

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

SECOND PROPOSED SUBSTITUTE MOTION NO. 24-417

APPROVING THE 2024 HOUSING AND BEHAVIORAL HEALTH CAPITAL FUND
INVESTMENT PLAN AND AUTHORIZING THE EXECUTION OF NECESSARY
DOCUMENTS

WHEREAS, by Chapter 338, Laws of 2019, the state legislature created a local revenue sharing program for participating jurisdictions that allows for a portion of local sales and use tax credited against the State sales tax to be used for acquiring, rehabilitating, and constructing affordable housing, operations and maintenance of new affordable housing facilities, including supportive housing, and rental assistance; and

WHEREAS, the Snohomish County Council passed Ordinance 19-062, adding a new Chapter 122 to Title 4 of the Snohomish County Code for 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; and

WHEREAS, by Chapter 222, Laws of 2020, the state legislature authorized counties to implement a one-tenth of one percent sales and use tax for creation, operations and maintenance, and associated services for affordable housing and behavioral health facilities; and

WHEREAS, the Snohomish County Council established a one-tenth of one percent sales and use tax (Ordinance 21-098, adding a new Chapter 126 to the Title 4 Snohomish County Code) to provide for creation, operations and maintenance, and associated services for affordable housing and behavioral health facilities; and

WHEREAS, the Department of Human Services developed a draft Housing and Behavioral Health Capital Fund Investment Plan; and

WHEREAS, the Department of Human Services held nine community listening sessions with community individuals, agencies, and committees encouraging community input of the draft Housing and Behavioral Health Capital Fund Investment Plan; and

WHEREAS, the draft Housing and Behavioral Health Capital Fund Investment Plan was revised based on community feedback; and

WHEREAS, Council approved the 2023 Housing and Behavioral Health Capital Fund Investment Plan in Motion 23-492 and that motion established annual submission of an updated business expenditure plan for Council to approve by motion; and

WHEREAS, an updated plan for the 2025-2026 biennium is included in the Executive's proposed budget to Council;

NOW, THEREFORE, ON MOTION,

1. The Council approves the 2024 Housing and Behavioral Health Capital Fund Investment Plan (hereinafter, the “Plan”).

2. Each year hereafter, an updated Plan must be delivered to Council on or before September 15th each year for approval by motion. The updated Plan will provide information consistent with the intent of Exhibit A, attached hereto and incorporated herein by this reference.

3. The directors of the Departments of Human Services and Facilities and Fleet, or a designee of the County Executive, shall provide the Council with quarterly reports on planned, obligated, and actual expenditures from the Affordable Housing and Behavioral Health Program Fund and the Affordable and Supportive Housing Tax Credit Fund and any other funding source being used to implement the Plan, as updated.

Each report will be issued within thirty days of the end of a given quarter. The quarterly report will provide information consistent with the intent of Exhibit B, attached hereto and incorporated herein by this reference.

4. The Council authorizes expenditure from the Affordable Housing and Behavioral Health Program Fund and the Affordable and Supportive Housing Tax Credit fund, and other funds used to implement the Plan, as updated, subject to the following requirements:

A. For capital projects:

1. On County-owned property, capital contracts and subsequent amendments where the aggregate total of the contract and amendments total more than \$150,000 shall come to Council for approval by motion. Contracts below this amount may be approved by the Executive or designee.
2. For all other capital projects funding applications will be reviewed by the Technical Advisory Committee/Policy Advisory Board with additional review and consideration by all interested jurisdictions. In addition, funding applications for behavioral health capital projects will also be reviewed by the Chemical Dependency and Mental Health Advisory Board.

Following this review process, the Policy Advisory Board will make funding award recommendations to Council for approval. Funding award recommendations will be forwarded to Council along with the information described in Exhibit C, which is attached hereto and by this reference incorporated herein. Funding awards shall come to Council individually in separate motions for approval after which the Department of Human Services and the Department of Facilities and Fleet may begin issuing funding agreements to the approved funding applicants.

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;

- 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:
 - i. Income level(s) , or
 - ii. Target population (e.g., seniors, veterans, people with disabilities, etc.).
- d. There is a 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.

B. For services contracts and operations and maintenance contracts:

- 1. For projects on County-owned property, all services contracts and operations and maintenance contracts and subsequent amendments to services contracts or operations and maintenance contracts where the aggregate total of the contract and amendments total more than \$50,000 shall come to Council for approval by motion. Contracts below this amount may be approved by the Executive or designee.
- 2. For all other projects, all services contracts and operations and maintenance contracts and subsequent amendments to services contracts or operations and maintenance contracts where the aggregate total of the contract and amendments total more than \$250,000 shall come to Council for approval by motion. Contracts below this amount may be approved by the Executive or designee.
- 5. The approval and reporting processes described above supersede those established in Motion 23-492.

DATED this _____ day of _____, 2024.

