

Initial Comments Related to the Draft Business Plan for HB 1590 in Snohomish County

July 12, 2022

What is the purpose of this presentation?

- Provide the context for the spending of these affordable housing funds
- Review how 1590 funds can be spent
- Review eligible populations for 1590 funds
- Review the current anticipated revenues and proposed expenses
- Review the current draft Business Plan proposed distribution of funds among the allowable uses (affordable housing, behavioral health facilities, associated operating and maintenance, services, and evaluation)
- Review the process underway for garnering input on the draft Business Plan
- Provide feedback from HART members regarding the draft Business Plan
- Answer questions related to the feedback

Addressing Affordable Housing Needs in Snohomish County

- Snohomish County has been spearheading efforts to expand affordable housing access to all parts of the county
- The Housing Affordability Regional Task Force (HART) has brought everyone from the county, cities, towns and subject matter experts together to discuss how to work together to bring more affordable housing units on-line and otherwise address the crisis
- The use of 1590 funds is one part of our overall strategy
- Council's work to expand the availability for DADU and ADU has been an important contribution to the effort



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How can HB 1590 funds be spent?

- In the 2019-2020 legislative session, the Legislature passed HB 1590 which allows for a local sales and use tax of up to 0.1% for affordable housing and behavioral health facilities creation, operations and maintenance, and associated services. HB 1070 clarified intent.
- The majority of Snohomish County state senators and representatives voted in support of HB 1590.
- These funds may be used for:
 - Constructing and acquiring affordable housing for low-income households with additional needs,
 - Constructing and acquiring emergency housing,
 - Constructing and acquiring behavioral health facilities,
 - Operating and maintaining these facilities,
 - Providing services to individuals utilizing these facilities,
 - Evaluating the services provided.



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Who is eligible for 1590 housing and related services?

- Affordable housing created from 1590 may only serve individuals from the following target populations with incomes below 60 percent of area median incomes (\$69,400 per year for a family of four):

Persons with behavioral health challenges	Homeless, or at-risk of being homeless persons, including families with children
Veterans	Unaccompanied homeless youth or young adults
Senior residents	Domestic violence survivors
Individuals with disabilities	



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What are the anticipated HB 1590 revenues and expenses

- Five-year projected **revenues** anticipated to be \$116,560,505 including interest.
 - These revenue projections assume that calendar year one revenue collection began on April 1, 2022.
- Five-year projected **expenditures** are \$97,414,710.
- Expenditure plan is broken into five overall categories:
 - Affordable Housing - \$48,375,811
 - Bridge and Permanent Supportive Housing - \$31,088,538
 - Behavioral Health Facilities - \$4,021,091
 - Services - \$13,140,821
 - Evaluation - \$788,449



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What are the HB 1590 proposed affordable housing investments

- Affordable housing is an evidence-based and proven solution that helps people furthest from opportunity gain the stability they need to advance in their lives, supports the well-being and healthy development of children, and contributes to the broader community.
- We propose investing **\$38,452,811 in the creation and \$9,923,000 in operations and maintenance of new affordable housing** for HB 1590-eligible individuals.
- This would expedite the sustainable creation of **at least 300 units of affordable housing** by the end of year five.



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What are the HB 1590 proposed bridge and permanent supportive housing investments?

- Bridge and permanent supportive housing is a highly effective strategy that combines housing with intensive wrap-around services and is intended for people who need housing-related supportive services to maintain their housing.
- We propose investing **\$21,122,500 in the creation and \$9,966,038 in operation and maintenance of bridge and permanent supportive housing** for eligible individuals who are literally homeless and living with mental illness and/or disabilities. We may be able to reduce the investment in the creation of this housing pending acquisition through ARPA but we will still need to make investments into operation and maintenance of the housing created (State funds could possibly be used for some of these O&M costs.)
- This would expedite the sustainable **creation of at least 100 units of bridge and permanent supportive housing** by the end of year two.

What are the HB 1590 proposed behavioral health facilities investments?

- There is a strong evidence-base and widespread consensus that we have an inadequate number of behavioral health facilities to meet county residents' needs for behavioral health evaluation, treatment, and follow up close to home.
- We propose setting aside **\$4,021,091 over five years to be matched with a significant amount from the Chemical Dependency/Mental Health Sales Tax fund to contribute to the acquisition, rehabilitation, and construction of behavioral health facilities.**

What are the HB 1590 proposed services and evaluation investments?

