

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

CONSENT AGENDA REQUEST

TO: Jefferson County Board of Commissioners

FROM: Carolyn Gallaway, Clerk of the Board

DATE: August 18, 2025

SUBJECT: **AGREEMENT** re: 2025 Affordable Housing/Homelessness Grant Funding; Hugging Tree Legacy – Casa Collina; in the amount of \$265,000

STATEMENT OF ISSUE:

On November 8, 2024 the Housing Fund Board met and reviewed the RFPs received. On November 18, 2024, the Board of County Commissioners approved the Housing Fund Board's 2024 funding recommendations for Affordable Housing Fund 148, Homeless Housing Fund 149, 1590 and 5386 Funds. One of the recommendations was to fund Hugging Tree Legacy – Casa Collina; in the amount of \$265,000.

The project outlined in the RFP contemplates the use of these funds for the purchase of real estate to develop the property for affordable housing. The Housing Fund Board referred the contract to legal for analysis and review of the enforceability of long-term use of the property as affordable housing consistent with the statutes. Upon review, the other sources of funding for this project require the execution of a 35-year covenant that satisfies the HFB's concern and legal recommends the contract language be consistent with all awards in the 2025 cycle.

ANALYSIS:

The attached Grant Agreement will provide \$265,000 in funds approved by the Board of County Commissioners on November 18, 2024.

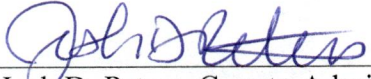
FISCAL IMPACT:

\$265,000 from Fund 148.

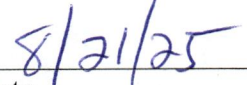
RECOMMENDATION:

Approve the attached Grant Agreement.

REVIEWED BY:



Josh D. Peters, County Administrator



Date

CONTRACT REVIEW FORM

(INSTRUCTIONS ARE ON THE NEXT PAGE)

Clear Form

CONTRACT WITH: Hugging Tree Legacy

Contract No: CasaCollina2025

Contract For: Casa Collina

Term: 1/1/25-12/31/25

COUNTY DEPARTMENT: County Administrator

Contact Person: Carolyn Gallaway

Contact Phone: 360-385-9122

Contact email: carolyn@co.jefferson.wa.us

AMOUNT: \$265,000

Revenue: _____

Expenditure: _____

Matching Funds Required: _____

Sources(s) of Matching Funds _____

Fund # 148

Munis Org/Obj _____

PROCESS:

- ☐ Exempt from Bid Process
- ☐ Cooperative Purchase
- ☐ Competitive Sealed Bid
- ☐ Small Works Roster
- ☐ Vendor List Bid
- ☒ RFP or RFQ
- ☐ Other: _____

APPROVAL STEPS:

STEP 1: DEPARTMENT CERTIFIES COMPLIANCE WITH JCC 3.55.080 AND CHAPTER 42.23 RCW.

CERTIFIED: ☒ N/A: ☐

Carolyn Gallaway
Signature

8/14/25
Date

STEP 2: DEPARTMENT CERTIFIES THE PERSON PROPOSED FOR CONTRACTING WITH THE COUNTY (CONTRACTOR) HAS NOT BEEN DEBARRED BY ANY FEDERAL, STATE, OR LOCAL AGENCY.

CERTIFIED: ☒ N/A: ☐

Carolyn Gallaway
Signature

8/14/25
Date

STEP 3: RISK MANAGEMENT REVIEW (will be added electronically through Laserfiche):

Electronically approved by Risk Management on 8/21/2025.

STEP 4: PROSECUTING ATTORNEY REVIEW (will be added electronically through Laserfiche):

Electronically approved as to form by PAO on 8/21/2025.
Final contract after legal review. PAO drafted contract.

STEP 5: DEPARTMENT MAKES REVISIONS & RESUBMITS TO RISK MANAGEMENT AND PROSECUTING ATTORNEY(IF REQUIRED).

STEP 6: CONTRACTOR SIGNS

STEP 7: SUBMIT TO BOCC FOR APPROVAL

Grant Agreement by and Between Jefferson County
and
Hugging Tree Legacy – Casa Collina
For Affordable Housing/Homelessness Services Grant Funding

WHEREAS, RCW [36.22.250](#) authorizes the use of SSB 5386 a recording fee surcharge to provide funding for affordable housing services, homeless housing and assistance, and local homeless housing and assistance; and

WHEREAS, RCW [82.14.530](#) authorizes the use of SHB 1590 sales tax revenues to support affordable housing; and

WHEREAS, RCW [82.14.540](#) authorizes the use of SHB 1406 sales tax revenues to support affordable housing; and

WHEREAS, on September 3, 2024 the Board of County Commissioners approved funding levels and authorized the release of a Request for Proposals for the funds collected pursuant to the above cited RCW's; and

WHEREAS, on November 18, 2024 the Board of County Commissioners approved the Housing Fund Board's recommendation for 2025 funding;

NOW, THEREFORE, Jefferson County, a political subdivision of the State of Washington ("County"), and Hugging Tree Legacy, a non-profit corporation in Washington State ("Recipient"), in consideration of the mutual benefits, terms, and conditions hereinafter specified, do hereby agree as follows:

1. Grant Commitment. A grant of funds is hereby made to Recipient for use of the Project described in [Section 2](#). The approved maximum amount of the grant shall be \$265,000, all coming from Fund 148. Payment of grant funds shall be made upon the submission of appropriate invoices pursuant to [Section 3](#).
2. Project Description, Schedule and Budget.
 - a. The scope of work for the Project is described in Exhibit A, attached.
 - b. The Project begins on January 1, 2025 and shall be completed by December 31, 2025.
 - c. The budget for the Project is described in Exhibit B, attached.
3. Payment. Expenses incurred on the Project, as described in [Section 2](#), by the Project's consultants, contractors, suppliers, or Recipient's staff shall be submitted to the County Administrator's Office by Recipient using a detailed invoice that includes all of the following:

