

HOUSE BILL REPORT

HB 2900

As Reported by House Committee On:
Local Government & Housing

Title: An act relating to supportive housing.

Brief Description: Addressing supportive housing.

Sponsors: Representative Goodman.

Brief History:

Committee Activity:

Local Government & Housing: 1/27/10, 2/1/10 [DPS].

Brief Summary of Substitute Bill

- Expands the criteria with which the Department of Commerce may give preference to Homeless Housing Grant applications to include geographically dispersed projects serving individuals in supportive housing facilities.
- Appropriates \$1 million to the Home Security Fund to finance two geographically dispersed projects serving supportive housing facilities that are targeted for chronically homeless individuals with severe alcohol problems.

HOUSE COMMITTEE ON LOCAL GOVERNMENT & HOUSING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Simpson, Chair; Nelson, Vice Chair; Miloscia, Springer, Upthegrove, White and Williams.

Minority Report: Do not pass. Signed by 3 members: Representatives Angel, Ranking Minority Member; Fagan and Short.

Staff: Becca Kenna-Schenk (786-7291) and Ethan Moreno (786-7386).

Background:

Homeless Housing Program/Home Security Fund.

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 Homeless Housing Program (Program) was created by the Legislature in 2005 with the stated goal of reducing homelessness by 50 percent by 2015 through state and county efforts. The Program is funded by two surcharges on recorded documents that are collected by county auditors. These surcharges currently total \$38 per recorded document. Forty percent of the surcharge funds are transmitted to the Home Security Fund, which is administered by the Department of Commerce (Department). Of the remaining funds, the county may retain up to 5 percent for administrative purposes, and the remainder of the funds must be used by the county for purposes outlined in their homeless housing plans. County participation in the Program is voluntary. However, if a county declines to participate, the homeless housing surcharges must still be collected by the county and all revenue from the surcharges must be deposited in the State's Housing Trust Fund. Currently 38 counties participate in the Program.

Homeless Housing Grant.

The Department uses monies in the Home Security Fund to fund and administer the Homeless Housing Grant (Grant), which provides additional funds to local governments for specific homeless housing projects. In 2009 \$10.4 million was awarded to local governments through the Grant.

The Department may only approve grant applications consistent with local and state homeless housing program strategic plans. In addition, the Department may give preference to Grant applications based on certain criteria, which includes, but is not limited to:

- homeless population in the applicant local government service area;
- pledged local government and private contributions and the degree of leveraging of other local government or private funds;
- construction projects or rehabilitation serving homeless populations for at least 25 years; and
- projects serving homeless populations with the greatest needs, including special needs populations.

Summary of Substitute Bill:

The criteria with which the Department of Commerce may give preference when approving Homeless Housing Grant Program applications is expanded to include geographically dispersed projects serving individuals in supportive housing facilities. Supportive housing includes facilities intended for homeless individuals with mental illness, chemical dependency, or other disabling or chronic health conditions. An appropriation of \$1 million is appropriated from the General Fund to the Home Security Fund to finance two geographically dispersed projects serving supportive housing facilities that are targeted for chronically homeless individuals with severe alcohol problems.

Substitute Bill Compared to Original Bill:

The substitute bill makes the following changes to the original bill:

- adds an appropriation of \$1 million from the General Fund to the Home Security Fund to finance two geographically dispersed projects serving supportive housing facilities that are targeted for chronically homeless individuals with severe alcohol problems; and
 - adds intent language.
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Appropriation: \$1 million is appropriated from the General Fund to the Home Security Fund.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill seeks to replicate a very successful project in King County that follows the "housing first" principle of providing housing and supportive services to the most chronically homeless and inebriant individuals. This practice not only honors these individuals' dignity, but it is also cost effective. A recent study published by the American Medical Association (AMA) found that, within the chronically homeless and substance abusing population, approximately \$84,000 in public funds is spent per person annually in health and correctional services, while it only costs \$40,000 per person annually to house and provide services to the same individual in a supportive housing facility. The AMA study found that 56 percent of the savings in service costs was in Medicaid payments. In addition, even though sobriety and abstinence are not requirements for admittance into the supportive housing facility, the AMA study found that alcohol use among individuals in the facility was reduced by approximately one third. The return on this type of investment is quick. By investing \$1 million in supportive housing facilities, we can save \$4 million in crisis institutional access costs over a 12 month period. The bill as written only partly accomplishes the intended objectives. Supportive housing has proven to be effective in getting people off of the streets and keeping them housed. It will also save money, especially in Medicaid payments for chronically homeless individuals with chemical dependencies. It will ultimately be more expensive to do nothing than to make this investment. No one gets better in a shelter. Shelters are merely just stop-gap measures to provide survival mechanisms to get people off the street, and they rob people of their dignity. Permanent housing is necessary to get people in stable situations. About 96 percent of the individuals served at the Downtown Emergency Services Center in Seattle have serious mental disorders or chronic chemical addictions. These are the most expensive utilizers of emergency department services, county jails, and sobering and detox facilities. Other states are looking at similar models.

(Opposed) None.

Persons Testifying: Representative Goodman, prime sponsor; Daniel Malone, Washington State Coalition for the Homeless; Bill Hobson, Downtown Emergency Service Center; Mary

Larimer, University of Washington; Linda Olsen, Washington Coalition Against Domestic Violence; and Richard Frank, Power.

Persons Signed In To Testify But Not Testifying: None.