



Health and Community Services

Cynthia Foley

Council Initiated:

Yes

No

ECAF: 2026-0682

Motion: 26-133

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: Approval of Funding Awards for Housing and Behavioral Health - Housing Capital

Scope: Five housing awards are proposed to Council for approval. The funding awards total \$20,000,000 and include funding appropriations for 2025 and 2026. A high-level summary of the awards is in Exhibit I. Each award is described more fully in attachments A, B, C, D, and E to proposed Motion 26-133.

There are several corrections to Attachments A, D, and E. Updated versions are attached to this staff report in Exhibits II, III, and IV. The corrected versions may be substituted as attachments to proposed Motion 26-133 at the direction of Council. Corrections to the attachments are listed below.

Correction in Attachment A – Helping Hands:

- The cost per unit to the County is \$150,000.

Corrections in Attachment D – Everett Station District Alliance:

- The types of units are revised (the number of studio units is decreased and the number of one-bedroom units is increased). The total number of units is unchanged.
- The project is waitlisted for Low Income Housing Tax Credits (LIHTC), rather than those funds being reserved. The readiness to proceed is revised stating that the project will need to be fully funded by December 31, 2026, to be considered for LIHTC.

Corrections in Attachment E – Housing Authority of Snohomish County:

- The cost per unit to the County is \$49,602.
- At the time the ECAF was submitted, the project was pending Council approval for a change of use. Approval has since been received.

Duration: N/A

Fiscal Impact: Current Year Multi-Year N/A

Expenditures	Current Year	2027	2028	2029	2030	Total
HBH Sales Tax (HB 1590) – Prof. Services	\$14,200,000					\$14,200,000
HBH Sales Tax (HB 1590) - Prof. Services	\$5,800,00					\$5,800,00
Totals	\$20,000,000	0	0	0	0	\$20,000,000

Revenue	Current Year	2027	2028	2029	2030	Total

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HBH Sales Tax (HB 1590)	\$20,000,000					\$20,000,000
Totals	\$20,000,000	0	0	0	0	\$20,000,000

Authority Granted: Motion 26-133 allocates \$20,000,000 in HBH-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.

Motion 26-133 defines significant scope changes that will need to come before Council for approval. These include a change of funding commitment of \$100,000 or 10 percent of the project (whichever is greater), changes to the number or nature of project beneficiaries, and project location changes.

The criteria for significant scope changes requiring Council approval match those defined in Motion 25-461, which approved the 2025 Housing and Behavioral health Capital Fund Plan.

Background: On November 25, 2024, by Amended Motion 24-417¹, the Snohomish County Council approved the 2024 Housing and Behavioral Health Capital Fund Investment Plan (Investment Plan) requiring Council approval to issue capital contracts. The plan and authorizing motion were updated (as required annually) via Motion 25-461² on November 5, 2025.

On August 14, 2025, a Notice of Funding Opportunity for Affordable Housing Behavioral Health - Housing Capital (AHBH-CP) was published with an application deadline of September 15, 2025. Nine (9) applications were received, and one application was withdrawn.

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

On November 12, 2025, the PAB met to review the TAC recommendations and chose to recommend that 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.

¹ [2024-2500 - Motion 24-417 AMENDED and APPROVED](#)

² [2025-3168 - Amended Motion 25-461](#)

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

Requested Action: Move to the GLS agenda for Council consideration.

