

---

## Housing Committee

---

### HB 2163

**Brief Description:** Establishing a homeless housing program.

**Sponsors:** Representatives Ormsby, Holmquist, Miloscia, Williams, Flannigan, Chase, Dickerson, Sells, Ericks, Dunn, Wood, Green, Linville, Springer, Pettigrew, Kenney, O'Brien, Santos, Kagi, Fromhold and Schual-Berke.

#### Brief Summary of Bill

- Assigns the Department of Community, Trade, and Economic Development (DCTED) and each county government with ending homelessness within ten years.
- Creates the Homeless Housing Program to be administered by the DCTED on the state level which includes a local government funding component, a state competitive grant program, and the coordination of a statewide Homeless Census program.
- Creates a funding source for the Homeless Housing program by charging a \$10 surcharge for each document recorded by the county auditor.
- Increases the existing surcharge for the low-income housing projects initiative from \$10 to \$12 and mandates that at least 20 percent of the local funds be used for rental assistance vouchers. Seventy percent of rental voucher funds must be used for vouchers payable to private landlords.
- Creates a new additional \$5 surcharge which may be charged at the discretion of the county. At least 20 percent of the revenue produced must be used for rental assistance vouchers. Seventy percent of rental voucher funds must be used for vouchers payable to private landlords.

**Hearing Date:** 2/24/05

**Staff:** Robyn Dupuis (786-7166).

#### Background:

##### Washington Homeless Initiatives

Although there are a variety of local, regional and statewide efforts addressing issues related to homelessness, there currently exists no coordinated statewide plan to end homelessness in Washington, nor are there any financial resources allocated specifically to the statewide

elimination of homelessness. There are local counts of homeless individuals on-going in some Washington communities, and there is an effort by the Department of Community, Trade, and Economic Development (DCTED) through its Homeless Management Information System (HMIS) to track homeless individuals in four counties with the long-term goal of tracking the homeless population statewide, however, currently there exists no means for calculating an accurate total number of homeless individuals in the state, nor for tracking homeless individuals in relation to their housing status.

### **Operation and Maintenance of Low-Income Housing Projects.**

County auditors are required by statute to record deeds and other instruments that are to be filed and recorded with the county. The fees to be charged for recording are set forth in statute. A \$10 surcharge to recordings of certain documents exists to support low-income housing projects. The auditor is allowed to retain up to 5 percent of the funds collected for administrative costs. Of the remaining funds the Housing Trust Fund receives 40 percent of the revenue generated. Sixty percent of the revenue generated is to be turned over to the counties. This allocation language could be read to allocate 105 percent of the funds collected.

The law provides that the funds generated with the surcharge shall not be used for new construction if *at any time* the vacancy rate for available low-income housing within the county rises above ten percent.

The law sets forth a limited number of permissible uses for the portion of the money which is distributed to the counties. There is no hierarchy established among the permissible uses.

### **Summary of Bill:**

#### **Homeless Housing Program**

The Legislature recognizes that the provision of housing and housing related services to the homeless should be administered at the local level, yet also recognizes the state's responsibility to support, coordinate, and monitor efforts to address homeless issues.

Ending homelessness in Washington State within 10 years is the responsibility of the Department of Community, Trade, and Economic Development (DCTED) and individual local governments, specifically county governments. The DCTED shall work collaboratively with other state agencies that provide services to the homeless population and shall receive consultation and advice on its homeless housing program and homeless strategic plans from the State Homeless Advisory Council, the Interagency Council on Homelessness, existing non-profit homeless service providers and local governments.

In addition to county governments, city governments may choose to assume responsibility for ending homelessness within their boundaries. Such cities are held to the same strict accountability standards and reporting requirements as are Washington counties. The DCTED, as well as all counties and any participating cities shall prepare ten year strategic plans to end homelessness and shall update plans annually based upon homeless census figures and progress made to date.

#### ***Homeless Program Performance Measures***

Specific performance measures shall be included in 10-year, as well as annually-updated strategic plans created by the DCTED and each county or city government. These performance measures include:

- (1) By the end of year one a comprehensive census shall be finalized and will report on all homeless individuals in the state of Washington;
- (2) By the end of year two, all individuals in the homeless population will be offered housing in at least temporary housing, which could include emergency shelters or other indoor facilities;
- (3) By the end of year four, 25 percent of the local homeless population will be housed in long-term private or public housing;
- (4) By the end of year six, 50 percent of the local homeless population will be housed in long-term private or public housing;
- (5) By the end of year eight, 75 percent of the local homeless population will be housed in long-term private or public housing; and
- (6) By the end of year 10, and in each subsequent year, 100 percent of the local homeless population will be housed in long-term private or public housing.

### ***Homeless Housing Program Funding***

The Homeless Housing program is funded by a \$10 surcharge for each document recorded by the county auditor.