- a. Each detailed invoice shall show individual items followed by the total amount incurred and the amount eligible for reimbursement under this grant. Recipient may submit such invoices to the County once per month during the course of the Project for work completed. All invoices shall be submitted no later than 30 days after project completion; and,
 - b. The county shall review and approve invoice payments. Payments will be limited to the monies that are available under the grant as described in Section 1. Such invoices, once approved, will be paid using the County's normal bill paying process and cycle.
4. Compliance with Laws. Recipient shall, in completing its project under this Grant Agreement, faithfully observe and comply with all federal, state, and local laws, ordinances, and regulation, applicable to the work to be completed under this Grant Agreement.
5. Indemnity

The Recipient shall defend, indemnify and hold the County, its officers, officials, employees, agents and volunteers (and their marital communities) harmless from any claims, injuries, damages, losses or suits, including attorney's fees, arising out of or resulting from the acts, errors or omissions of the Recipient in performance of this Agreement, except for injuries and damages caused by the sole negligence of the County. Should a court of competent jurisdiction determine this Agreement is subject to RCW 4.24.115 if liability for damages occurs arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Recipient and the County, its officers, officials, employees, agents and volunteers (and their marital communities) the Recipient's liability, including the duty and cost to defend, shall be only for the Recipient's negligence. It is further specifically understood that the indemnification provided constitutes the Recipient's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. This section shall survive the expiration or termination of this Agreement.

6. Required Insurance Coverages.
 - a. Commercial General Liability.

- 1) Recipient shall maintain commercial general liability coverage on a form acceptable to Jefferson County Risk Management for bodily injury, personal injury, and property damage, in an amount not less than two million dollars per occurrence (\$2,000,000) and an aggregate of not less than four million dollars (\$4,000,000), for bodily injury, including death, and property damage.

- 2) The commercial general liability insurance coverage shall contain no limitations on the scope of the protection provided and include the following minimum coverage:
 - i. Broad form property damage, with no employee exclusion;
 - ii. Person injury liability, including extended bodily injury;
 - iii.. Broad form contractual/commercial liability, including completed operations and product liability coverage;
 - iv. Premises - operations liability (M&C);
 - v. Independent contractors and subcontractors; and,
 - vi. Blanket contractual liability.
 - 3) Recipient's commercial general liability policy shall include employer's liability coverage.
 - 4) The County and its elected officials, officers and employees shall be named as an additional insured party under this insurance policy.
- b. Automobile Liability. Recipient shall maintain business automobile Liability insurance on a form acceptable to Jefferson County Risk Management with a limit of not less than a combined single limit of \$1,000,000 each occurrence. Coverage shall include owned, hired, and non-owned automobiles.
- c. Workers' Compensation (Industrial Insurance). Recipient shall maintain workers' compensation insurance at its own expense, as required by Title 51 RCW, for the term of this Agreement and shall provide evidence of coverage to Jefferson County Risk Management, upon request. If the County incurs any cost to enforce the provisions of this subsection, all costs and fees shall be recoverable from Recipient.
- 1) Recipient shall provide Workers' Compensation and Employer's Liability on a state approved policy form providing benefits as required by law with employer's liability limits no less than \$1,000,000 per accident or disease.
 - 2) This coverage shall extend to any contractor or subcontractor that does not have their own workers' compensation and employer's liability insurance.
7. Recipient expressly waives by mutual negotiation all immunity and limitations on liability, with respect to the County, under any industrial insurance act, disability benefit act, or other employee benefit act of any jurisdiction, which would otherwise be applicable in case of such claim.

8. General Insurance Requirements.

- a. Insurance coverage shall be evidenced by one of the following methods:
 - 1) Certificate of insurance; or,
 - 2) Self-insurance through an irrevocable Letter of Credit from a qualified financial institution.
- b. Any deductibles or self-insured shall be declared to and approved by the County prior to the approval of this Agreement by the County. At the option of the County, the insurer shall reduce or eliminate deductibles or self-insured retention, or Recipient shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- c. Failure of Recipient to take out or maintain any required insurance shall not relieve Recipient from any liability under this agreement, nor shall the insurance requirements be construed to conflict with or otherwise limit the obligations concerning indemnification of the County.
- d. Recipient's insurers shall have no right of recovery or subrogation against the County (including its employees and other agents and agencies), it being the intention of the parties that the insurance policies so affected shall protect all the parties and shall be primary coverage for all losses covered by the above described insurance.
- e. Insurance companies issuing Recipient's insurance policy or policies shall have no recourse against the County (including its employees and other agents and agencies) for payment of any premiums or for assessments under any form of insurance policy.
- f. All deductibles in Recipient's insurance policies shall be assumed by and be at the sole risk of Recipient.
- g. Any judgments for which the County may be liable, in excess of insured amounts required by this agreement, or any portion thereof, may be withheld from payment due, or to become due, to Recipient until Recipient shall furnish additional security covering such judgment as may be determined by the County.
- h. Any coverage for third party liability claims provided to the County by a "Risk Pool" created pursuant to Ch. 48.62 RCW shall be non-contributory with respect to any insurance policy Recipient shall provide to comply with this Agreement.

