

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

MOTION NO. 26-133

APPROVAL TO ALLOCATE AFFORDABLE HOUSING BEHAVIORAL HEALTH-
CAPITAL FUNDING FOR FIVE AFFORDABLE HOUSING PROJECTS

WHEREAS, RCW 82.14.530 authorizes counties to impose a sales tax for acquisition and construction of affordable housing, which may include emergency, transitional and supportive housing, and new units of affordable housing within an existing structure, or acquiring and constructing behavioral health-related facilities or land acquisition for these purpose or funding operations and maintenance cost of new units of affordable housing and facilities where housing related programs are provided, or newly constructed evaluation and treatment centers; and

WHEREAS, the Snohomish County Affordable Housing and Behavioral Health (AHBH) Capital has two revenue sources, a sales tax credit back to the County authorized by chapter 388, Laws of 2019 and codified at RCW 82.14.540, and a .01 sales tax authorized by chapter 222 Laws of 2020 and codified at RCW 82.14.530; and

WHEREAS, Snohomish County Council passed Ordinance 21-098, imposing a one-tenth of one percent sales tax for affordable housing and behavioral health and adding a new chapter 4.126 to Snohomish County Code; and

WHEREAS, on November 25, 2024, by Amended Motion No. 24-417, the Snohomish County Council approved the 2024 Housing and Behavioral Health Capital Fund Investment Plan ("Investment Plan"); and

WHEREAS, on August 14, 2025, a Notice of Funding Opportunity for Affordable Housing Behavioral Health – Housing Capital was published with an application deadline of September 15, 2025, and nine (9) applications were received and one was rescinded; and

WHEREAS, on October 15, 2025, the Technical Advisory Committee (TAC) met to review and evaluate eight (8) applications based on the established criteria, and to make funding recommendations to the Policy Advisory Board (PAB); and

WHEREAS, on November 12, 2025, the PAB met to review the TAC recommendations and recommends the County Council award \$10,000,000 in available 2025 AHBH-Housing Capital funds for 1) new construction and development of permanent affordable housing in North Everett, and 2) to the first phase of a two-phase project to bring 80 new permanent beds providing low-barrier shelter to sixty men and twenty women; and

WHEREAS, the commitment of local funding is a significant factor in projects being awarded 2026 Low-income Housing Tax Credits (LIHTC) and can accelerate the ability to develop affordable rental housing; and

WHEREAS, PAB reviewed options for appropriating the remaining \$10,000,000 in 2026 AHBH for the biennium and recommends funding three additional entities that submitted eligible proposals through the 2025 funding round, as more fully described in Motion Attachments C, D and E;

NOW, THEREFORE, ON MOTION:

1. Council allocates \$20,000,000 in AHBH-Housing Capital funding to five affordable housing projects with approval for the Human Services Department to issue contracts, as more fully described in Attachments A, B, C, D and E.

2. For the projects described in Attachments A, B, C, D, and E any of the following changes to a funding application, funding agreement or the scope of work contemplated therein must be approved by Council by motion if:

A. The County's total funding commitment to the project changes by more than \$100,000 or 10 percent of the project total whichever is greater;

B. There is a change of more than 25% in the proposed number of intended beneficiaries of the project;

C. There is a change in the characteristics of the intended beneficiaries of the project to include:

a. Income level(s), or

b. Target population (e.g., seniors, veterans, people with disabilities, etc.), or

c. Change in the location of the project to include a change:

i. From one city or town to another city or town;

ii. From a city or town to unincorporated Snohomish County;

iii. From unincorporated Snohomish County to a city or town; or

iv. From a project site not yet identified to an identified project site.

PASSED this ___ day of _____, 2026.

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

ATTEST

Council Chair

Deputy Clerk of the Council

Attachment A
Motion 26-133
Affordable Housing Behavioral Health - Housing Capital Project

Project Sponsor: Helping Hands
Project: Helping Hands Supportive Housing

Project Description: The proposed project is a new affordable housing development in North Everett, Washington. This project will provide permanent supportive housing for single adults who are dealing with mental health illnesses, substance use disorders, or homelessness, including chronic homelessness. HHPO plans to offer a range of supportive services on site, from job training and mental health counseling, funded through the Foundational Community Supports Program, DSHS, local mental health organizations.

