



## City Council

### Approval of a Resolution Authorizing a 2023 Plum Street Village Funding Agreement with the Low Income Housing Institute

**Agenda Date:** 12/13/2022  
**Agenda Item Number:** 4.H  
**File Number:** 22-1174

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**Type:** resolution **Version:** 1 **Status:** Passed

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#### Title

Approval of a Resolution Authorizing a 2023 Plum Street Village Funding Agreement with the Low Income Housing Institute

#### Recommended Action

##### Committee Recommendation:

Not referred to a committee

##### City Manager Recommendation:

Approval of a Resolution Authorizing a 2023 Plum Street Village Funding Agreement with the Low Income Housing Institute.

#### Report

##### Issue:

Whether to approve a Resolution Authorizing a 2023 Plum Street Village Funding Agreement with the Low Income Housing Institute.

##### Staff Contact:

Rich Hoey, Interim Assistant City Manager, 360.753.8227

Darian Lightfoot, Director of Housing and Homeless Response, 360.753.8033

##### Presenter(s):

None - Consent Calendar Item

#### Background and Analysis:

Plum Street Village is a 29-unit tiny home village that provides critical shelter and support services for unhoused individuals in our community. Since its inception in February 2019, the City has contracted with the Low Income Housing Institute (LIHI) for on-going management and operation of Plum Street Village. Through a funding agreement with the City, LIHI provides 24/7 staffing of Plum Street Village, including case management services for residents.

In addition to the 29 tiny homes, Plum Street Village has hygiene facilities (bathrooms, showers and laundry) and a communal kitchen. Additional information about Plum Street Village can be found on

the City's website.

The current 2021-2022 funding agreement with LIHI expires at the end of this calendar year. This proposed funding agreement provides operational funding for LIHI to continue to operate Plum Street Village through 2023.

The City also has a companion property lease agreement with LIHI for the Plum Street Village property. That lease agreement expires at the end of January 2023. Staff intends to bring a property lease extension to City Council sometime in January.

**Neighborhood/Community Interests (if known):**

There is significant community interest in the City's homeless response efforts. As part of the funding agreement for Plum Street Village, LIHI is required to hold Community Advisory Committee (CAC) meetings to gain input and feedback from the community. The CAC includes neighborhood stakeholders, faith-based communities, service providers and businesses. The City also participates in the CAC meetings, currently held bi-monthly.

**Options:**

1. Approve the Resolution Authorizing the 2023 Plum Street Village Funding Agreement with the Low Income Housing Institute.
2. Do Not Approve the Resolution Authorizing the 2023 Plum Street Village Funding Agreement with the Low Income Housing Institute.
3. Request Modification to the Funding Agreement. The current 2021-2022 funding agreement expires at the end of 2022 which would require a short-term temporary extension of the agreement while potential changes to the 2023 agreement are negotiated.

**Financial Impact:**

Under the proposed funding agreement, the City would pay LIHI up to \$550,120 for operation and management of Plum Street Village as outlined in the scope of operations (Exhibit B). The 2023 budget for Plum Street Village operations (see Exhibit C) is intended to reimburse LIHI's staffing expenses, other operational expenses and administrative costs up to the contract limit.

LIHI's Plum Street Village staffing totals 6.34 FTEs, and covers 24/7 staffing/security, case management and maintenance and support staff. The budget assumes that LIHI will receive reimbursement for 50% of case management costs (currently 1 FTE) from the Medicaid Foundational Community Support program.

The 2023 funding agreement reflects an increase of \$94,359 (or 20.7 percent) over the 2022 agreement. Due to inflation and other factors, LIHI indicates that they have been operating Plum Street Village at a deficit over the past year. As shown in Exhibit C, LIHI estimates their costs to manage Plum Street Village will be \$676,093 in 2023, well above the \$550,120 that City staff have negotiated for the City to pay in 2023. LIHI has indicated that they will seek other sources of funding, including fundraising, to cover the balance of their costs in 2023.

City costs associated with this funding agreement will be covered through Home Fund operating dollars and other sources earmarked for housing and homeless response in the City's 2023 budget.

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**Attachments:**

Resolution  
Agreement