- i. The County may, upon Recipient's failure to comply with all provisions of this Agreement relating to insurance, withhold payment or compensation that would otherwise be due to Recipient.
- j. Recipient shall provide a copy of all insurance policies specified in this Agreement.
- k. Written notice of cancellation or change in Recipient's insurance required by this Agreement shall reference the project name and agreement number and shall be mailed to the County at the following address: Jefferson County Risk Management, P.O. Box 1220, Port Townsend, WA 98368.
- l. Recipient's liability insurance provisions shall be primary and noncontributory with respect to any insurance or self-insurance or self-insurance programs covering the County, its elected and appointed officers, officials, employees and agents.
- m. Any failure to comply with reporting provisions of the insurance policies shall not affect coverage provided to the County, its officers, officials, employees or agents.
- n. Recipient's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- o. Recipient shall include all subcontractors as insured under its insurance policies or shall furnish separate certificates and endorsements for each subcontractor. All insurance coverage for subcontractors shall be subject to all the requirements stated in this Agreement. The insurance limits mandated for any insurance coverage required by this Agreement are not intended to be an indication of exposure nor are they limitations on indemnification.
- p. Recipient shall maintain all required insurance policies in force from the time services commence until services are completed. Certificates, insurance policies, and endorsements expiring before completion of services will be promptly replaced.
- q. Recipient shall place insurance with insurers listed to business in the State of Washington and having A.M. Best Company ratings of no less than A-, with the exception that excess and umbrella coverage used to meet the requirements for limits of liability or gaps in coverage need not be placed with insurers or re-insurers licensed in the State of Washington.
- r. Certificates of insurance as required by this Agreement shall be delivered to the County within fifteen (15) days of execution of the Agreement. To the extent a certificate lists or refers to any endorsements solely by name, description or number it shall be the responsibility of Recipient to obtain and provide to Jefferson County Risk Management a full and complete copy of the texts of such endorsements.

- s. The County shall be named as an "additional insured" on all insurance policies required by this Agreement.
 - t. Recipient shall furnish the County with properly executed certificates of insurance that, at a minimum, shall include:
 - 1) The limits of coverage;
 - 2) The project name and agreement number to which it applies;
 - 3) The certificate holder as Jefferson County, Washington and its elected officials, officers, employees and agents with the address of Jefferson County Risk Management, P.O. Box 1220, Port Townsend, WA 98368; and,
 - 4) A statement that the insurance policy shall not be cancelled or allowed to expire except on thirty (30) days prior written notice to the County.
9. Independent Contractor. Recipient and the County agree that Recipient is an independent contractor with respect to the project to be completed pursuant to this Grant Agreement. Nothing in this Grant Agreement shall be considered to create the relationship of employer and employee between the parties hereto. Neither Recipient nor any employee of Recipient, nor any subcontractor of Recipient shall be entitled to any benefits accorded to County employees by virtue of their services on the project to be completed under this Grant Agreement. The County shall not be responsible for withholding or otherwise deducting federal income tax or social security or for contributing to the State industrial insurance program, or otherwise assuming the duties of an employer with respect to Recipient, or any employee, representative of agent of Recipient, or any contractor of Recipient.
10. Subcontracting Requirements.
- a. Recipient Owns Contract Performance. Recipient is responsible for meeting all terms and conditions of this Agreement including standards of service, quality of materials and workmanship, costs and schedules. Failure of a subcontractor to perform is no defense to a breach of this Agreement. Recipient assumes responsibility for all liability for the actions and quality of services performed by any subcontractor.
 - b. Subcontractor Disputes. Any dispute arising between Recipient and any subcontractors or between subcontractors must be resolved with involvement of any kind on the part of the County and without detrimental impact on the delivery of contracted goods and services.

11. Legal and Regulatory Compliance. While performing under this Agreement, Recipient, subcontractors, and their employees are required to comply with all applicable local, state and federal laws, codes, ordinances and regulations, including but not limited to:

- a. Applicable regulations of the Washington State Department of Labor and Industries, including WA-DOSH Safety Regulation; and
- b. State and Federal Anti-Discrimination Laws.

12. Termination.

a. Termination by the County.

- 1) Should Recipient default in providing services under this Agreement or materially breach any of its provisions, the County may terminate this Agreement upon ten (10) days written notice to Recipient.
- 2) Recipient shall have the right and opportunity to cure any such material breach within the ten (10) day period.
- 3) The County may terminate this Agreement upon immediate notice to Recipient. Recipient will be reimbursed for services expended up to the date of termination.
- 4) This Agreement may be terminated or amended, in whole or in part, by the County upon thirty (30) days written notice in the event expected or actual revenue in Funds 148 and/or 149 is reduced or limited in any way.

b. Termination by Recipient.

- 1) Should the County, its staff, employees, agents and/or representatives default in the performance of this Agreement or materially breach any of its provisions, Recipient, at its option, may terminate this Agreement by giving ten (10) days written notice to the County representative.
- 2) The County shall have the right and opportunity to cure any such material breach within the ten (10) day period.

c. Termination Without Cause. This Agreement may be terminated without cause at any time by either party subject to a sixty (60) day advance written notice of such termination to the other party.

13. No Harassment or Discrimination. Recipient and any contractors/subcontractors will not discriminate against any person in the performance of work under this agreement or in the selection and retention of employees or procurement of materials or supplies on the basis of age, sex, marital status, sexual orientation, religion, creed, color, national origin, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained guide dog or service animal by a person with a disability, unless based on a bonafide occupational qualification.
14. Contract Expiration. This contract will run until the project is complete and until the County has made all payments required under this Grant Agreement, except that the project must be completed no later than the date listed in Paragraph 2.b. above, unless extended by mutual agreement.
15. Failure to Appropriate. Recipient acknowledges that the County may only appropriate monies in the current year and in a manner consistent with Paragraph 1 above. The County agrees to appropriate monies to fund this grant unless emergency circumstances prevent the County from doing so. Any monies to be paid by the County to Recipient for this grant are subject to appropriation by the County Commission.
16. Integrated Agreement. This Grant Agreement represents the entire and integrated agreement between the County and Recipient and supersedes all prior negotiations, representation, or agreements written or oral.
17. Modification of this Agreement. This Agreement may be amended or supplemented only by a writing that is signed by duly authorized representatives of all parties.
18. No Assignment. Recipient shall not sell, assign, or transfer any rights obtained by this Agreement without the express written consent of the County.
19. Severability. Provided it does not result in a material change in the terms of this Agreement, if any provision of this Agreement or the application of this Agreement to any person or circumstance shall be invalid, illegal, or unenforceable to any extent, the remainder of this Agreement and the application of this Agreement shall not be affected and shall be enforceable to the fullest extent permitted by law.
20. No Third-party Beneficiaries. The parties do not intend, and nothing in this Agreement shall be construed to mean, that any provision in this Agreement is for the benefit of any person or entity who is not a Party.