Project Location: The development will be located at 2410 and 2412 Broadway in Everett, WA.

Population Served and Services: The proposed project will provide permanent supportive housing to single adults who are homeless or at risk of homelessness, most of whom may have behavioral health challenges. The project looks to serve disadvantaged and or special needs populations and housing candidates will be pre-screened using an assessment tool that was provided with HHPO's application. The tool screens for income, housing history, medical needs, behavioral health needs, social and community needs, economic needs, housing preference, criminal background checks, and services preference and needs. HHPO's team will collaborate with a Foundational Community Service (FCS) Coordinator and a Licensed independent Clinical Social Worker who has over 20 years of experience assisting people in need of housing.

Housing Unit Information: The building will be a four-story structure featuring 28 total units designed exclusively for single adults—24 studio apartments and 4 one-bedroom apartments. The building will have elevator access, and every unit will comply with ADA and Section 504 standards, ensuring spaces are comfortable and navigable for individuals with disabilities.

	30% AMI	50% AMI	Total Units
Studio	14	10	24
1 BR		4	4
Total Units=	14	14	28

Financial Summary:

Total Development Cost (TDC): \$12,327,189
Snohomish County 2025 AHBH Housing Requested: \$4,200,000
Housing Trust Fund Awarded 2025: \$6,356,488
Commerce CHIP State \$ 540, 735 (committed)
Cost per unit to Snohomish County: \$175,000

Current committed and recommended capital funding sources:

<u>Source Name</u>	<u>Source Type</u>	<u>Amounts</u>
Capital Campaign	Private Donations	\$ 696,921
Commerce Housing Trust Fund (HTF)	State	\$ 6,356,488 (Committed)
Commerce CHIP	State	\$ 540, 735 (committed)
Snohomish County 2025 AHBH	County	\$4,200,000 (Recommended)
Deferred Developer Fee	Local	\$ 1,073,780

Planned Snohomish County funding uses for eligible costs:

<u>Category</u>		<u>Amounts</u>
Hard Costs:	New Construction	\$ 3,990,000
Soft Costs:	Contingency	\$ 210,000

Readiness to Proceed: If awarded the AHBH funds, the project would be fully funded. The project is ready to start procuring a General Contractor by the spring of 2026 and expects to be placed in service by February 2028.



**Attachment B
Motion 26-133
Affordable Housing Behavioral Health - Housing Capital Project**

Project Sponsor: Everett Gospel Mission (EGM)

Project: Everett Bridge Housing (EBH)

Project Description: The proposed Everett Bridge Housing project is designed to provide shelter in a trauma-informed, healing-centered care environment that provides safety, dignity, and hope. The project is phase 1 and will bring 80 new low-barrier shelter beds, to sixty (60) men and twenty (20) women with surge capacity for 100 extreme weather shelter beds. Phase 1 represents approximately 35,000 square feet (SF) of construction. At completion of phase 1 and 2 there will be an approximately 56,000 SF campus providing overnight shelter and supportive services to 170 men and women each day. EGM will be the owner and operator.

Project Location: 3715 and 3719 Smith Ave., Everett, WA. In 2023, the two parcels adjacent to EGM’s 3711 Smith Avenue Men’s Shelter was purchased by EGM on March 13, 2024. County funds, passed through the City of Everett were used to purchase these parcels.

Population Served and Services: Individuals experiencing homelessness who are extremely low income, at or below 30% AMI, and expect 40-60% to be chronically homeless. EGM will work with community partners to provide services including mental health and substance use disorder treatment, employment/workforce preparation, and medical services.