Exhibit I

HBH Funding Year and Motion Attachment	Project Description	Units	PAB Recommended Funding Award	Per Unit Cost to the County	Total Development Cost (TDC)	Total Cost/Unit*
HBH 2025 Funding Attachment A	<p>Organization: Helping Hands Project: Helping Hands Supportive Housing Location: 2410 and 2412 Broadway in Everett, WA Population Served: Single adults who are dealing with mental health illnesses, substance use disorders, or homelessness Project Readiness: If awarded, this project will be fully funded and expected to be in service by February 2028.</p>	<p>24 studio and 4 one-bedroom apartments Total Units: 28</p>	\$4,200,000	\$150,000	\$12,327,189	\$440,257
HBH 2025 Funding Attachment B	<p>Organization: Everett Gospel Mission Project: Everett Bridge Housing (EBH) Location: 3715 and 3719 Smith Ave., Everett, WA Population Served: Individuals experiencing homelessness Project Readiness: There is a funding gap of \$7.6M. The project will need to continue fundraising, apply for funding, and possibly rescope.</p>	<p>80 low-barrier shelter beds with surge capacity for 100 extreme weather shelter beds Total Units: 80</p>	\$5,800,000	\$72,500	\$21,347,261	\$266,841
HBH 2026 Funding Attachment C	<p>Organization: Housing Hope Project: EUCC Rainbow Terrace Location: 2624 Rockefeller Avenue in Everett, WA Population Served: Ages 62 and up who meet income qualifications Project Readiness: The project has a \$450K funding gap that will require additional fundraising or value engineering to address.</p>	<p>60 one-bedroom apartments and 6 two-bedroom apartments Total Units: 66</p>	\$4,047,810	\$61,330	\$37,655,752	\$570,542
HBH 2026 Funding Attachment D	<p>Organization: Everett Station District Alliance Project: Smith Avenue Transit Oriented Development Project Location: Within a block of proposed Everett light rail station Population Served: Individuals, couples, and small families who meet income qualifications</p>	<p>11 studios, 38 one-bedroom apartments, and 9 two-bedroom apartments Total Units: 58</p>	\$2,976,095	\$51,312	\$35,320,226	\$608,969

	<p>Project Readiness: The project will need to be fully funded by 12/31/2026 to be considered for the 9% LIHTC credits. Brownfield clearance timeline will be guided by assessment findings to determine the scope of environmental remediation.</p>					
<p>HBH 2026 Funding Attachment E</p>	<p>Organization: Housing Authority of Snohomish County Project: 200th St Redevelopment Apartments Location: 5710 & 5714 200th St. SW, Lynnwood, WA Population Served: Seniors who meet income qualifications Prior HBH Funding Award: This project was awarded \$2,180,000 of HBH funds in 2024. This brings the total commitment of HBH funds to \$5,156,095. Project Readiness: If awarded the Snohomish County 2026 HBH funds, the project would be fully funded. Certificate of occupancy is projected for March 2028.</p>	<p>54 one-bedroom and 6 two-bedroom apartments Total Units: 60</p>	\$2,976,095	\$49,602	\$35,077,715	\$584,629

*Notes on Total Cost/Unit: This fluctuates during development and includes the cost of common areas, laundry rooms, and additional amenities if offered.

Exhibit II

**Attachment A
Motion 26-
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: \$150,000

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.

Exhibit III

**Attachment D
Motion 26-**

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:

% of Median Income Served	Qty	Unit Type	Accessible # of Units	Avg Unit Square Footage
30%	10	Studio	1	340
40%	1	Studio		340
30%	4	1 BR	2	570
40%	24	1 BR		570
60%	10	1 BR		570
30%	1	2 BR	1	770
40%	4	2 BR		770
60%	4	2 BR		770

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 2026 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	\$ 14,721,677 (Waitlisted)
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 (Committed)
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, currently committed and recommended funds are \$6,312,683. The project submitted three (3) Letters of Interest (LOI) from 3 different lenders total \$11,351,000. 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, there would still be a funding gap of \$17,656,543. The project will need to be fully funded by 12/31/2026 to be considered for the 9% LIHTC credits and has been wait-listed pending full funding. The tax credit allocation is estimated at \$14,721,677. Based on the above, the project would need to obtain an additional \$2,934,866 including the tax credit allocation to fully funded. In order to fill this gap, the project would need to continue capital campaigning and submit requests for funding during additional funding rounds. Brownfield clearance timeline will be guided by assessment findings to determine the scope of environmental remediation.

Attachment E
Motion 26-
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, Veterans, and extremely low-income households that experience a greater risk of becoming homeless. The site is within proximity to the Community Transit bus line that connects to Sound Transit’s new light rail and regional transit options.

Housing Unit Information: The proposed project consists 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 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: \$49,602

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 (Committed)

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 was recommended for Snohomish County 2026 AHBH funds in the amount of \$2,976,095. If awarded the project will be fully funded. The project was expected to be ready to start submitting pending permits to the City of Lynnwood by March 2026. The construction is planned to start in the fall of 2026, with Certificate of Occupancy projected for March 2028.