21. Controlling Law. It is understood and agreed that this Agreement is entered into in the State of Washington. This Agreement shall be governed by and construed in accordance with the laws of the United State, the State of Washington and the County of Jefferson, as if applied to transactions entered into and to be performed wholly within Jefferson County, Washington between Jefferson County residents. No party shall argue or assert that any state law other than Washington law applies to the governance or construction of this Agreement.
22. Reports: An annual report form will be due no later than January 31, 2026. The report form will be distributed before the end of the year. Non-compliance may result in no funds awarded in the future.

(SIGNATURES APPEAR ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have caused this Grant Agreement to
be executed this _____ day of _____ 2025.

Jefferson County
Board of Commissioners

Hugging Tree Legacy

Signature

Date

Printed Name / Title

By: _____
Heidi Eisenhour, Chair Date

SEAL:

ATTEST:

Carolyn Gallaway, CMC Date
Clerk of the Board

Approved as to form only:

 for 08/21/2025

Philip C. Hunsucker Date
Chief Civil Deputy Prosecuting Attorney

EXHIBIT A - SCOPE OF WORK

Recipient has been awarded \$110,000 (the "Award"), after recommendation by the Housing Fund Board. Recipient shall use the Award consistently with its response to the request for proposal submitted to the Housing Fund Board during the 2025 cycle.

A true and correct copy of the Recipient's response to the request for proposal is attached as Exhibit C.

EXHIBIT B – BUDGET

Recipient has been awarded \$110,000 (the “Award”), after recommendation by the Housing Fund Board. Recipient shall use the Award consistently with its response to the request for proposal submitted to the Housing Fund Board during the 2025 cycle.

A true and correct copy of the Recipient’s response to the request for proposal is attached as Exhibit C.

Applicant: Hugging Tree Legacy

Contact: Celine Santiago

Address: 3229 State Route 20, Port Townsend, WA 98368

Phone: 253-347-1052

Email: celine@huggingtreelegacy.org

FUNDING FOR
AFFORDABLE AND SUPPORTIVE
HOUSING & HOMELESS HOUSING
AND ASSISTANCE FUNDS
APPLICATION

Proposals must be RECEIVED: 10/18/24 at 4pm

JEFFERSON COUNTY
THROUGH THE COUNTY & CITY OF PORT TOWNSEND
HOUSING FUND BOARD

Application

AFFORDABLE AND SUPPORTIVE HOUSING & HOMELESS HOUSING AND ASSISTANCE FUNDS

For use from January 1, 2025 to December 31, 2025

GENERAL INFORMATION –It is understood that if awarded funding for this period, there is no guarantee of future funding beyond this award.

We estimate the available funding for this period to be approximately \$165,000 for 5386 Homeless Housing and Assistance (operating) funds; \$840,000 for 1590 Affordable and Supportive Housing development funds; and first year operating funds; and \$560,000 for 1590 Affordable and Supportive Housing operating funds. Note that 1590 operating funds may be used for all housing-related services.

Name of Project or Program Casa Collina

Requested total amount for this application: \$285,000

Area of the County to be served: Port Townsend

Name of Applicant/Agency: Hugging Tree Legacy

Federal Tax ID #: 81-4627510

Contact Person: Celine Santiago

Title: Chairperson

Address: 3229 State Route 20

City: Port Townsend

State: WA Zip: 98368

Phone Number: 253-347-1052

Fax Number: N/A

E-mail: celine@huggingtreelegacy.org

CERTIFICATION by Authorized Agency Representative (Board President, CEO, or another person authorized to bind the agency in a contract).

Name of Authorized Agency Representative (print): Celine Santiago

Title: Chairperson

- Applicant certifies that these funds will be used as described in this application unless a change has been mutually agreed upon between Contractor and Jefferson County Board of County Commissioners. Substantive amendment requests will also require the approval of the Housing Fund Board ("HFB").
- Applicant certifies that the information in this application is true and correct.
- Applicant certifies that it has no outstanding obligations to the County with respect to housing funds.

Celine M. Santiago

Signature of Authorized Agency Representative

10/03/2024

Date

PROJECT DESCRIPTION

- Name of Project or Program: Casa Collina
- Amount requested: \$285,000
- Provide a brief description of the Project or Program: **(LIMIT 200 WORDS)**

Casa Collina, located at 373 Discovery Road, was recently converted from SFR to a 6-unit affordable housing project by the current property owners to address the chronic shortage of affordable housing in our community. Regrettably, the current owners now intend to sell the property as market-rate housing. To prevent the loss of desperately needed affordable housing, Hugging Tree Legacy (HTL) has negotiated the purchase of the property to hold it in perpetuity. Casa Collina has provided shelter to low income BIPOC community members who are experiencing housing insecurity or homelessness. It currently houses a Veteran farmer, a Haitian immigrant, a senior Veteran, a single mother and child, a Hoh Tribe member and a young DACA entrepreneur.

HTL is applying for \$500,000 from Washington State Housing Finance Commission Land Acquisition Program which is 64% of the funds needed for purchase of Casa Collina. We are requesting \$285,000 (36%) in GAP funds from Affordable and Supportive Housing Funds. HTL will be able to permanently preserve the existing units, hire a House Manager certified as a Peer Support Counselor and lower the rental rates.

