofitting existing buildings to become all-electric by 2030. The inventory and evaluation will make use of existing reports and data to prepare preliminary feasibility recommendations by January 1, 2024.

Section 4. The City of Olympia will encourage the Washington State Legislature and State Building Code Council, and other local entities, such as Thurston County, neighboring cities, school districts, and major institutions, to join in this step to address regional greenhouse emissions from our built environment, by adopting similar building electrification policies to invest in clean energy assets.

Section 5. The City Manager is directed to schedule a City Council work session no later than April 1, 2022, to discuss policy pathways and potential challenges to citywide electrification of all new buildings

PASSED BY THE OLYMPIA CITY COUNCIL this 18th day of January 2022.


MAYOR

ATTEST:


CITY CLERK

APPROVED AS TO FORM:


CITY ATTORNEY

EXHIBIT “B”
SLFRF CONDITIONS

This agreement includes a transfer of American Recovery Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) from Thurston County and City of Tumwater to the City of Olympia. In accordance with the US Department of the Treasury Final Rule, dated January 27, 2022, the City of Olympia (OLYMPIA) is designated as a subrecipient, and payments made by Thurston County (COUNTY) will be using SLFRF funds as subawards.

Federal Award Identification:

American Recovery Plan Act (ARPA) Coronavirus State and Local Fiscal Relief Fund (SLFRF), Assistance Listing 21.027

Subrecipient: City of Olympia, Washington

Subrecipient Unique Entity Identifier: Olympia UEI # YGAHKBHB8B43

Federal Award Identification Number:

Federal Award Date: March 3, 2021

Subaward Period of Performance: December 15, 2021 - December 31, 2024

Subaward Budget Period: December 15, 2021 - December 31, 2024

Amount of SLFRF Obligated for development of the property: \$3,275,000

Total SLFRF Funds Obligated to this subrecipient as of February 15, 2021

Total Federal Funds Obligated to this subrecipient as of February 15, 2022: \$0

Federal Awarding Agency: U.S. Department of Treasury

Recipient (pass-thru entity): Thurston County, City of Tumwater

Recipient Awarding Official:

Robin Campbell, Interim County Manager

360-709-3063

campber@co.thurston.wa.us

Indirect Cost Rate:

No indirect costs will be charged for this project.

Subrecipient Requirements:

The project funded under this Agreement is the development of property to provide permanent supportive housing to homeless individuals as described in the Interlocal Agreement. This activity is eligible under the SLFRF Final Rule “Development, repair, and operation of affordable housing and services or programs to increase long-term housing security.”

This program includes a capital expenditure that exceeds \$1 million. An Interlocal Agreement Between the City of Olympia and Thurston County for Sharing Costs of Acquisition, Planning, Development, and Operations of Property Located on Franz Anderson Road, which was preceded by a Memorandum of Understanding (MOU) entered into between OLYMPIA and Thurston County on December 15, 2021, agreeing to jointly and equally share in the costs of purchase, development of the Franz Anderson property; jointly provide and coordinate funding support through the Regional Housing Council (RHC) for ongoing management of the facility

Interlocal Agreement/City of Olympia, City of Lacey, City of Tumwater, and Thurston County/Franz Anderson Road SE Property Permanent Supportive Housing

for three years, provided that funding support is provided by the RHC; and prepare all necessary agreements to achieve the goals of the MOU, preceded a Real Estate Purchase and Sale Agreement entered into between OLYMPIA and Kaufman Holdings, Inc., and Kaufman Real Estate, LLC, on December 15, 2021, in anticipation of the joint project showed significant steps toward obligating SLFRF funds have been taken prior to January 6, 2022. This precludes the need for written justification for a capital project under the SLFRF Final Rule.

This program is intended to benefit low income households, a group US Department of the Treasury presumes as disproportionately impacted by the pandemic. Improvements to a vacant property, including rehabilitation, maintenance, renovation, demolition or deconstruction, and cleanup and conversion to affordable housing is an allowable use of funds to respond to the disproportionate impact of the pandemic on low income households. In operating this site, the subrecipient must ensure users of this site meet the US Treasury definition of low income.

Each calendar quarter, OLYMPIA shall provide all required information to enable COUNTY to meet reporting requirements of the SLFRF as directed by US Department of the Treasury.

OLYMPIA is a local government municipality subject to the Federal Single Audit Act and audited regularly by the Washington State Auditor's Office. COUNTY shall conduct a risk assessment of OLYMPIA and shall each develop a Monitoring Plan based on the risk assessment determination. To the extent possible, Monitoring Plans should be consistent and developed in coordination with OLYMPIA.

