

**ECAF:**

2026-1078

Ordinance: 26-018**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: Creating the Behavioral Health Facility Expansion Fund – SCC 4.126.045

Scope: This ordinance would amend the Affordable Housing and Behavioral Health (AHBH) Sales Tax, Chapter 4.126 Snohomish County Code, by creating a dedicated fund that 20% of the revenue generated under the AHBH tax would go into. Those funds would be required to be used to purchase, construct, or acquire land for behavioral health facilities.

A sectional analysis is provided at the end of this staff report for further detail.

Duration: n/a

Fiscal Impact: ☐ Current Year ☐ Multi-Year ☒ N/A

This ordinance shifts the allocation of funds and directs how they can be used, no additional revenue or expenditure is generated under this ordinance.

Below is a summary of the updated 6 Year AHBH Fund Plan after the adoption of the 2025-2026 Biennial Budget.

NOTE: *Council amended the budget and added an additional \$3M for BH Facility Construction/Acquisition in 2025. This was a one-time appropriation and the updated 6-year forecast continues to fund this component at \$3M/annually.*

AHBH 6 Year Fund Plan						
	2025	2026	2027	2028	2029	2030
Anticipated Revenue	\$23,167,903	\$23,977,289	\$24,936,380	\$25,933,836	\$26,971,189	\$28,050,036
BH Facility Construction/Acq.	\$6,000,000*	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
% to BH Capital	25.90%	12.51%	12.03%	11.57%	11.12%	10.70%

Under the Ordinance (20% to BH Capital)	2025	2026	2027	2028	2029	2030
	\$4,633,581	\$4,795,458	\$4,987,276	\$5,186,767	\$5,394,238	\$5,610,007

*The 6-year plan submitted with the 2025-2026 budget had the amount going to BH Facility Construction/Acquisition at \$3M. Council passed an amendment adding an additional one-time appropriation to the 2025 amount for the Lynwood Crisis Care Facility. Numbers above are based on the updated plan after budget adoption.

Authority Granted: n/a

Background: As authorized under HB 1590, which passed the Washington State Legislature and was signed into law in 2020, the Snohomish County Council adopted [Ordinance 21-098](#) in 2021, enacting the Affordable Housing and Behavioral Health Sales and Use Tax in the amount of 0.1%. [RCW 82.14.530\(2\)\(a\)](#) requires that a minimum of 60 percent of the revenue generated under the tax be used for:

1. Affordable Housing Capital (constructing, acquiring, or acquiring land for these purposes, may include emergency, transitional, and supportive housing, and new units of affordable housing within existing structures)
2. *Behavioral Health Capital (constructing, acquiring, or acquiring land for these purposes)*
3. Operation and Maintenance (for new affordable housing and facilities where housing related programs are provided, or newly constructed evaluation and treatment centers).
4. Rehabilitating Affordable Housing (may include emergency, transitional, and supportive housing)

The remaining funds not used for the purposes above must be used for operation, delivery, or evaluation of behavioral health treatment programs and services, affordable and supportive housing operation and maintenance, housing related services, or rental assistance.

Requested Action: Move to GLS to set time and date for a public hearing.

Sectional Analysis

Section 1 – Amends SCC 4.126.030 Collection and Administration

- 80% of revenue generated goes into the Affordable Housing and Behavioral health Program Fund (*existing fund*).
- 20% of revenue generated goes into the Behavioral Health Facility Expansion Fund (*NEW fund*).
- The splitting of revenue collected into these two separate funds starts on January 1, 2027.

Section 2 – Creates SCC 4.126.045 Behavioral Health Facility Expansion Fund

- Creates the Behavioral Health Facility Expansion Fund
- Resources under the fund are from the tax and any investment or other income to the fund
- Fund Manager is the Human Services Director

Section 3 – Amends SCC 4.126.050 Use of Funds

- SCC 4.126.050(1) currently allows the resources in the fund to be used in line with RCW 82.14.530. SCC 4.126.050(2) and (3) call out two specific allowed uses under that same RCW. Because the uses subsection (2) and (3) are already covered by the authority in subsection (1), they are removed to reduce redundancy.
- New subsection (2) states that the funds in the Behavioral Health Facility Expansion Fund must be used for constructing, acquiring, or obtaining land for behavioral health facilities.
- New subsection (3) defines “behavioral health facilities” – the facilities primary purpose must be to provide diagnostic, therapeutic, or rehabilitative services for mental health or substance use disorders.

Section 4 – Amends SCC 4.126.060 Reporting Responsibilities

- Subsection (1) is technical changes with the addition of the new fund
- Subsection (2) requires Human Services to submit an annual report with their budget and mid-biennium update that identifies behavioral health faculties projects and the associated saving/spending plan for the projects.