- Specify the Project or Program goals and expected outcomes. Specify the measures of success by which the Project or Program will be assessed. **(LIMIT 300 WORDS)**

Goals / Outcomes / Measurements

1. Goal: Reduce homelessness for highly vulnerable community members.
Outcome: Creation / retention of 6 perpetually affordable units.
Measurements:
 - Annual occupancy
 - Members previously housing insecure
2. Goal: Support a diverse mix of members with varied income levels up to 80% mean average area income.
Outcome: Bridge the growing gap between renter incomes and rising housing costs. Create access to opportunity.
Measurements:
 - Number of BIPOC members
 - Number of employed members
 - Member income level mix
3. Goal: Reduce principal and in turn allowing for financial stability and reduction in rental rates.
Outcome: Providing stable affordable housing will increase employed members along with increasing income and assets.
Measurements:
 - More members reporting increase in employment income

- Increase in median income
- More members reporting increased assets

4. Goal: Provide certified peer support for house stability and engagement

Outcome: Providing certified peer support to foster an environment in which leadership and actions can be shared creates a positive effect in maintaining member satisfaction leading to full occupancy and an increase in duration. Fewer individuals will move out for negative reasons.

Measurements:

- Median duration of member
- Increase in percentage feeling safe
- Decrease in percentage moving for negative reasons
- Increase in percentage moving for positive reasons

5. Goal: Forge new partnerships with community organizations.

Outcome: Increased community awareness and member referral. Casa Collina will maintain full occupancy consistently which increases housing security.

Measurements:

- Increase in new partnerships
- Increase of referrals
- Increased occupancy

- Specify the number of units of housing to be created or number of individuals who will be served by the Project or Program.

Six permanently affordable housing units will immediately impact 7 historically underserved community members. Given the average stay, Casa Collina is projected to shelter up to 70 marginalized individuals over the next 10 years.

Threshold Requirements:

- Identify the specific eligible use(s) under 5386 and/or 1590 for which the Project or Program qualifies, as listed on pages two through four of the RFP. If you are submitting for both operating and development funds, please submit separate budgets for each.

5386 Operating Funds: N/A

1590 Development Funds: RCW 82.14.530 (2)(a)(i) specifies that funds be used for the acquiring affordable housing. The Casa Collina project is an eligible use of 1590 Development Funds because it results in acquiring 6 units of permanent affordable housing. The units are occupied by a diverse group of community members including Veterans, senior citizens, homeless or at risk of being homeless, single mothers with one child, unaccompanied homeless youth, and young adults all who are at or below 60% of mean average area income.

1590 Operating Funds: N/A

CAPACITY

- Provide a brief description of recent, relevant and successful experiences in delivering similar programs and/or projects.

Hugging Tree Legacy recently was awarded funds from the Washington State Department of Commerce to build organizational capacity. This funding allowed HTL to strengthen our board and policies, create achievable organizational goals, and develop a five-year strategic plan. The acquisition of Casa Collina is a component of that work.

Although Casa Collina is the first housing project for Hugging Tree Legacy, four of its board members have direct experience with property management, reducing housing insecurity and delivering supportive services. HTL Chairperson, Celine Santiago and Adrianna Santiago have successfully managed Casa Collina for the current property owners for the past five years.

Celine Santiago has over 25 years of asset management and property management experience with Designated Eight Enterprises, LLC and Port Townsend Preservation Alliance, LLC. In her previous professional work educating teens transitioning from incarceration to fully integrated community members, she successfully transitioned 75% of her students back to the public school system. Celine has volunteered her time to direct the planning, design and renovation of Casa Collina, a home for those experiencing housing insecurity. Celine has also successfully managed several WA State Department of Commerce and WSDA grant projects.

Adrianna Santiago has worked for numerous social services organizations including Boys and Girls Club, Harm Reduction Center in Colorado and Fountain House in New York where she created curriculum and lead supportive services in culinary and the arts. She has also worked as an artist residency manager for chaNorth in NY. Adrianna provides continual support for Casa Collina's day-to-day operations and services. She has been instrumental in developing community relationships with BIPOC members and By For organizations. Adrianna performs outreach and engagement with supportive community organizations and prospective house members.

Donna Wallace is a real estate professional with active membership in The National Association of Realtors. Donna is currently employed as a certified HCV Housing Quality Inspector of Section 8 housing for HUD. Donna is a conduit between HUD, the housing authority and tenant. Her knowledge of the Federal rules and regulations for safe and appropriate housing have guided the acquisition project. We have added a house handbook and manager playbook with her input to ensure clear communication and to provide the highest housing standard.

Pat Range is an Early Childhood Education professional with 40+ years of experience and work in Special Education and Administration. Pat's work with Concerned Citizens in Port Townsend provides HTL a connection to all supportive services in Port Townsend. Her close work with individual community members, especially single mothers with children, has changed lives. One woman with two preschoolers fleeing bad circumstances and experiencing desperate housing conditions was placed at Laurel Heights and is now employed. Pat has firsthand knowledge of the community we serve.

ALIGNMENT

- Briefly describe how the project aligns with the priorities and objectives of the Five-Year Homeless Housing Plan and the community outreach conducted for the project or program. **(LIMIT 400 WORDS)**

Within the Five-Year Homeless Plan, Jefferson County addresses several barriers to increasing units for affordable housing. Casa Collina provides an innovative solution to those barriers as there is no developer needed, it is already in an approved residential zone, it needs no new infrastructure, and it instantly creates 6 units of housing for those with housing insecurity. HTL will hold Casa Collina in Port Townsend's affordable inventory in perpetuity. After acquisition, the project is self-sustainable with rental income generated and has the necessary funds to hire a part time house manager.

To assist in meeting the specific Jefferson County's objectives,

Data Collection: HTL will collaborate with organizations such as Olycap and Peninsula Housing Authority, to share relevant data collected aiding the measure the success for the 5-year Housing Plan and beyond. County outreach efforts include inviting non-partnering private organizations to make use of the Continuum of Care when useful. HTL is positioned to assist reaching functional zero for subpopulations.

Prioritization: Casa Collina will prioritize individuals with the greatest need. Available units are marketed to all the relevant service providers. The plan's action ensures local providers have governmental backing and increased community support. With county and community collaboration, HTL will be better positioned to prioritize housing and support for community members.

Swift Movement: The plan calls to maximize resources to house people, especially where funds exist to target subpopulations. By partnering with the county and Port Townsend's housing organizations, housing insecure community members can transition more quickly into longer-term stable housing. Casa Collina is an innovative solution.