By signing this agreement, OLYMPIA is confirming that they are not suspended, disbarred, or otherwise excluded from participation in federal assistance.

OLYMPIA shall maintain effective internal controls to provide reasonable assurance the federal award is managed in accordance with applicable rules and regulations. Federal funds shall not be used as cost sharing or to meet matching requirements of other federal awards.

In the event federal funds are used for purposes other than the purchase of the Franz Anderson property, OLYMPIA must comply with procurement rules of 2 CFR 200.317 - 327.

OLYMPIA shall submit to the COUNTY an annual report of the status of real property acquired using federal funds under this Agreement.

OLYMPIA must make available upon request of the COUNTY or an auditor all records, personnel, and financial statements as necessary to meet monitoring requirements.

OLYMPIA shall provide COUNTY an opportunity to review all contracts and sub-awards, prior to execution, for the purpose of ensuring SLFRF compliance and alignment with overall project goals.

Financial records, supporting documents and all other records relating to the Interlocal Agreement must be retained for five (5) years following the final disposition of the Franz Anderson property.

No expenditures of SLFRF costs shall be incurred after December 31, 2024, unless the cost is allowable under the terms of this agreement including any amendments signed by both parties, SLFRF funding is available, the award period in the agreement is extended, and an obligation is authorized by COUNTY.

At the end of the Interlocal Agreement, all reports required for close-out of the award will be provided by OLYMPIA no later than 90 days following the end date of performance. Costs paid with federal funds must be allowable and allocable in accordance with 2 CFR 200 Subpart E.

Cost Principles:

All SLFRF funds pooled as part of this agreement and must comply with 2 CFR 200, in its entirety, unless specifically exempted by the U.S. Department of Treasury.

This agreement is subject to termination in the event of non-compliance with the terms of this agreement. If the agreement is terminated, COUNTY will provide a written notice of the reason for the termination, the effective date of the termination and the portion to be terminated. Prior to termination, COUNTY and OLYMPIA will come to an agreement of any settlement due to OLYMPIA for services provided.

Additional regulations that apply to this award, without limitation, include:

- SLFRF Final Rule, 31 CFR Part 35, and SLFRF Frequently Asked Questions issued by the U.S. Department of Treasury are hereby incorporated by reference.
- Universal Identifier and System for Award Management (SAM), 2 CFR Part 25, pursuant to which the award term set forth in Appendix A to 2 CFR Part 25 is hereby incorporated by reference.
- Reporting Subaward and Executive Compensation Information, 2 CFR Part 170, pursuant to which the award term set forth in Appendix A to 2 CFR Part 170 is hereby incorporated by reference.
- OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement), 2 CFR Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 CFR. Part 180, subpart B) that the award is subject to 2 CFR Part 180 and Treasury's implementing regulation at 31 CFR Part 19. 3 9. b. v. vi. vii. viii. ix. c. i. ii. iii. iv. v. 10. 11. 12. 13. 14. a. b. 15.
- Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 CFR Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
- Governmentwide Requirements for Drug-Free Workplace, 31 CFR Part 20.

- New Restrictions on Lobbying, 31 CFR Part 21. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 USC §§ 4601-4655) and implementing regulations.
- Hatch Act (5 USC §§ 1501 - 1508 and 7324 - 7328), which limits certain political activities of state or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.
- Protections for Whistleblowers (41 USC §§ 4712).
- The subrecipient shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 USC § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this agreement. Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 USC § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.
- Any publications produced with funds from this award must display the following language: "This project is supported, in whole or in part, by federal award under assistance listing number 21.027 awarded to Thurston County by the US Department of the Treasury." Clean Air Act and the Federal Water Pollution Control Act – 2 C.F.R. Part 200, Appendix II (G); 42 U.S.C. §§ 7401-7671q.; 33 U.S.C. §§ 1251-1387.
- Federal Water Pollution Control Act.
- Conflict of Interest and Code of Conduct.
- Treasury labor standards described in the Final Rule on p. 56: project labor agreements, wages at or above prevailing rate, local hire provisions, etc.
- The Final Rule, p. 56, requirements of 2 C.F.R. 200 Appendix II to capital expenditure over \$100,000 with a contract involving employment of mechanics or laborers.
- Termination for Cause and for Convenience.
- Equal employment opportunity.
- Davis-Bacon Act.
- The Final Rule, p. 56, regarding compliance with Contract Work Hours and Safety Standards Act, 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations, 29 C.F.R. Part 5.