Financial Summary:

Total Development Cost (TDC): \$21,347,261

Snohomish County 2025 AHBH Housing Requested: \$7,000,000

Snohomish County 2025 AHBH Housing Recommended: \$5,800,000

Cost per bed to Snohomish County: \$72,500

Current committed and recommended capital funding sources:

<u>Source Name</u>	<u>Source Type</u>	<u>Amounts</u>
City of Everett	City (County passthrough)	\$ 4,000,000 (Committed)
Federal Home Loan Bank	Private	\$ 3,000,000 (Committed)
Snohomish County 2025 AHBH	County	\$ 5,800,000 (Recommended)
Everett Gospel Mission Grant	Sponsor Loan	\$ 900,000 (Committed)

Planned Snohomish County funding uses for eligible costs:

<u>Category</u>		<u>Amounts</u>
Hard Costs:	Construction Contingency	\$ 5,750,000
Soft Costs:	Contingency	\$ 50,000

Readiness to Proceed: The project has a \$7,647,261 gap. The project will need to apply for additional funding, continue capital campaigning and possibly rescope/value engineer the project.



Attachment C
Motion 26-133
Affordable Housing Behavioral Health - Housing Capital Project

Project Sponsor: Housing Hope (HH)
Project: EUCC (AKA Rainbow Terrace)

Project Description: The proposed EUCC project is a new construction build in Everett, WA. Site improvements of the project include +/- 26 parking spaces, a courtyard with picnic and table game areas, a companion animal area, possible garden areas, landscaping, buffers, refuse enclosure, stormwater drainage and management, with utilities to accommodate the project. Beacon Development has been contracted to assist with the development and a third-party management company will manage the property upon completion.

Project Location: The property consists of a 0.64-acre on three parcels located at 2624 Rockefeller Avenue in Everett, WA. It is located west of I-5 and north of downtown Everett. The land was acquired July 31st, 2024, for \$1,782,000 and is owned by Everett Ave Senior Housing GP LLC. Housing Hope the sole member of the LLC and plans to remain the Managing Member of the LLLP partnership once the investor is admitted for the Low-Income Housing Tax Credits (LIHTC) financing portion.

Population Served and Services: The project is a senior-focused (age 62 and up) development with tenants having the ability to age-in place to the greatest extent possible. Services include family support with an assigned Family Support Coach as their primary advocate, behavioral health support and education and employment assistance.

Housing Unit Information: The building is a four-story multifamily residential building for a total of 66 units and approximately 54,688 SF. Unit mix consists of one- and two-bedroom units which half will serve senior tenants earning at or below either 30% or 50% of the Area Median Income (33 units of each unit configuration). Fourteen (14) units will be set aside for tenants transitioning from homelessness from the County's Coordinated Entry or coming from the County's Housing Inventory for emergency shelter or shorter emergency bridge housing.

	30% AMI	50% AMI	Total Units
1 BR	30	30	60
2 BR	3	3	6
Total Units=	33	33	66*
*14 of the units will be set aside for those that are homeless at entry			

Financial Summary:

Total Development Cost (TDC): \$37,655,752

Snohomish County 2025 AHBH Housing Requested-not recommended: \$4,047,810

Snohomish County 2026 AHBH Housing Recommended **Option C:** \$4,047,810

Cost per bed to Snohomish County: \$61,330

Current committed and recommended capital funding sources:

<u>Source Name</u>	<u>Source Type</u>	<u>Amounts</u>
Permanent Loan	Private	\$ 2,347,595
LIHTC Equity	Tax Credits – 9%	\$15,870,888 (Reserved)
State HOME	Federal	\$ 1,055,003 (Committed)
State HTF	State	\$ 3,944,997 (Committed)
County AHBH (2024)	County	\$ 6,211,487 (Committed)
County AHBH (2026)	County	\$ 4,047,810 (Recommended)
County HOME (2025)	Federal	\$ 2,025,400 (Committed)
City HOME (2026)	Federal	\$ 100,000 (Committed)
Commerce – CHIP	State	\$ 1,000,000 (Committed)
Deferred Developer Fee	Sponsor	\$ 602,572

Planned 2025 AHBH Snohomish County funding uses for eligible costs:

<u>Category</u>		<u>Amounts</u>
Hard Costs:	Construction Contingency	\$ 4,009,908
Soft Costs:	Interest (<i>During Construction Period</i>)	\$ 37,902

