

HOUSE BILL REPORT

SHB 1747

*As Reported By House Committee on:
Housing*

Title: An act relating to community stabilization activities.

Brief Description: Creating the homelessness prevention program.

Sponsor(s): House Committee on Appropriations (originally sponsored by Representatives Jones, Bowman, Basich, Hargrove, Sheldon, Holland, Riley, Nelson, Valle and Wineberry).

Brief History:

Reported by House Committee on:
Housing, January 24, 1992, DPA.

**HOUSE COMMITTEE ON
HOUSING**

Majority Report: *Do pass as amended.* Signed by 6 members: Representatives Nelson, Chair; Franklin, Vice Chair; Mitchell, Ranking Minority Member; Winsley, Assistant Ranking Minority Member; Leonard; and Wineberry.

Staff: Kenny Pittman (786-7392).

Background: In 1990, the University of Washington, for the state Department of Community Development (DCD), completed a statewide study on homelessness. It was found that a large percentage of the state's homeless population was homeless as a result of a sudden job loss or other economic adversity. This segment of the homeless population only needed temporary housing assistance, and sometimes minimal supportive services, until a new job was found or the economic crisis was addressed.

In 1990, the Legislature provided \$200,000 to DCD to fund local pilot programs that would test various homelessness prevention techniques. The local pilot programs would demonstrate the effectiveness of timely intervention and coordinated community support in preventing homelessness.

The Department of Community Development made grants totaling \$360,000 to community organizations in Seattle, Spokane, Aberdeen and Moses Lake. The funds are used to intervene,

with families who are in danger of eviction or foreclosure due to temporary financial problems beyond their control, by providing temporary financial assistance and support services which will prevent eviction or foreclosure.

In 1991, the Legislature allocated \$750,000 to DCD to provide mortgage assistance in timber-dependent communities. The mortgage assistance program was modelled after the successful efforts of the local homelessness prevention pilot programs funded in 1990.

Summary of Amended Bill: The Homelessness Prevention Program is created in the Department of Community Development (DCD). The Department of Community Development is directed to select at least four eligible organizations, on a statewide basis, to implement homelessness prevention programs at the local level.

The Department of Community Development will provide grants and technical assistance to eligible organizations to assist in the implementation of local homelessness prevention programs. Eligible organizations are defined as local governments, nonprofit organizations, and public housing authorities.

The funds from DCD to eligible organizations must be used to provide: (a) interest-free loans for temporary rental or mortgage assistance to families with children who are in immediate danger of losing their housing as a result of insufficient income to pay housing costs; (b) technical assistance to eligible organizations to develop and implement local strategies to prevent homelessness.

The Department of Community Development must base the selection of eligible organizations for funding on: (a) ability, stability, and resources to implement the local program; (b) local efforts to coordinate necessary supportive services for families with children; and (c) other factors as determined by DCD.

Eligible organizations selected for funding are required to establish priorities of eligibility for temporary mortgage or rental assistance. The selected organizations must also verify the loss of the family's income and determine that the family does not have the resources to make the required housing payment. No family can continue to receive assistance through the local homelessness prevention program if other federal, state, or local rental or mortgage assistance becomes available.

Amended Bill Compared to Substitute Bill: The amended bill: (1) reduces the minimum number of local homelessness

prevention programs from 5 to 4; (2) removes the provision that allows funds to be used to make payments on equipment or machinery; (3) removes the preference criteria toward timber-dependent communities when selecting local homelessness prevention programs; and (4) provides \$500,000 to the Department of Community Development to fund the local homelessness prevention programs.

Fiscal Note: Available.

Appropriation: \$500,000 from the State General Fund to the Department of Community Development.

Effective Date of Amended Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Statewide, the number of families with children who are homeless due to an illness or recent job loss by the main wage earner is increasing. These families only need temporary rent or mortgage assistance until the main wage earner either recovers from the illness or finds a new job. This bill provides needed funding to keep these families in their homes and out of emergency shelters or off the streets. It has been proven that prevention is the most effective way of addressing this segment of the homeless population. The state is moving in the right direction with this bill.

Testimony Against: None.

Witnesses: Representative Evan Jones, prime sponsor (pro); Shirley Galloway, Clark County Council for the Homeless (pro); Renee Fellingner, Seattle-King County Private Industry Council (pro); Dianne Mardon, Workforce (pro); Garciela Gonzalez, El Centro de la Raza (pro); Maureen Howard, Washington State Coalition for the Homeless (pro); Jackie McFayden, Association of Washington Cities (pro); and Debra Reinhard-Sorenson, city of Seattle (pro).