EXHIBIT "C"
PROPOSED DEVELOPMENT TIMELINE

Form 5: Project Schedule

Project Name: Franz Anderson PSH

Category	Tasks	Date Completed or Expected Complete	Notes / Status
Occupancy	Selection of service providers	3/15/2023	LIHI to provide case mgmt; behavioral health with SeaMar
Design/Permitting	Preliminary drawings completed	3/20/2023	
Financing	Application for funding (specify source):	3/27/2023	City of Olympia SOI
Financing	Award date for funding source (specify):	4/18/2023	
Site Control	Purchase and Sale Agreement / Option	6/7/2023	(e.g., Executed PSA/ Option)
Feasibility/Due Diligence	Phase I Environmental Assessment	8/3/2023	
Site Control	Closing	8/29/2023	(e.g., Must Close on December 31, 2008)
Financing	Capital Finance Closing	8/29/2023	
Feasibility/Due Diligence	Site survey	9/6/2023	(e.g., Completed on schedule)
Design/Permitting	Schematic Design Completed	9/15/2023	
Financing	Application for funding (specify source):	9/18/2023	State HTF
Financing	Application for funding (specify source):	11/6/2023	WSHFC 9% LIHTC
Financing	Award date for funding source (specify):	12/1/2023	
Financing	Award date for funding source (specify):	12/1/2023	
Design/Permitting	Design Development Completed	12/24/2023	
Financing	Lender selection	1/15/2024	
Financing	Investor Selected	1/15/2024	
Feasibility/Due Diligence	Neighborhood notification (if required)	2/16/2024	
Construction	Selection of general contractor	3/1/2024	we are currently using Walsh Co. for Pre-development
Design/Permitting	Zoning approval	3/8/2024	
Financing	Application for Service funding	4/15/2024	Thurston County Housing Authority
Design/Permitting	Building permit application submitted	4/18/2024	
Feasibility/Due Diligence	SEPA	6/1/2024	
Feasibility/Due Diligence	NEPA Clearance	6/1/2024	
Feasibility/Due Diligence	Choice Limiting Actions Clearance	6/1/2024	
Design/Permitting	Final Plans and Specs Completed	6/12/2024	
Financing	Appraisal	6/15/2024	To be done by equity investor
Financing	Funding for services awarded	6/15/2024	
Design/Permitting	Construction Documents Completed	6/26/2024	
Design/Permitting	Site plan approval	7/4/2024	
Design/Permitting	Submit Evergreen Project Plan	7/15/2024	
Financing	Award date for Service Funding/Commitment	8/1/2024	
Design/Permitting	Building permits issued	8/8/2024	
Financing	Financial underwriting	8/15/2024	
Construction	Begin Construction	9/2/2024	
Financing	Construction cost estimate	9/14/2024	
Occupancy	Projected First LIHTC Year start	1/1/2025	
Occupancy	100% lease-up	2/15/2025	
Occupancy	Qualified Occupancy	2/15/2025	
Occupancy	Service Funding Starts	10/1/2025	
Construction	Issued certificate of occupancy	11/2/2025	
Occupancy	Begin lease-up	11/3/2025	
Occupancy	Placed in service - 1st Building	11/3/2025	
Occupancy	Placed in service - Last Building	11/3/2025	
Feasibility/Due Diligence	Capital needs assessment	11/15/2025	
Occupancy	Evergreen Sustainable Development Standard Occupancy Manual Approval	12/15/2025	
Financing	Permanent Financing Conversion	4/1/2026	
Financing	Final Equity Pay-In (LIHTC projects)	4/1/2029	Capitalized reserves
Site Control	Maximum Extensions		(e.g., Must Waive Financing Contingency 6/30/08)
Feasibility/Due Diligence	Market study		n/a - 9% LIHTC Project
Feasibility/Due Diligence	Phase 2 Environmental Assessment		N/a
Feasibility/Due Diligence	Relocation of existing tenants		n/a
Relocation	Planning and budget		n/a

Relocation	Initiation of negotiations		n/a
Relocation	GIN's delivered to tenants		n/a
Relocation	Advisory services to tenants		n/a
Relocation	Notice of Eligibility to tenants		n/a
Relocation	Notice of Non-displacement to tenants		n/a
Relocation	90 day notice to tenants		n/a
Relocation	Tenant move out		n/a
Occupancy	Selection of management entity		n/a - LIHI to Self Manage