Readiness to Proceed: The project currently has a \$450,000 funding gap, an updated TDC is pending. The project will need to apply for additional funding, continue capital campaigning and possibly rescope/value engineer the project to be fully funded. This project will be able to move forward with the funding commitments as noted in the chart above, if the 2026 Snohomish County AHBH recommendation for \$4,047,810 is awarded. This will require continued capital campaigning for the \$450,000 gap or additional value engineering to close the gap. If the County’s 2026 AHBH funds are not awarded, the project will have a funding gap of \$4,497,810. The project would need to submit requests to additional funding rounds, rescope the project or take on additional debt in the form of bridge loan, course of construction loan or other type of loan.



**Attachment D
Motion 26-133**

Affordable Housing Behavioral Health - Housing Capital Project

Project Sponsor: Everett Station District Alliance (ESDA)

Project: Smith Avenue Transit Oriented Development Project (Smith Ave)

Project Description: The proposed project is a multifamily, mixed-use new construction project. The proposed project design plan includes a four-story mixed-use building providing 58 residential units and 4,540 square feet of street level commercial space. Fifteen (15) units will be set aside for homeless tenants.

Project Location: 3102 Smith Ave in Everett, WA. The location offers proximity to services and major transportation routes and affords tenants access to employment centers and shopping. The proposed project will be located within one block of the Everett Station (Sounder and Train Station).

Housing Unit Information: The 58 residential units—located on levels 2 through 4— includes 15 supportive housing units for formerly homeless households below 30% of AMI and 43 workforce units for households between 30% and 60% of AMI. Ten (10) units will be set aside for veterans and eight (8) units for seniors. Breakdown of unit size and AMI served provided as below:

	30% AMI	40% AMI	60% AMI	Total Units=
Studio	10	1	10	21
1 BR	4	24		28
2BR	1	4	4	9
Totals=	15	29	14	58

Population Served and Services: The proposed project will serve individuals, couples, and small families who meet income qualifications at 30%, 50%, and 60% of Area Median Income (AMI) or less. Services and amenities include: supportive services provided through a partnership with Housing Hope and Sharing Wheels Community Bike Shop. Formerly homeless residents will be eligible for services through the Foundational Community Supports program funded through Medicaid. Referrals to the project will be through Coordinated Entry system and screened for FCS eligibility by the services provider, Housing Hope. Veterans will be referred by representatives of the Snohomish County and the VA Veterans programs.

Financial Summary:

Total Development Cost (TDC): \$35,320,226

Snohomish County 2025 AHBH Housing Requested (not recommended): \$5,694,851

Snohomish County 2026 AHBH Housing Recommended-**Option C**: \$2,976,095

Snohomish County 2025 HOME Housing Requested (not recommended): \$1,054,917

Cost per unit to Snohomish County 2026 AHBH FUNDS: \$51,312

Current committed and recommended capital funding sources:

<u>Source Name</u>	<u>Source Type</u>	<u>Amounts</u>
LIHTC 2026	9% Tax Credits	\$ 1,795,506 (Reserved)
Private Loan	Private	\$ 1,142,865 (Committed-unverified-)
Snohomish County 2026 AHBH	County	\$ 2,976,095 (Recommended)
WA Dept of Commerce CHIP	State	\$ 737,425 (Committed)
Deferred Developer Fee	Local	\$ 933,661
Brownfield Grant	Federal	\$ 522,637 (Committed)

Planned Snohomish County funding uses for eligible costs:

<u>Category</u>		<u>Amounts</u>
Hard Costs:	New Construction	\$ 4,713,900
Soft Costs:	Contingency	\$ 148,804

Readiness to Proceed: Total Development Cost is estimated at \$35,320,226, current committed and recommended funds are \$8,108,189. The project submitted three (3) Letters of Interest (LOI) totaling \$11,351,000. Two of the LOI's were for permanent financing for a total of \$10,684,000. The other LOI is for a Sponsor Loan of \$667,000. The LOI's do not guarantee funding and are not included in the committed and recommended funding chart above. If the LOI loans are approved, combined with the \$8,108,189 total committed and recommended would be \$19,459,189, leaving a funding gap of \$15,861,037. The project would need to continue capital campaigning and submit requests for funding during additional funding rounds. The project has received a Brownfields grant for environmental assessment and clean up. Depending upon the assessment and need, Brownfield clearance can take up to several years.



