



Committee of the Whole

Cynthia Foley

Council Initiated:

Yes

No

ECAF: 2024-2562

Motion: 24-424

Type:

- Contract
- Board Appt.
- Code Amendment
- Budget Action
- Other

Requested Handling:

- Normal
- Expedite
- Urgent

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 Plan:
2024 Behavioral Health Awards

Scope: The 2023 Housing and Behavioral Health Capital Fund Plan (approved in Motion 23-492 by Council) included \$3,000,000 for behavioral health projects. The motion approving the plan stipulates that projects will be reviewed by the Technical Advisory Committee (TAC) and Policy Advisory Board (PAB) process and final approval for the issuance of capital contracts shall be made by Council.

The 2024 behavioral health awards recommended by the TAC and PAB are:

- **Sea Mar Community Health Centers - \$434,738**
Renovation of an existing building in the City of Monroe to increase capacity for mental health, child, and family Substance Use Disorder (SUD) services by creating more office space and two group rooms with enclosed walls and doors. The remodel will include interior improvements, flooring replacement, repainting interior walls, demolition, and general construction. The total projected square footage is 1,500 square feet.
- **Compass Health Broadway - \$2,565,262**
Demolition and new construction of a 72,400 square foot four-story behavioral health facility with in-patient and out-patient behavioral health services. This project will be Phase 2 of the project and consists of demolition of an existing behavioral health building. The building design includes a behavioral clinic with an attached ambulance garage. The first and second floors are outpatient services and the third and fourth floors are inpatient services. The complete project will deliver a buildout of inpatient treatment units including 16 evaluation and treatment units and 16 triage units.

The 2023 Housing and Behavioral Health Capital Fund Plan includes funding from the Affordable Housing and Behavioral Health Sales Tax (known as HB 1590) and Affordable and Supportive Sales Tax Credit (known as HB 1406). The behavioral health awards will be paid for with HB 1590 funding. Allowed uses for each funding type is shown in the **Exhibits** section.

Duration: N/A

Fiscal Impact: Current Year Multi-Year N/A

Expenditures	Current Year	2025	2026	2027	2028	Total
Aff Housing and Behavioral Health Sales Tax	\$100,000	\$2,900,000				\$3,000,000
Total's	\$100,000	\$2,900,000	0	0	0	\$3,000,000

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Revenue	Current Year	2025	2026	2027	2028	Total
Aff Housing and Behavioral Health Sales Tax	\$100,000	\$2,900,000				\$3,000,000
Total's	\$100,000	\$2,900,000	0	0	0	\$3,000,000

Authority Granted: Motion 24-424 approves \$3,000,000 in AHBH-Behavioral Health Facilities funding allocated to two behavioral health facilities with approval for the Human Services Department to issue contracts.

Background: Two revenue sources (known as HB 1590 and HB 1406 funds) comprise the Housing and Behavioral Health Capital Fund:

- On October 14, 2019, the Snohomish County Council passed Ordinance 19-062¹, adding a new Chapter 122 to the Title 4 SCC, allowing a 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, and maintenance of affordable or supportive housing. These funds are credited to the County pursuant to RCW 82.14.540² (passed as HB 1406 in 2019).
- On December 15, 2021, Council established a one-tenth of one percent sales and use Tax in Ordinance 21-098³ (in accordance with RCW 82.14.530⁴ 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 December 13, 2023, Council approved the 2023 Housing and Behavioral Health Capital Fund Investment Plan via Motion 23-492⁵. The Motion established quarterly and annual reporting on implementation of the plan and annual approval of an investment plan by motion. The 2024 [Quarter 1](#) and [Quarter 2](#) reports are filed in Legistar.

On July 2, 2024, Council approved the Bridge Housing Operations and Maintenance Plan in Motion 24-231⁶.

Requested Action: Consider taking action on Motion 24-424.

¹ [Public Hearings - Oct 14th, 2019 \(granicus.com\)](#)

² [RCW 82.14.540: Affordable and supportive housing—Sales and use tax. \(wa.gov\)](#)

³ [SNOHOMISH COUNTY COUNCIL \(legistar.com\)](#)

⁴ [ch. 4.126 Sales and Use Tax for Affordable Housing and Behavioral Health | Snohomish County Code](#)

⁵ [2023-1347 - Amended Motion 23-492 \(legistar.com\)](#)

⁶ [Snohomish County Council - File #: 2024-1085 \(legistar.com\)](#)

Exhibits

HB 1406 Allowable Uses – [RCW 82.14.540](#)

Summary

HB 1406 funding may be used for acquiring, building, and rehabilitating affordable housing or facilities that provide supportive housing services. It may be used for operating and maintaining new units of affordable or supportive housing. This fund may also be used to provide rental assistance¹. Ten percent of the funds may be used for administrative costs.

Housing and services may only be provided to people whose income is at or below 60 percent of the area median income, unless funds are intended to support owner-occupancy housing, in which case housing and services may be provided to people earning 80 percent of the area median income².

Note: HB 1406 dollars are in Fund 124 under Affordable and Supportive Housing.

HB 1590 Allowable Uses - [RCW 82.14.530](#)

Summary

A minimum of 60 percent of HB 1590 funding must be used for:

- Constructing or acquiring affordable, emergency, transitional, and supportive housing or behavioral health facilities (or acquiring land for these purposes).
- The operations and maintenance of new units of housing and housing-related services and newly constructed evaluation and treatment centers.
- Housing and housing-related services provided to people earning less than 60 percent of AMI who also have behavioral health or other disabilities, are persons experiencing or at-risk of homelessness, are unaccompanied youth or young adults, are survivors of domestic violence, are veterans, and/or are seniors.

The remainder of the moneys collected under this section must be used for the operation, delivery, or evaluation of behavioral health treatment programs and services or housing-related services.

Note: HB 1590 dollars are in Fund 124 under Affordable Housing and Behavioral Health Sales Tax.

¹ This use because allowable for Counties with a population greater than 400,000 with the passage of SB 5604 in 2023.

² The income limit was increased for programs designed to support affordable homeownership with the passage of SB 6173 in 2024.