Delivery: The plan objective ensures resources are used to support interventions that deliver good outcomes at the lowest cost possible per person. Casa Collina has a record of housing historically disadvantaged, low-income residents. Casa Collina members have incomes from 0-60% of the mean average area income and all experience hardships. Directing approximately \$48,000 per unit, a total of \$285,000, will deliver the best outcomes at a low cost. Over the next ten years, serving approximately 70 individuals, the cost per person is \$700.

Addressing Disparities: Casa Collina has housed mostly community members of subpopulations. This project will continue to address the needs of those historically marginalized and disproportionately represented with regards to poverty levels in Jefferson County.

The proposed project will assist Jefferson County in meeting its homeless reduction objectives to reduce homelessness while providing avenues toward employment, permanent housing and community integration.

A. APPROACH - Completeness of Proposal and Readiness (5 Points) (LIMIT 400 WORDS)

Hugging Tree Legacy has presented a letter of interest to the current owners of Casa Collina. The owners have agreed to a purchase price of \$785,000. The sale documents are being prepared.

HTL has been working with the Washington State Housing Finance Commission (WSHFC) to finalize its application requesting \$500,000 in funds for the purchase of Casa Collina through the Land Acquisition Program (LAP). This program provides a temporary 1% loan for up to 8 years with no repayment until year 8. The acquisition will occur as soon as the WSHFC application is approved, and funds are available.

HTL is asking Jefferson County Housing Board for the gap funds needed to purchase Casa Collina in the amount of \$285,000.

Casa Collina has been completely renovated and is currently fully operational as an affordable housing option for BIPOC community members with housing insecurity and low incomes. The amount requested per unit is \$48,833. This is significantly less per unit than the \$10,633,911 (\$236,309 per unit) in State funds allocated towards 3 projects, (Bayside Housing, Habitat for Humanity and Olympic Housing Trust) with a total of 45 units of Jefferson County Affordable Housing.

The acquisition of Casa Collina gives HTL the ability to reduce the rental rates and generate the revenue necessary to hire a part time onsite manger certified as a Peer Support Counselor. It will also eliminate the need for subsidies as the program will be self-sustainable from rental income alone.

B. IMPACT OF FUNDS - Leverage of Other Funds and Number of Persons Assisted
(10 Points) (LIMIT 400 WORDS)

The acquisition of Casa Collina allows 7 BIPOC members to maintain safe, permanent housing. Otherwise, the house will be listed, sold, and members displaced. As individuals improve their lives and move productively onward, others will have the same opportunity.

Currently the average stay is 1 year. Of the 18 individuals who have lived at the house since 2020:

- All are individuals and families making 60% or less of mean average area income.
- 12 represent the BIPOC community
- 6 with housing insecurity
- 3 Veterans
- 2 seniors
- 1 single mother and child
- 2 represent the LGBTQ community
- A family of 3 now owns their own home.

The management has a proven track record of housing community members with the greatest need, historically marginalized and disproportionately impacted by homelessness. The house provides for unsheltered households, increases exit to permanent housing, reduces returns to homelessness and time of homelessness.

The acquisition preserves 6 units which increases housing capacity and housing placement, while continuing to address racial disparities. Given the average tenancy, in the next 10 years up to 70 individuals will have an opportunity for permanent housing. HTL will continue to serve historically marginalized populations and conduct further outreach with key organizations such as JCIRA, JCBLM, and other By For organizations.

The grant assists HTL in creating two part-time jobs (House Manager and HTL Executive Director), yielding \$689,032.00 in total wages from 2025-2035. The certified Peer Support manager ensures all members have access to supportive services needed to remain employed and housing secure.

The home is situated in the heart of PT adjacent property that is to be developed. The location, coupled with secure housing, amplifies the member economic opportunities along with a future to permanent housing.

Perpetual sustainability is achieved by paying down the principal and obtaining a low-interest rate mortgage. HTL has committed private donations for operation reserves. Funds are available from WSHFC for LAP with repayment after 8 years with no payment for the length of the program. The grant will reduce the monthly housing rates by 11%.

Additionally, the grant strengthens HTL's ability to raise funds from individual and corporate sponsors. HTL intends to distribute over \$1,000,000.00 to its community program partners from 2025-2035. Target beneficiary projects include Housing Security, Child Care/Education, Elder Care, and other Direct Organizational Support/Partnerships.

C. PROJECT OR PROGRAM BUDGET – A Feasible Financial Plan (5 Points)
BUDGET FORMS

Hugging Tree Legacy Operating Budget 2024-25

		2024 (E)	2025
	Individual Donations	50	1,000
	Corporate Donations	<u>0</u>	<u>0</u>
Total Donations		50	1,000
Grants		40,000	310,000
Rent		<u>0</u>	<u>52,173</u>
Total Revenue		40,100	364,173
	Accounting Fees	500	1,500
	Business Registration Fees	20	20
	Insurance	1,624	1,665
	Legal Fees	0	1,000
	Office Supplies	0	200
	Postage	0	100
	Printing/Copying	0	500
	Software/Licensing	0	500
	Travel and Meals	0	500
	Website	<u>1,624</u>	<u>1,665</u>
	Total Operating Expenses	3,769	7,650
	Casa Colina House Manager	0	8,320
	HTL Executive Director	<u>0</u>	<u>25,000</u>
	Total Wages	0	33,320
	Payroll Taxes	0	<u>2,832</u>
	Total Payroll Expense	0	36,152
	Debt Service	0	0
	Taxes	0	2,076
	Insurance	0	1,429
	Utilities	0	9,360
	Maintenance	<u>0</u>	<u>2,460</u>
	Total Housing Security Expense	0	15,325
	Jan-Aug		
Total Operating Expense		3,769	59,127
Net Operating Profit		36,331	305,046
	Organizational Development	38,598	0
	Housing Security	25.0% 0	4,523
	Child Care/Education	35.0% 0	6,333
	Elder Care	25.0% 0	4,523
	Direct Organizational Support/Partnerships	15.0% 0	2,714
	Casa Colina 1590 Funding		<u>285,000</u>
	Total Community Program Contributions	100.0% 38,598	303,094
Net Income		-2,267	1,952