- We propose investing **\$13,140,821** in the delivery of needed services to residents in bridge and permanent supportive housing.
- We also propose investing **\$788,449** in the evaluation of the investments made.

What is the input process currently underway?

- Obtain input on the draft plan through six separate listening sessions during which participants identify:
 - What to maintain
 - What to adapt
 - What to supplement
 - Changes to assumptions
 - Other considerations
- The six sessions being facilitated by Marketing Solutions, Inc. are with:
 - ***Housing Affordability Regional Taskforce (HART) June 2022***
 - ***Housing Consortium of Everett and Snohomish County July 6, 2022***
 - Veterans Assistance Fund Executive Board July 15, 2022
 - Community Services Advisory Council July 19, 2022
 - Chemical Dependency/Mental Health Advisory Board August 17, 2022
 - Partnership to End Homelessness September 12, 2022



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What is the input process currently underway?

- Input into the need is being extracted from the five recovery roadshows held in June 2022
- Input into the plan is being accepted through letters
- Input into the plan is being accepted through comments sent to the HART email address
- Input is also being accepted through surveys addressing the questions of maintain, adapt, supplement, assumptions, and considerations
- All input is being coded and consolidated by Business Government Community Connections and will be incorporated into a report included in an addendum to the updated draft plan



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What are the next steps?

- Once all the input is consolidated, it will be reviewed by staff who will provide comments on the input and changes made to the draft Business Plan as a result
- Staff will craft a “redline” version of the updated draft Business Plan
- Staff will present the updated draft Business Plan to Snohomish County Council for review, modification, and approval
- The final approved Business Plan will be posted on the County website

How was input on the plan provided by HART members?

- HART member input has been obtained in four ways:
 - HART meeting on June 2, 2022
(19 members and 16 guests in attendance)
 - Letters from HART members
 - Input sent by HART members to the HART email address
 - Surveys returned by HART members

What was the high-level input provided by HART members?

- Each Council district and municipalities within districts all have unique needs
- All the major focus areas were considered to be high need
 - Affordable housing (defined as housing plus utilities that costs less than 30% of a given household's income) including operation and maintenance
 - All income levels
 - Low-income including workforce housing
 - Bridge Housing/Permanent Supportive Housing
 - Permanent supportive housing is a subset of affordable housing for households that need services coupled with housing
 - Combined since bridge housing can be transformed into permanent supportive housing and vice versa as needed in many instances
 - Behavioral health facilities including operation and maintenance
 - Associated services
 - Evaluation



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What were some recurring themes?

- Need to address communications with constituents
- Need to address decision making/governance process
- Need to include metrics
- Need to address braiding with other fund sources
- Need to focus on partnerships
- Need to identify if and how homeownership opportunities might be included

What were the key policy questions to be addressed?

- Need to use other funds first for rapid acquisition purchases (ARPA, Commerce, etc.)
- Need to recognize that 1590 funds will still be needed for operation and maintenance and services associated with these rapid acquisition purchases
- Need to consider how 1590 funds can be used in the full continuum of affordable housing needed and the broader HART Report and Five-Year Action Plan
- Need to view 1590 housing expenditures in light of the Consolidated Plan and the Comprehensive Plan, policies, and housing element
- Need to address the intersectionality of issues including zoning, permitting, land use, density
- Need to use funds as flexibly as possible given other sources are not flexible
- Need to address the question of geographic distribution of housing resources



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What were the key policy questions to be addressed?

- Need to address proximity of housing and services for bridge and permanent supportive housing
- Need to address extent to which jurisdictions will assist developers through capital development processes
- Need to address impediments to fair housing
- Need to consider the role of 1590 funds in mixed-income developments
- Need to consider if and how a subset of resources might be focused on homeownership
- Need to determine if refugees will be identified as a specific target sub-population



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What are some key metrics?

- Number of housing units developed and type
- Number of behavioral health beds developed and type
- Cost of housing per households per year by type of unit and target population
- Need for and access to other services by type
- Extent to which the needs are being addressed by jurisdiction
- Changes in the Point in Time Count
- Changes in the Housing Inventory Count
- Changes in the Community Needs Assessment



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What were other comments?

- Need to add section(s) or otherwise address:
 - Administration
 - Metrics
 - Process to review timelines/cycles
 - Reporting
- Need to describe process for researching and incorporating emerging practices
- Need to recognize that the plan and processes are iterative, particularly during the first five years



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Questions?

Thank you!