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

Council Chair

ATTEST:

Deputy Clerk of the Council

EXHIBIT A: Annual Housing and Behavioral Health Capital Fund Investment Plan Update – Desired Components:

- **Executive Summary and Update** – Provide narrative context in a summary form of any plan changes from the prior year and identify any impacts to the plan caused by changes in the housing and behavioral health fields that may affect plan implementation. Identify all capital projects in the planning period.
- **6-Year Fund Plans** – Provide updated 6-year fund plans using the spreadsheet template below to show upcoming expenditures from each of the following fund sources: Affordable Housing and Behavioral Health Program Fund and Affordable and Supportive Housing Tax Credit fund. Each 6-year fund plan should state by year:
 - Spending on capital projects, services, operations and maintenance, and behavioral health projects.
 - A break-out of funding planned to be spent at County-owned facilities and those owned by other entities.
 - The planned number of units broken into affordable, supportive, bridge, and preserved housing.
 - NOTE: Please include assumptions and factors used to develop housing, O&M, and services cost estimates, including the estimated cost per housing unit.

For illustrative purposes, see a sample fund plan template below:

HB 1406 EXPENDITURES:	Actuals	Prior Year Adopted	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Affordable Housing Construction/Acquisition								
Number of Housing Units								
Planned project: New Start Center Reno								
Supportive Housing Construction/Acquisition								
Number of Housing Units								
BH Facility Construction/Acquisition								
Housing Preservation								
Number of Housing Units								
At County-Owned Facilities (New Start Centers)								
At Facilities Owned by Other Entities								
Supportive Housing Services								
Number of Housing Units with Plan-Funded Services								
At County-Owned Facilities (New Start Centers)								
At Facilities Owned by Other Entities								
Operations and Maintenance								
Number of Housing Units with Plan-Funded O&M								
At County-Owned Facilities (New Start Centers)								
At Facilities Owned by Other Entities								
Operations, Evaluation, and Administration								
EXPENDITURE TOTAL								
Fund Balance								

- **Detailed Planned Expenditures** – Provide a list of all planned expenditures from the Affordable Housing and Behavioral Health Program Fund, as established in Snohomish County Code chapter 4.126, and the Affordable and Supportive Housing Tax Credit fund, as established in Snohomish County Code chapter 4.122. Also include a list of all planned expenditures from any other funding source being used to implement projects in the Plan (i.e., ARPA and HUD).
- **Updated Operations and Maintenance Plan** – Provide updates to facility labor costs and goods and service costs pertaining to property maintenance and operations of the New Start Centers (Edmonds and Everett) and at other County-owned facilities.

EXHIBIT B: Quarterly Reporting

Desired Report Components:

- Cumulative reporting that maintains a quarter-by-quarter tally of planned, obligated, and expended dollars for housing, services and behavioral health broken down by fund type and expenditure type (i.e., administration, capital, services, and operations and maintenance costs). The reporting period for capital projects shall run from project inception to current date. The reporting period for services contracts and operations and maintenance contracts shall run from January 1 to December 31 of the current year.
- Ongoing number of housing units, broken down by housing type (i.e., affordable, supportive, bridge and/or preserved housing).
- Fourth quarter only: Plan performance results as measured by the metrics included in the 2023 Housing and Behavioral Health Investment Plan in the “Evaluation” section (approved by Council in Motion 23-492).
- Reports shall be submitted to Legistar within 30 days of end of quarter.

For illustrative purposes, see a sample quarterly report template below:

Quarterly Report Template						
Project Name and Brief Description	Planned Total	Obligated Funds	Expended Funds	Remaining Funds	Planned Deliverables	Completed Deliverables
HB1406 - Capital					Planned number of affordable, supportive, bridge, or preserved housing units.	Completed number of affordable, supportive, bridge, or preserved housing units.
HB1406 - O&M						
HB 1406 - Services						
HB 1590 - Capital					Describe planned supportive services.	Describe supportive services provided.
HB 1590 - O&M						
HB 1590 - Services					Planned behavioral Health facilities constructed or services.	Behavioral Health facilities constructed or services provided.
ARPA						
Other County-administered funds						
Total					Cost/Housing Unit	Cost/Housing Unit
Notes: Explain any changes to project deliverables or other significant project changes.						

Presentation to Council:

The Department of Human Services, Department of Fleet and Facilities, or designee, will present to Council on the content of each quarterly reports.

EXHIBIT C: Capital Project Proposals

Funding awards recommended for approval will be forwarded to Council along with a summary in substantively the following format:

- A capital project summary and technical analysis.
- The project location.
- For housing projects, the number of housing units by type (affordable, supportive, bridge and/or preserved).
- The population served (i.e., income level, seniors, veterans, people with disabilities, etc.).
- A financial summary with:
 - The total estimated project cost (including contributions from other entities), and
 - A breakout of the eligible costs being funded by the County.
- All County contributions to the project by fund or funding source.