



# AFFORDABLE HOUSING AND BEHAVIORAL HEALTH CAPITAL FUND SALES TAX ANNUAL REPORT October, 2024

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# AGENDA

- Overview
- Plan Development Process
  - 2024 Progress Report
  - 2025-2026 Proposed Updates

# OVERVIEW

- The Human Services Department is required to submit an updated business expenditure plan each year to the Snohomish County Council regarding proposed expenditures and services for the Affordable Housing and Behavioral Health Capital (AHBH) Sales Tax fund.
- The Affordable Housing Sales Tax is authorized under RCW 82.14.540. These funds have been coupled with the Affordable Housing and Behavioral Health Sales Tax authorized under RCW 82.14.530.
- Taken together, these funds may be used for capital, operating and maintenance, and services costs associated with affordable housing, including emergency/bridge housing and permanent supportive housing, and behavioral health facilities. A 5-year investment plan for these funds was approved by Snohomish County Council on December 13, 2023.



# PLAN DEVELOPMENT PROCESS

- The investment plan was developed with input garnered through nine community listening sessions, email comments, surveys, and letters from external constituents.
- The plan was also explicitly aligned with the strategic plans developed by the Housing Affordability Regional Taskforce (HART) and the North Sound Behavioral Health Administrative Services Organization (NSBH-ASO) as well as the County's Comprehensive and Consolidated Plans.

# AFFORDABLE HOUSING AND BEHAVIORAL HEALTH SALES TAXES PROGRESS REPORT

- The following expenditures were approved for 2024:

Approved: \$15,000,000 for affordable housing construction/acquisition.

Progress: A Notice of Funding Opportunity (NOFO) was released and \$13,000,000 in proposals have been recommended by the Policy Advisory Board for approval by Council from \$38,399,408 in proposals received. \$2,000,000 is being reserved for proposals from the Public Housing Authorities (PHAs). If funded, the recommended projects will produce 166 units of housing and preserve another 111 units.

# AFFORDABLE HOUSING AND BEHAVIORAL HEALTH SALES TAXES PROGRESS REPORT

- The following expenditures were approved for 2024:

Approved: \$3,000,000 for behavioral health facility construction/acquisition.

Progress: A Notice of Funding Opportunity (NOFO) was released and \$3,000,000 in proposals have been recommended by the Policy Advisory Board for approval by Council from \$9,434,738 in proposals received. If funded, the recommended projects will create two facilities: one expanding outpatient services and creating 32 beds for inpatient behavioral health services; and one able to deliver outpatient substance use disorder treatment services to 1,000 individuals per year.



# AFFORDABLE HOUSING AND BEHAVIORAL HEALTH SALES TAXES PROGRESS REPORT

- The following expenditures were approved for 2024:

Approved: \$5,000,000 for New Start Centers construction.

Progress: The Facilities and Fleet Department has an open Request for Proposals to procure a General Contractor for both sites. Proposals are due October 29, 2024.

Approved: \$1,950,000 in New Start Centers preservation and operations and maintenance.

Progress: The Facilities and Fleet Department has spent \$1,057,303.

# AFFORDABLE HOUSING AND BEHAVIORAL HEALTH SALES TAXES PROPOSED PLAN 2025-2026

- The five-year revenue and projections plan has been extended through 2030 and is aligned with the biennial budgeting process which begins in the 2025-2026 biennium.
- The Executive proposed budget and projections take into account a reduction in the sales tax being collected and revenues forecast.
- The Executive proposed budget and projections take into account an increase in the anticipated cost of operations and maintenance and personnel costs.
- The Executive projections clearly delineate supportive housing services for New Start Center start up costs and services since the Centers are projected to be operational in 2025.



# AFFORDABLE HOUSING AND BEHAVIORAL HEALTH SALES TAXES PLAN 2025-2026

- The extended plan adds funds and spreads the investment in affordable housing over more years and increases the number of affordable housing units projected to be developed from 550 units to 750 units.
- The extended plan accelerates the investment in emergency/bridge and permanent supportive housing units and increases the number from 270 to 300.
- The extended plan continues the ongoing annual investment in behavioral health facilities.
- The extended plan incorporates operations and maintenance funding over the entire extended forecast period.

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THANK YOU!