



# Health and Community Services

Cynthia Foley

## Council Initiated:

Yes

No

**ECAF:** 2023-1347

**Motion:** 23-492

### Type:

- Contract  
 Board Appt.  
 Code Amendment  
 Budget Action  
 Other

### Requested Handling:

- Normal  
 Expedite  
 Urgent (11/3/23)

### Fund Source:

- General Fund  
 Other  
 N/A

### Executive Rec:

- Approve  
 Do Not Approve  
 N/A

### Approved as to

#### Form:

- Yes  
 No  
 N/A

**Subject:** Housing and Behavioral Health Capital Fund Investment Plan

### **Scope:** Funding Sources and Reporting

A one-tenth of one percent sales tax comprises most of the plan funding (known as HB 1590 dollars) and is deposited into the Affordable Housing and Behavioral Health Program Fund. Ordinance 21-098<sup>1</sup> requires:

- The Human Services Department to submit quarterly reports and annual summary reports to the County Council on programs supported with these resources.
- An expenditure plan approval by Council by motion prior to spending these funds. The Housing and Behavioral Health Capital Fund investment plan satisfies the requirement.

The plan is also funded through the Affordable and Supportive Housing Tax Credit Fund (known as HB 1406 funding), which credits state-collected sales taxes back to the County.

### Planned Investments

The full spending plan is shown on page 61<sup>2</sup> of the plan. Seventy million dollars will be spent to create 550 units of affordable housing and 150 units of permanent supportive housing. Plan funds will be used for operations at new housing units and at 120 housing units at the New Start Centers. Ten million dollars will be spent on new behavioral health facilities.

The cost of operations at affordable housing will be \$18,000 per unit annually. Operations and maintenance at bridge and supportive housing is anticipated to cost \$24,000 per unit per year. Total spending on operations and maintenance is \$22,728,750, including housing preservation costs.

Wrap-around services will be available at emergency bridge and supportive housing and professionals will be always on site. Services are anticipated to cost \$27,000 per resident annually, totaling \$8,511,750 over the life of the plan.

Total spending over the life of the plan is anticipated to be \$114,824,440. There is \$20,326,681 in unassigned fund balance that is intended to be held in reserve for eligible costs and ongoing needs, and to ensure continued creation of new housing and the operations and maintenance of the units over time.

<sup>1</sup> [SNOHOMISH COUNTY COUNCIL: Ordinance 21-098 \(legistar.com\)](#)

<sup>2</sup> [2023-1347 - Investment Plan \(legistar.com\)](#)

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## Evaluation Metrics

Metrics for evaluating the efficacy of investments are shown on page 36 of the Plan. These include:

- The number, type, and location of housing units developed;
- The cost of housing per household per year by type of unit and target population;
- The number, type, and location of behavioral health facilities developed including the number of in-patient beds;
- The need for and access to other services by type and location; and
- The extent to which needs are being addressed by location.

Metrics for evaluating broader systemic impacts include:

- Changes in the Point in Time Count;
- Changes in the Housing Inventory Count;
- Changes in the Community Needs Assessment; and
- Changes in the Comprehensive Health Assessment related to behavioral health indicators.

**Duration:** From approval through 2026.

**Fiscal Impact:**       Current Year     Multi-Year     N/A

**Authority Granted:** Motion 23-492 approves the investment plan. It also authorizes the Director of Human Services to execute all appropriate documents requisite to implementing the plan provided that:

- Funding authority is established through the budget process,
- Final approval for the issuance of capital contracts shall be made by Council,
- The Policy Advisory Board will provide approval of capital project contracts, following review by the Technical Advisory Committee, with additional consideration by all interested jurisdictions and review of behavioral health capital projects by the Chemical Dependency and Mental Health Board, and
- The Human Services Director provides quarterly reports and an annual report.

**Background:** On October 14, 2019, the Snohomish County Council passed Ordinance 19-062<sup>3</sup>, adding a new Chapter 122 to the Title 4 SCC, allowing credit to be deducted from the amount of tax otherwise required to be collected or paid to the Department of Revenue to be utilized for the acquisition, rehabilitation, construction, operations,

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and maintenance of affordable or supportive housing. These funds are credited to the County pursuant to RCW 82.14.540<sup>4</sup> (passed as HB 1406 in 2019).

A business plan for HB 1590 funds was first published in November of 2021<sup>5</sup>. A presentation on the contents of the plan was made to Council on July 12, 2022<sup>6</sup>.

On December 15, 2021, Council established a one-tenth of one percent sales and use Tax in Ordinance 21-098<sup>7</sup> (in accordance with RCW 82.14.530<sup>8</sup> and passed in HB 1590) to provide for affordable housing and behavioral health facilities creation, operations, maintenance, and associated services. SCC 4.126.060 requires ongoing quarterly reporting to Council on programs supported by the fund.

On May 3, 2023, Council approved Motion 23-159<sup>9</sup> requested quarterly reporting on metrics related to housing, substance use treatment, and job-related services at County-owned facilities to be delivered on January 1, April 1, July 1, and October 1 in every year.

On November 8, 2023, Council approved Budget Ordinance 23-121<sup>10</sup>. Amendment 3 created new budgetary programs that align with the 2024 cost categories in the Housing and Behavioral Health Capital Fund Investment Plan. Budget transfers between these programs that are greater than \$50,000 require approval by Council pursuant to SCC 4.26.130<sup>11</sup>.

**Requested Action:** Move to the GLS Agenda on December 6th for consideration.

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<sup>4</sup> [RCW 82.14.540: Affordable and supportive housing—Sales and use tax. \(wa.gov\)](#)

<sup>5</sup> [HB 1590 Business Plan - November 2021](#)

<sup>6</sup> [Snohomish County Council - File #: 2022-0631 \(legistar.com\)](#)

<sup>7</sup> [Snohomish County Ordinance 21-098 \(HB 1590\)](#)

<sup>8</sup> [RCW 82.14.530: Sales and use tax for housing and related services. \(wa.gov\)](#)

<sup>9</sup> [2023-0427 - Motion 23-159 \(legistar.com\)](#)

<sup>10</sup> [2023-1073 - Proposed Ordinance 23-121 \(legistar.com\)](#)

<sup>11</sup> [4.26.130 Budget transfers within departments | Snohomish County Code](#)