10-Year Casa Collina Project Proforma

Revenue

Units	#	Monthly Rate	2024 (E)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
1 BD Deluxe	1	790	11,400	9,480	9,679	9,882	10,089	10,301	10,517	10,738	10,964	11,194	11,429
1 BD Standard	1	725	9,600	8,700	8,883	9,069	9,259	9,454	9,652	9,855	10,061	10,273	10,488
Efficiency	4	900	48,000	43,200	44,107	45,032	45,977	46,942	47,928	48,933	49,960	51,009	52,079
	6		69,000	61,380	62,668	63,983	65,326	66,697	68,097	69,526	70,985	72,475	73,996
				-7,620	1,288	1,315	1,343	1,371	1,400	1,429	1,459	1,490	1,521
				-11.04%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
Annual Increase %													
1 BD Deluxe		2.10%	950	790	807	824	841	858	876	895	914	933	952
1 BD Standard			800	725	740	756	772	788	804	821	838	856	874
Efficiency			1,000	900	919	938	958	978	998	1,019	1,041	1,063	1,085

Expense

	Monthly Rate												
Monthly Payment	1,650						1,650	1,650	1,650	1,650	1,650	1,650	1,650
Tax (Exempt in 2025)	338	4,050	2,076	0	0	0	0	0	0	0	0	0	0
Insurance	116	1,394	1,429	1,465	1,501	1,539	1,577	1,617	1,657	1,698	1,741	1,784	1,828
PUD	290	3,480	3,567	3,656	3,748	3,841	3,937	4,036	4,137	4,240	4,346	4,455	4,566
City of Port Townsend	175	2,100	2,153	2,206	2,261	2,318	2,376	2,435	2,496	2,559	2,623	2,688	2,754
DM Disposal	266	3,192	3,272	3,354	3,437	3,523	3,611	3,702	3,794	3,889	3,986	4,086	4,188
Internet	30	360	369	378	388	397	407	417	428	439	450	461	472
Housekeeping / Maintenance	100	1,200	1,230	1,261	1,292	1,325	1,358	1,392	1,426	1,462	1,499	1,536	1,574
Landscape Maintenance	100	1,200	1,230	1,261	1,292	1,325	1,358	1,392	1,426	1,462	1,499	1,536	1,574
Management Fee	688	8,256	8,462	8,674	8,891	9,113	9,341	9,574	9,814	10,059	10,311	10,568	10,829
		25,232	25,863	26,509	27,172	27,851	28,548	29,261	29,993	30,743	31,511	32,299	33,107
			631	647	663	679	696	714	732	750	769	788	807
				2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Annual Increase %													

Net Income

43,768	35,517	36,159	36,811	37,475	38,150	38,836	39,533	40,243	40,964	41,697
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Funding period **begins January 1, 2025, and ends December 31, 2025**. Please use the attached budget templates. If you need additional space, you may insert rows. "Proposal" refers to the funds requested from these funds that will be applied to this specific Project or Program. Blank spaces are provided for additional categories. Justification for budget items must be specific, and that same specificity should be reflected in subsequent billings. **A maximum 10% Administration fee is allowed for projects if needed, however, Administration fees are not allowed for Capital Projects.**

CAPITAL BUDGET FOR REAL ESTATE DEVELOPMENT USES

Financing Categories	Estimate	Basis of Estimate
Total Acquisition Costs	\$785,000	Sales contract with Casa Collina owners
Construction	\$0	
Construction Fees	\$0	
Financing Fees and Charges	\$0	
Guarantees and Reserves	\$8,000	Reserve for operations
Developers Fee	\$0	
	\$	
Subtotal	\$	
TOTAL	\$793,000	

SOURCES

Financing Categories	Estimator	Indicate if Committed or Application has been made. If not made indicate date application is to be submitted
Private Loan	\$	
Jefferson County Funds	\$285,000	Application submitted 10/18/2024
Public Sources (State or Federal Funds)	\$500,000	WSHFC LAP
Foundations	\$	
Donations	\$8,000	Committed
Low Income Housing Tax Credits (indicate 9% or 4%)	\$	
Historic Tax Credits	\$	
New Market Tax Credits	\$	
Gap (if any)	\$	
TOTAL	\$793,000	

- Please include any budget narrative that is descriptive or helpful to explain any part of your proposed expenditures in your capital budget(s). **(LIMIT 300 WORDS)**

Hugging Tree Legacy is a 501(c) 3 human services organization. Our funding comes primarily from private donations and grants. Our primary goal is to direct the maximum amount of acquired funding toward its greatest purpose and benefit. Therefore, our annual budget is simple and straight forward. Likewise, our anticipated operating proforma over the next 10 years will remain stable and efficient using funds generated from the rents, private donors and grants. The dedication and good work of our Board of Directors along with the simplicity of our organization operations gives us an advantage in that we are not reliant upon grant and government funding for substance or sustainability.

- If your Project or Program includes salaries and benefits, please list position(s) and FTE to be paid by these funds (FTE should be that percentage of time the employee is dedicated to this Project or Program):

Our project includes the addition of a Part-Time House Manager certified as a Certified Peer Support Counselor who will work 8 hours per week. This position will be fully sustainable with the income generated from rents.

- Please include any budget narrative that is descriptive or helpful, to explain any part of your proposed expenditures. For instance, if you are requesting furnishings or appliances specifically for housing included in your Project or Program, what are the items you are requesting? **(LIMIT 300 WORDS)**

Hugging Tree Legacy proposes an uncomplicated and straight forward acquisition with a one-time funding request to support the initial purchase. The house is completely renovated and furnished. No additional items or expenditures are necessary to begin operations.

ATTACHMENT A

Required Insurance Coverages

Hugging Tree Legacy is prepared to initiate the required Insurance Coverage upon acknowledgement of funding award.