Attachment E
Motion 26-133
Affordable Housing Behavioral Health - Housing Capital Project

Project Sponsor: Housing Authority of Snohomish County (HASCO)
Project: 200th St Redevelopment Apartments

Project Description: The proposed 200th Street Senior Housing project will be a phased intergenerational community to be developed by the Housing Authority of Snohomish County (HASCO). The 200th Street project will consist of two phases currently referred to as 200th Street Family and 200th Street Senior properties. Phase I will be the new build of the Senior Housing portion of the project. Additional amenities/services include offices for on-site property management, a service coordinator, and two community gathering spaces, shared laundry within the building, additional informal gathering spaces and outdoor amenity spaces for residents.

Project Location: 5710 & 5714 200th St. SW, Lynnwood, WA. The proposed project redevelops two HASCO owned projects formerly known as the Timberglen and Pinewood complexes. The project site is located less than half a mile from the commercial nexus at Highway 99 and 196th St. SW in Lynnwood, where many services and stores are located.

Population Served and Services: HASCO's new proposed project will provide affordable housing to meet the needs of the community for Senior households earning at or below 60%,40% and 30% AMI levels. Service coordinators will be available on-site during office hours. HASCO works to provide stable housing for Seniors, adults with disabilities on a fixed income, families that need time-limited supportive services to achieve financial stability for Veterans, and extremely low-income households that present a greater risk of becoming homeless. The site is within proximity to the Community Transit bus line that connects to Sound Transits new light rail and regional transit options.

Housing Unit Information: The proposed project consist of 60 units for seniors which will be designed to promote aging in place. Five (5) percent or 3 out of the 60 units will meet the ADA and 504 Accessibility requirement, two (2) percent of the units will offer features to assist residents with hearing and visual impairments.

	30% AMI	40% AMI	60% AMI	Total Units
1 BDRM	27	14	13	54
2 BDRM	3	2	1	6
Total=	30	16	14	60

Financial Summary:

Total Development Cost (TDC): \$35,077,715

Snohomish County 2025 AHBH Housing Requested-not recommended: \$5,000,000

Snohomish County 2026 AHBH Housing Recommended-**Option C**: \$2,976,095

Snohomish County 2024 AHBH Housing Awarded: \$2,180,000

Housing Trust Fund Awarded 2025: \$5,000,000

Cost per unit to Snohomish County: \$72,936

Current committed and recommended capital funding sources:

<u>Source Name</u>	<u>Source Type</u>	<u>Amounts</u>
LIHTC	9% Tax Credits	\$ 18,627,840 (Reserved)
Commerce Housing Trust Fund (HTF)	State	\$ 5,000,000 (Committed)
Snohomish County 2025 AHBH	County	\$ 2,976,095 (Recommended)
Snohomish County 2024 AHBH	County	\$ 2,180,000 (Committed)
WA Dept of Commerce CHIP	State	\$ 1,000,000 (Committed)
HASCO Sponsor Loan	Local	\$ 3,300,000 (Committed)
Deferred Developer Fee	Local	\$ 1,073,780

Planned Snohomish County funding uses for eligible costs:

<u>Category</u>		<u>Amounts</u>
Hard Costs:	New Construction	\$ 4,376,095
Soft Costs:	Contingency	\$ 218,804

Readiness to Proceed: The project is currently pending a Change of Scope approval from Snohomish County Council for the 2024 AHBH funds. If approved, and if awarded the Snohomish County 2026 AHBH funds under Option C, the project would be fully funded. The project is ready to start pending permits to be submitted to the City of Lynnwood by March 2026. The construction is planned to start in Fall of 2026, with Certificate of Occupancy projected for March 2028.