

February 15, 1999

BILL ANALYSIS

TO: Members, Committee on Economic Development, Housing, and Trade

FROM: Jean Ann Quinn, Research Analyst (786-7310)

RE: **HB 1645 Allowing landlords to receive direct payments of rent for people on public assistance.**

Brief Summary of Bill

- Requires the Department of Social and Health Services to conduct a program where a portion of the public assistance payment is made directly to the landlord for rent.
- Results of the program are to be reported to the relevant House and Senate Committees prior to the convening of the 2000 regular session of the Legislature.

BACKGROUND:

People receiving public assistance are faced with a variety of problems in obtaining adequate housing. The problems range from a lack of affordable housing in communities to the household's inability to secure housing due to the source of the income. Efforts to obtain housing can be hampered because of concern by landlords about receiving timely rental payments.

In 1988, the Legislature directed the Department of Social and Health Services to develop a pilot program to see if the availability of housing for households receiving public assistance would improve if a portion of the public assistance payment was made directly to the

landlord for rent. This program expired on June 30, 1991.

The Department of Social and Health Services is authorized to administer public assistance programs. The administration of the programs must conform to federal and state law. Public assistance payments may be made to third-parties on behalf of recipients when the recipient is incapable of self-care.

SUMMARY:

The Department of Social and Health Services is required to conduct a program designed to increase the supply of housing for people receiving public assistance by making rental payments directly to the landlord. The department must solicit between three and seven local governing bodies to participate in the program, and must give consideration to obtaining a balanced geographic distribution in selecting the participants. The department must also explore and utilize, to the maximum extent feasible, both public and private housing providers. The program must stress that participation by public assistance recipients is voluntary.

The department is required to report the results of the program, together with its recommendations, to the chairs of the House Committee on Economic Development, Housing and Trade and the Senate Committee on Labor and Workforce Development prior to the next regular session of the Legislature.

Appropriation: \$1 million from the general fund to the Employment Security Department for the fiscal year ending June 30, 2000. \$1 million from the general fund to the Employment Security Department for the fiscal year ending June 30, 2001.

Fiscal Note: Requested February 11, 1999.

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