1. Commercial General Liability.

- Recipient shall maintain commercial general liability coverage on a form acceptable to Jefferson County Risk Management for bodily injury, personal injury, and property damage, in an amount not less than two million dollars per occurrence (\$2,000,000) and an aggregate of not less than four million dollars (\$4,000,000), for bodily injury, including death, and property damage.
- The commercial general liability insurance coverage shall contain no limitations on the scope of the protection provided and include the following minimum coverage:
 - Broad form property damage, with no employee exclusion;
 - Person injury liability, including extended bodily injury;
 - Broad form contractual/commercial liability, including completed operations and product liability coverage;
 - Premises – operations liability (M&C);
 - Independent contractors and subcontractors; and,
 - Blanket contractual liability.
- Recipient's commercial general liability policy shall include employer's liability coverage.
- The County and its elected officials, officers and employees shall be named as an additional insured party under this insurance policy.

2. Automobile Liability.

- Recipient shall maintain business automobile Liability insurance on a form acceptable to Jefferson County Risk Management with a limit of not less than a combined single limit of \$1,000,000 each occurrence. Coverage shall include owned, hired, and non-owned automobiles.

3. Workers' Compensation (Industrial Insurance). Recipient shall maintain workers' compensation insurance at its own expense, as required by Title 51 RCW, for the term of this Agreement and shall provide evidence of coverage to Jefferson County Risk Management, upon request. If the County incurs any cost to enforce the provisions of this subsection, all costs and fees shall be recoverable from Recipient.

- Recipient shall provide Workers' Compensation and Employer's Liability on a state approved policy form providing benefits as required by law with employer's liability limits no less than \$1,000,000 per accident or disease.
- This coverage shall extend to any contractor or subcontractor that does not have their own workers' compensation and employer's liability insurance.

- Recipient expressly waives by mutual negotiation all immunity and limitations on liability, with respect to the County, under any industrial insurance act, disability benefit act, or other employee benefit act of any jurisdiction, which would otherwise be applicable in case of such claim.

4. General Insurance Requirements.

- Insurance coverage shall be evidenced by one of the following methods:
 - Certificate of insurance; or,
 - Self-insurance through an irrevocable Letter of Credit from a qualified financial institution.
- Any deductibles or self-insured shall be declared to and approved by the County prior to the approval of this Agreement by the County. At the option of the County, the insurer shall reduce or eliminate deductibles or self-insured retention, or Recipient shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- Failure of Recipient to take out or maintain any required insurance shall not relieve Recipient from any liability under this agreement, nor shall the insurance requirements be construed to conflict with or otherwise limit the obligations concerning indemnification of the County.
- Recipient's insurers shall have no right of recovery or subrogation against the County (including its employees and other agents and agencies), it being the intention of the parties that the insurance policies so affected shall protect all the parties and shall be primary coverage for all losses covered by the above described insurance.
- Insurance companies issuing Recipient's insurance policy or policies shall have no recourse against the County (including its employees and other agents and agencies) for payment of any premiums or for assessments under any form of insurance policy.
- All deductibles in Recipient's insurance policies shall be assumed by and be at the sole risk of Recipient.
- Any judgments for which the County may be liable, in excess of insured amounts required by this agreement, or any portion thereof, may be withheld from payment due, or to become due, to Recipient until Recipient shall furnish additional security covering such judgment as may be determined by the County.
- Any coverage for third party liability claims provided to the County by a "Risk Pool" created pursuant to Ch. 48.62 RCW shall be non-contributory with respect to any insurance policy Recipient shall provide to comply with this Agreement.
- The County may, upon Recipient's failure to comply with all provisions of this Agreement relating to insurance, withhold payment or compensation that would otherwise be due to Recipient.
- Recipient shall provide a copy of all insurance policies specified in this Agreement.

- Written notice of cancellation or change in Recipient's insurance required by this Agreement shall reference the project name and agreement number and shall be mailed to the County at the following address: Jefferson County Risk Management, P.O. Box 1220, Port Townsend, WA 98368.
- Recipient's liability insurance provisions shall be primary and noncontributory with respect to any insurance or self-insurance or self-insurance programs covering the County, its elected and appointed officers, officials, employees and agents.
- Any failure to comply with reporting provisions of the insurance policies shall not affect coverage provided to the County, its officers, officials, employees or agents.
- Recipient's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- Recipient shall include all subcontractors as insured under its insurance policies or shall furnish separate certificates and endorsements for each subcontractor. All insurance coverage for subcontractors shall be subject to all the requirements stated in this Agreement. The insurance limits mandated for any insurance coverage required by this Agreement are not intended to be an indication of exposure nor are they limitations on indemnification.
- Recipient shall maintain all required insurance policies in force from the time services commence until services are completed. Certificates, insurance policies, and endorsements expiring before completion of services will be promptly replaced.
- Recipient shall place insurance with insurers listed to business in the State of Washington and having A.M. Best Company ratings of no less than A-, with the exception that excess and umbrella coverage used to meet the requirements for limits of liability or gaps in coverage need not be placed with insurers or re-insurers licensed in the State of Washington.
- Certificates of insurance as required by this Agreement shall be delivered to the County within fifteen (15) days of execution of the Agreement. To the extent a certificate lists or refers to any endorsements solely by name, description or number it shall be the responsibility of Recipient to obtain and provide to Jefferson County Risk Management a full and complete copy of the texts of such endorsements.
- The County shall be named as an "additional insured" on all insurance policies required by this Agreement.
- Recipient shall furnish the County with properly executed certificates of insurance that, at a minimum, shall include:
 - The limits of coverage;
 - The project name and agreement number to which it applies;

- The certificate holder as Jefferson County, Washington and its elected officials, officers, employees and agents with the address of Jefferson County Risk Management, P.O. Box 1220, Port Townsend, WA 98368; and
- A statement that the insurance policy shall not be cancelled or allowed to expire except on thirty (30) days prior written notice to the County.