



Memorandum

Date: 11/23/2021
Meeting of: City Council Study Session

File No. SS 21-095
Type: Study Session

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Planning and Community Development	Carol Helland	425-556-2107
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DEPARTMENT STAFF:

Planning and Community Development	N/A	N/A
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TITLE:

Occupancy Agreement Required to Operate a Permanent Supportive Housing Use at 2122 152nd Ave NE (formerly the Silver Cloud Inn)

OVERVIEW STATEMENT:

This Study Session initiates City Council discussion to develop the Occupancy Agreement required for permanent supportive housing to be operated at the former location of the Silver Cloud Inn under the terms of Interim Official Control (IOC) Ordinance No. 3059.

☐ **Additional Background Information/Description of Proposal Attached**

REQUESTED ACTION:

☐ **Receive Information** ☒ **Provide Direction** ☐ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Revised Code of Washington (RCW) 39.34, regulation of Interlocal and Interagency Agreements; Resolution No. 1503, requiring City Council approval of contracts and Interlocal and Interagency Agreements; RCW 35A.21.430, preempting city authority to prohibit permanent supportive housing (HB 1220); and City Plans, including Comprehensive Plan, Human Services Strategic Plan, Housing Action Plan, and Community Strategic Plan.
- **Required:**
In October 2020, the Metropolitan King County Council authorized the imposition of a sale tax to fund construction, acquisition, operations, and services associated with permanent supportive housing for chronically homeless individuals. The County Council called the program *Health Through Housing*. Pursuant to this program, the County purchased the Redmond Silver Cloud Inn at 2122 152nd Ave NE in July 2021. The property is located in the Overlake Urban Center of Redmond and is intended for use as supportive housing.

On August 17, 2021, the Redmond City Council adopted IOC Ordinance No. 3059 and on November 1, 2020, the Council referred the IOC to the Planning Commission with guidance for development of permanent regulations.

The IOC requires owners/operators of supportive housing, transitional housing, and emergency housing and shelters to enter into an Occupancy Agreement with the City prior to housing residents. The Occupancy Agreement governs operations associated with those uses identified in the IOC, including public health and safety measures. The IOC governs the supportive housing use proposed by King County at the former location of the Silver Cloud Inn.

- **Council Request:**

The City Council requested staff to initiate development of the Occupancy Agreement during Council Talk Time on November 9, 2021.

- **Other Key Facts:**

The Silver Cloud Inn is the first housing use in Redmond to be governed by the IOC. Relevant excerpts of the IOC are included in Attachment A. Attachment B describes the elements of an Occupancy Agreement and the additional agreements/plans that must be incorporated into the Occupancy Agreement before a property can be occupied as a supportive housing use. The Occupancy Agreement will be between King County, as the owner of the Silver Cloud Inn property, and the City. The operator and service provider for the facility have not yet been chosen.

OUTCOMES:

City staff will begin developing the Occupancy Agreement once Council has identified and/or confirmed the terms to be included in the Agreement. A list of initial draft terms suggested by staff for Council consideration is included in Attachment C. Staff will develop a Term Sheet to discuss with County staff that will be used to develop a draft Agreement that will be brought to Council for their consideration. Once an Agreement is finalized, it will be brought to Council for their approval as well as to the King County Council for their approval.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**

King County Silver Cloud Inn Timeline:

King County has conducted or will conduct the following activities (Chart provided by King County):

Redmond Silver Cloud Inn - Timeline	Status	Preliminary Estimated Timeline
Purchase "Closed"	Complete	July, 2021
Community Outreach	In Progress	Started August 2021, continuing
RFB Release Date	In Progress	December, 2021
RFB Awarded/Provider Selected	Not Started	Mid-January, 2022
Service/Operating Provider Under Contract, Staffing Up	Not Started	February, 2022
Building Improvements	Not Started	February through April, 2022
Staff & Client Move-In	Not Started	April/May, 2022

- **Outreach Methods and Results:**

City of Redmond outreach to-date has included press releases regarding County acquisition of the Silver Cloud, Redmond City Council adoption of the IOC governing the use proposed by the County, and development of a website with informational documents and responses to Frequently Asked Questions (FAQs) regarding the *Health Through Housing* program.

These actions have resulted in emails to the Mayor and City Council, public feedback during the Items from the

Audience segment of the Regular Business meetings, and testimony during the public hearing on the IOC. Although the outreach methods were focused on the IOC, virtually all the feedback and testimony received was related directly to the proposed establishment and operation of the Silver Cloud Inn as a supportive housing use for homeless individuals.

- **Feedback Summary:**

Public Hearing and Community Input, and *Health Through Housing* input, are summarized in the Findings of Fact approved by the City Council on November 1, 2021. Refer to Attachment D for excerpts of the Findings of Fact that summarize community feedback received to-date.

BUDGET IMPACT:

Total Cost:

There is no fiscal impact associated with developing an Interlocal Agreement that is required pursuant to the terms of the IOC. Staff supporting the Council work on the IOC, Planning Commission work on development of permanent regulations, and negotiations between the City and Council Councils on the required Occupancy Agreement are funded through the adopted budget.

Approved in current biennial budget: ☒ Yes ☐ No ☐ N/A

Budget Offer Number:

000250-Community and Economic Development

Budget Priority:

Vibrant and Connected

Other budget impacts or additional costs: ☐ Yes ☐ No ☒ N/A

If yes, explain:

N/A

Funding source(s):

General Fund

Budget/Funding Constraints:

N/A

☐ Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
8/17/2021	Business Meeting	Approve
10/5/2021	Business Meeting	Receive Information
10/26/2021	Study Session	Provide Direction
11/1/2021	Special Meeting COTW: Parks & Human Services	Provide Direction
11/1/2021	Special Meeting Regular Business meeting	Approve

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
N/A	None proposed at this time Schedule TBD	N/A

Time Constraints:

An interlocal agreement is required to be executed prior to occupancy of the supportive housing use proposed by the County at the Silver Cloud Inn. Housing of vulnerable individuals experiencing homelessness at the Silver Cloud Inn will be delayed until the interlocal agreement is approved by the City Council and King County Council.

ANTICIPATED RESULT IF NOT APPROVED:

No approval is currently requested. This Study Session initiates City Council discussion to develop the Occupancy Agreement required for the Redmond Silver Cloud Inn to be used as permanent supportive housing under the terms of the IOC.

ATTACHMENTS:

Attachment A: Relevant excerpts of IOC Ordinance No. 3059

Attachment B: Required Agreements/Plans for Establishment of a Permanent Supportive Housing Use

Attachment C: Initial Draft Terms Suggested by Staff for Inclusion in the Occupancy Agreement

Attachment D: Excerpts of Community Feedback Received to-date