### ***Distribution of Homeless Program Funds***

#### **Local Government Share**

Sixty percent of the funds remain within the county of origin to be used for local programs and projects directly related to the accomplishment of goals outlined in the county's 10 year strategic plan to end homelessness. Any city which assumes responsibility for ending homelessness within its boundaries receives the revenue that originates from documents pertaining to properties within the city's boundaries. Programs eligible for funding by counties and/or cities include:

- Shelter expansion;
- Homeless Supportive Services;
- Rental Assistance Voucher Programs;
- Eviction Prevention Programs; and
- Supportive and Transitional Housing.

In addition to funds received through the 60 percent share of fees, all counties and participating cities are eligible to apply to the DCTED for funding through the Homeless Housing grant program. Such funds are designed to "match" the local government's investments in homeless housing programs.

For the purposes of the Homeless Housing program, each local government is guided by a Homeless Housing Advisory Council which is responsible for developing the jurisdiction's ten year strategic plan, updating that plan annually, choosing programs and projects to be funded through the county's share of the surcharge fee, and reporting on performance outcomes to the DCTED. This council could be created specifically for the purpose of the Homeless Housing program or could consist of an existing group of individuals willing to assume responsibility for the program.

#### **State Share**

Forty percent of the total \$10 surcharge fees goes to the DCTED to. One-eighth may be used for administration of the program. Administration activities include:

- Coordinate and implement an annual statewide Homeless Census;

- Implement and administer a data management and tracking system;
- Provide technical assistance to counties and cities related to their strategic plans; and
- Oversee the statewide Homeless Housing program and report on its progress annually to the Governor.

The remaining seven-eighths of the funds shall be distributed through the homeless housing grant program to counties and participating cities.

### ***Homeless Census***

The DCTED will coordinate a homeless census on an annual basis for the first two years. This census will, in so much as is possible, be coordinated with existing homeless census projects. After two years, the count will take place every six months. After four years the count will be conducted every three months. After six years the count will take place each month. After 10 years the count will be conducted on a daily basis. This data will be collected, tracked and used to create reports through the DCTED's Homeless Management Information System. Data collected from the census will be used to develop and amend the DCTED's and local government's strategic plans and will show progress towards the ultimate goal of ending homelessness.

### ***Information and Referral System***

The DCTED shall implement an online real-time information and referral system so that local governments and other organizations working with the homeless can identify available housing. This system will produce quarterly reports of successful and unsuccessful placements.

### ***Quality Management***

The DCTED shall implement an organizational quality management system equivalent to the Malcolm Baldrige National Quality program by the end of year four, and by the end of year five, the DCTED shall apply to the Washington Quality Award Program.

### **Low-Income Housing Projects Initiative**

#### ***Low Income Program Funding***

The existing \$10 surcharge on document recording is increased to \$12.

#### ***Distribution of Low Income Program Funding***

Rather than stating that a county is to receive 60 percent of the revenue generated, the bill provides that a county will receive "all of the remaining funds" after the auditor and the DCTED have received their distributions.

#### ***Rental Assistance Voucher Program Funding***

At least 20 percent of the county's share of the revenue from the \$12 surcharge fee must be devoted to rental assistance vouchers, and at least 70 percent of those rental voucher funds must be used for vouchers for tenants of privately owned dwellings. With respect to a rental voucher program, the bill specifies which HUD Section 8 standards are applicable.

#### ***New Construction Provisions***

For purposes of determining whether new construction is allowed or not, it is the vacancy rate *at the time the funds are dedicated* for new construction that is critical (rather than the vacancy rate *at any time*, as is the case in current statute). New construction built specifically for particular populations such as disabled persons or the homeless is allowed even if the general vacancy rate is above ten percent if it is determined through a public review process that these particular housing needs are not being adequately served by existing housing stock.

### ***Permissible Uses of Funds***

Changes are made with respect to permissible uses for the county share of monies. The bill specifies that equal consideration shall be given to the permissible uses listed. New permissible uses are added to the list:

- rental assistance vouchers payable to a landlord, including vouchers to be used for payment of first and last month's rent and security and other deposits required of all other new tenants by a landlord; and
- operating and maintenance costs for housing projects or units affordable to very low income persons which were eligible to receive but were not built with housing trust funds and which require funds in addition to rental payments to cover these costs.

### **New Local Option Surcharge**

Counties are authorized to impose an additional surcharge of \$5 for each document recorded. All of the funds collected are to be retained by the county and used for programs and projects to further the county's efforts to end homelessness, except that at least 20 percent of these funds must be used for rental assistance vouchers and at least 70 percent of rental voucher funds must be reserved for tenants in privately owned apartments.

**Appropriation:** None.

**Fiscal Note:** Requested on February 18, 2005.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.