

HOUSE BILL REPORT

HB 1115

As Reported by House Committee On:

Housing

Appropriations Subcommittee on General Government & Audit Review

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];

Appropriations Subcommittee on General Government & Audit Review: 2/7/08[DP2S(w/o sub HOUS)].

Brief Summary of Second Substitute Bill

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

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

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

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 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.

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.

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.

HOUSE COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT & AUDIT REVIEW

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Housing. Signed by 10 members: Representatives Linville, Chair; Ericks, Vice Chair; Armstrong, Ranking Minority Member; Blake, Lantz, Lias, Miloscia, Morris, Nelson and Van De Wege.

Minority Report: Do not pass. Signed by 4 members: Representatives Skinner, Assistant Ranking Minority Member; Alexander, Chandler and Kretz.

Staff: Owen Rowe (786-7391).

Summary of Recommendation of Committee On Appropriations Subcommittee on General Government & Audit Review Compared to Recommendation of Committee On Housing:

The program goal is changed to reduce homelessness by 70 percent (instead of 50 percent) by 2015 and end homelessness by 2018. The name of the Homeless Housing Assistance Act is changed to the Ending Homelessness Act. Requires that the Department of Community, Trade and Economic Development (DCTED) Homeless Assistance Grants may only be used for programs addressing root causes, the prevention of homelessness, or data collection. The requirement of DCTED and HFC to apply to the Washington State Quality Award (WSQA) program is removed. Certain local governments are required to submit an assessment application to the WSQA instead of a full application. The self-sufficiency standard to be developed by the Employment Security Department is further defined and this project must be contracted by the DCTED. The DCTED is directed to contract with the Washington State Institute for Public Policy to determine a method to determine the societal cost of homelessness. The appropriations for the two quality management programs for Housing Authorities and Community Action Agencies are removed. The requirement for the DCTED to evaluate other state agencies is removed. All references to requirements of the Office of Superintendent of Public Instruction and school districts are removed.

A null and void clause was added, making the bill null and void unless funded in the budget.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Second Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony:

(In support) The performance measures in this bill will help to ensure that tax dollars on homelessness are spent wisely and effectively.

(Opposed) None.

Persons Testifying: Seth Dawson, Washington State Coalition for the Homeless.

Persons Signed In To Testify But Not Testifying: None.