

# HOUSE BILL REPORT

## HB 1115

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**As Reported by House Committee On:**  
Housing

**Title:** An act relating to programs to end homelessness.

**Brief Description:** Creating programs to end homelessness.

**Sponsors:** Representatives Miloscia, Pettigrew, Morrell, Ormsby, Green, Darneille, Haigh, Moeller, Wallace, Santos and Simpson.

**Brief History:**

**Committee Activity:**

Housing: 1/18/07, 2/7/07 [DPS].

### Brief Summary of Substitute Bill

- Changes the name of the Homeless Housing and Assistance Act to the Ending Homelessness Act.
- Adds additional planning, reporting and evaluation requirements.

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### HOUSE COMMITTEE ON HOUSING

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Miloscia, Chair; Springer, Vice Chair; Kelley, McCune and Ormsby.

**Minority Report:** Do not pass. Signed by 1 member: Representative Schindler.

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

**Background:**

#### Homeless Housing Assistance Act Goal

The Legislature enacted the Homeless Housing and Assistance Act in 2005, the goal of which is to reduce homelessness by 50 percent statewide and in each county by July 1, 2015. This goal is to be achieved through the identification of solutions to the causes of homelessness, the

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creation of plans to address the solutions identified, and the implementation of those solutions through programs, some of which could be funded with the assistance of a \$10 surcharge on recording documents.

Thirty-seven county governments participate in the Homeless Housing and Assistance program.

### **Homeless Housing and Assistance Program Funding**

The Homeless Housing and Assistance Program is funded by a \$10 surcharge for certain documents recorded by the county auditor. Of that \$10 surcharge:

- the auditor retains 2 percent;
- sixty percent of the remaining funds stay within the participating county of origin; *Any city which assumes responsibility for reducing homelessness within its boundaries receives a percentage of the surcharge equal to the percentage of the city's local portion of the real estate excise tax. and*
- the remaining monies are remitted to the Department of Community, Trade and Economic Development (DCTED) for program administration and for the Homeless Grant Program.

Approximately \$16 million in new funding for homelessness is produced each biennium by the document recording fee.

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### **Summary of Substitute Bill:**

The name of the Homeless Housing and Assistance Act is changed to the Ending Homelessness Act. The names of the program, plans, task forces, and accounts are changed respectively.

### **Program Funding Eligible Uses**

The DCTED's share of revenue from the \$10 surcharge may be used for:

- program administration;
- to provide housing and shelter to homeless people and to financially support homeless shelters and other homeless housing programs; and
- to fund the Ending Homelessness Grant Program.

### **Additional Program, Reporting and Evaluation Requirements**

#### **Responsibilities of the DCTED:**

- update the State Ending Homelessness plan annually;
- create program performance measures in collaboration with a taskforce;
- evaluate local plans and local performance annually;
- integrate the Homeless Families with Children plan into the State Ending Homelessness plan;
- evaluate all state agency housing programs and report to the Legislature; and
- apply to the Washington State Quality Award Program once every three years.

**Responsibilities of Local Governments:**

- update the Local Ending Homelessness plan annually;
- include and report upon performance measures in Local Ending Homelessness plans; and
- apply to the Washington State Quality Award Program if the local government receives \$500,000 or more in state funding and certain surcharge revenue.

**Responsibilities of the Interagency Council on Homelessness:**

- respond to the legislative recommendations in the state and local plans;
- address the DCTED's evaluation of other state agency housing programs and performance; and
- add a representative from the Office of the Superintendent of Public Instruction.

**Other Bill Components**

- **The Joint Legislative Audit and Review Committee (JLARC)** will audit the Ending Homelessness program every 4 years beginning in 2009.
- **Five Housing Authorities and Five Community Action Agencies** must adopt quality management programs and apply to the Washington State Quality Award Program by 2009. An appropriation of \$50,000 is appropriated for Housing Authorities and \$50,000 for Community Action Agencies respectively to accomplish this goal.
- **The Department of Employment Security** shall develop a self-sufficiency standard.
- **Local governments, the DCTED, the Washington State Housing Finance Commission, Housing Authorities** and other involved non-profit organizations are required to make recommendations regarding how best to streamline homeless housing reporting requirements. The DCTED will report to the Legislature on a strategy to streamline and, if possible, consolidate state and local reporting requirements.

**Substitute Bill Compared to Original Bill:**

The new \$10 recording fee surcharge and the new local option \$10 recording fee surcharge are removed. The homeless census is required of all counties annually, not twice a year. The DCTED must provide guidelines to local governments regarding methods to measure performance measures. Local governments, the DCTED, the Washington State Housing Finance Commission, Housing Authorities and other involved non-profit organizations are required to make recommendations regarding how best to streamline homeless housing reporting requirements. The DCTED shall report to the Legislature on a strategy to streamline and, if possible, consolidate state and local reporting requirements. The DCTED's share of revenue from the original \$10 surcharge may be used to provide operating, maintenance, and program subsidies to shelter and transitional housing projects as well as to provide rental assistance to homeless persons. Youth leaving the foster care system are no longer specifically mentioned in the statutes; they remain, however, an eligible group to be served.

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**Appropriation:** None.

**Fiscal Note:** Fiscal note requested on February 8, 2007.

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

**Staff Summary of Public Testimony to Original Bill:**

(In support) This bill is a good enhancement of the Homeless Housing and Assistance Act passed in 2005. Counties are showing progress but there is still much to be done and the additional surcharge fees are critical to enable counties and the state to reach the goal of reducing homelessness by 50 percent by 2015. There is a large gap between the needs identified in the state and local plans and the funding available to address those needs. The current homeless program has been effective in raising awareness of the homeless issue. It is important to maintain the momentum gained so far. Additional funds, which can be used by counties in ways they feel are most appropriate to meet the needs of their homeless populations, will help homeless providers continue to show good progress toward meeting the goal. Ten dollars is not a large amount in comparison to other fees and commissions involved in real estate transactions in today's market. An investment now in the prevention of homelessness will pay off for future generations. The addition of greater accountability for state housing programs is also a critical piece of the bill.

(With concerns) The definition of homeless should be amended to ensure that victims of domestic violence will be counted as part of the homeless population and will be eligible for services. Additional funds should go to actual housing programs, not more planning requirements. The state should look at increasing the administrative funds allowed to be used by a county or city to operate its homeless program.

(Opposed) The document recording fee does not have as close a nexus as everyone seems to think it does. There should be a broader funding source that spreads the cost burden among a larger group of tax payers. The recording fee surcharge should not be tapped again for this purpose.

**Persons Testifying:** (In support) Representative Miloscia, prime sponsor; Daniel Malone, Washington State Coalition for the Homeless; Kathy Wahto, Serenity House Clallam; Debra Nielsen, Mason County Shelter; Sola Plumacher, Office of Housing Homelessness, Snohomish County; Amy Reynolds, Share of Clark County; Bill Block, Committee to End Homelessness in King County; Laura Hitchcock, United Way of King County; Nick Federici, Washington Low Income Housing Alliance; Donald Chamberlain, AIDS Housing of Washington and Washington Families Fund; and Marie Jubie, North Sound Mental Health.

(With concerns) Doug Levy, Cities of Federal Way and Kent and Grace Huang, Washington Coalition Against Domestic Violence.

(Opposed) Jean Wessman, Washington Association of Counties and Suzanne Sinclair, Washington State Association of County Auditors.

**Persons Signed In To Testify But Not Testifying:** None.