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ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1570

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State of Washington

65th Legislature

2018 Regular Session

By House Appropriations (originally sponsored by Representatives Macri, Robinson, McBride, Kagi, Sawyer, Tharinger, Doglio, Pollet, Ortiz-Self, Chapman, Cody, Jinkins, Bergquist, Hudgins, Peterson, Senn, Stonier, Riccelli, Frame, Gregerson, Dolan, Tarleton, Ormsby, Ryu, Fey, Fitzgibbon, Goodman, Slatter, Pettigrew, Kloba, Orwall, Appleton, Clibborn, Farrell, and Stanford)

READ FIRST TIME 01/26/18.

1 AN ACT Relating to expanding access to homeless housing and  
2 assistance; amending RCW 36.22.179, 43.185C.030, 43.185C.040,  
3 43.185C.060, 43.185C.061, 43.185C.160, and 43.185C.240; adding a new  
4 section to chapter 43.185C RCW; and creating new sections.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The legislature recognizes that all of the  
7 people of the state should have the opportunity to live in a safe,  
8 healthy, and affordable home. The legislature further recognizes that  
9 homelessness in Washington is unacceptable and that action needs to  
10 be taken to protect vulnerable households including families with  
11 children, youth and young adults, veterans, seniors, and people at  
12 high risk of homelessness, including survivors of domestic violence  
13 and people living with mental illness and other disabilities.

14 The legislature recognizes that homelessness has immediate and  
15 oftentimes long-term consequences on the educational achievement of  
16 public school children and disproportionately impacts students of  
17 color. Additionally, the legislature recognizes that the health and  
18 safety of people experiencing homelessness is immediately and often  
19 times significantly compromised, and that homelessness exacerbates  
20 physical and behavioral health disabilities. The legislature further  
21 recognizes that homelessness is disproportionately experienced by

1 people of color and LGBTQ youth and young adults. The legislature  
2 recognizes that homelessness is also disproportionately experienced  
3 by people living with mental illness and that homelessness is an  
4 impediment to treatment. The legislature further recognizes that  
5 homelessness is disproportionately experienced by Native Americans.

6 In 2005, the Washington state legislature passed the homeless  
7 housing and assistance act that outlined several bold policies to  
8 address homelessness. That act also required a strategic plan by the  
9 department of commerce, which was first submitted in 2006 and  
10 subsequently updated. Since the first statewide plan, the state has  
11 succeeded in housing over five hundred fifty-six thousand people  
12 experiencing homelessness. These people were previously living in  
13 places not meant for human habitation, living in emergency shelters,  
14 or at imminent risk of becoming homeless. Although the overall  
15 prevalence of homelessness is down more than seventeen percent, the  
16 recent increase in homelessness, due in large part to surging housing  
17 costs, remains a crisis and more must be done.

18 Therefore, the legislature intends to improve resources available  
19 to aid with increasing access and removing barriers to housing for  
20 individuals and families in Washington.

21 **Sec. 2.** RCW 36.22.179 and 2017 3rd sp.s. c 16 s 5 are each  
22 amended to read as follows:

23 (1) In addition to the surcharge authorized in RCW 36.22.178, and  
24 except as provided in subsection ~~((+2))~~ (4) of this section, an  
25 additional surcharge of ~~((ten))~~ forty dollars shall be charged by the  
26 county auditor for each document recorded, which will be in addition  
27 to any other charge allowed by law. ~~((From September 1, 2012, through  
28 June 30, 2023, the surcharge shall be forty dollars.))~~ The funds  
29 collected pursuant to this ~~((section))~~ subsection are to be  
30 distributed and used as follows:

31 (a) The auditor shall retain two percent for collection of the  
32 fee, and of the remainder shall remit sixty percent to the county to  
33 be deposited into a fund that must be used by the county and its  
34 cities and towns to accomplish the purposes of chapter 484, Laws of  
35 2005, six percent of which may be used by the county for the  
36 collection and local distribution of these funds and administrative  
37 costs related to its homeless housing plan, and the remainder for  
38 programs which directly accomplish the goals of the county's local  
39 homeless housing plan, except that for each city in the county which

1 elects as authorized in RCW 43.185C.080 to operate its own local  
2 homeless housing program, a percentage of the surcharge assessed  
3 under this section equal to the percentage of the city's local  
4 portion of the real estate excise tax collected by the county shall  
5 be transmitted at least quarterly to the city treasurer, without any  
6 deduction for county administrative costs, for use by the city for  
7 program costs which directly contribute to the goals of the city's  
8 local homeless housing plan; of the funds received by the city, it  
9 may use six percent for administrative costs for its homeless housing  
10 program.

11 (b) The auditor shall remit the remaining funds to the state  
12 treasurer for deposit in the home security fund account(~~(-)~~) to be  
13 used as follows:

14 (i) The department may use twelve and one-half percent of this  
15 amount for administration of the program established in RCW  
16 43.185C.020, including the costs of creating the statewide homeless  
17 housing strategic plan, measuring performance, providing technical  
18 assistance to local governments, and managing the homeless housing  
19 grant program. (~~(0%)~~)

20 (ii) The remaining eighty-seven and one-half percent(~~(7)~~) of this  
21 amount must be used as follows:

22 (A) At least forty-five percent must be set aside for the use of  
23 private rental housing payments(~~(7)~~); and (~~the remainder is~~)

24 (B) All remaining funds are to be used by the department to:

25 (~~(+i)~~) (I) Provide housing and shelter for homeless people  
26 including, but not limited to: Grants to operate, repair, and staff  
27 shelters; grants to operate transitional housing; partial payments  
28 for rental assistance; consolidated emergency assistance; overnight  
29 youth shelters; grants and vouchers designated for victims of human  
30 trafficking and their families; and emergency shelter assistance; and  
31 (~~(+ii)~~) (II) Fund the homeless housing grant program.

32 (2)(a) In addition to the surcharge authorized in subsection (1)  
33 of this section, and except as provided in subsection (4) of this  
34 section, a county legislative authority may charge an additional  
35 surcharge of no more than fifty dollars for each document recorded.  
36 The auditor shall retain two percent of the additional surcharge as a  
37 fee for the collection of any additional surcharge charged under this  
38 subsection, and shall remit the remainder of the amount collected to  
39 the county to accomplish the purposes set out in subsection (1) of  
40 this section.

1 (b) A county must wait ninety days from the effective date of the  
2 decision to impose an additional surcharge under this subsection  
3 before any additional surcharge may be collected.

4 (c) If a county has not imposed an additional surcharge  
5 authorized under this subsection, a city legislative authority with a  
6 population of more than one hundred fifty thousand in a county with a  
7 population of more than eight hundred thousand, but less than one  
8 million five hundred thousand, may charge an additional surcharge of  
9 no more than fifty dollars for each document recorded. The county  
10 auditor shall retain two percent of the additional surcharge as a fee  
11 for the collection of any additional surcharge charged under this  
12 subsection, and shall remit the remainder of the amount collected to  
13 the city to accomplish the purposes set out in subsection (1) of this  
14 section. The county auditor may, by demonstration of need to the  
15 county, retain additional surcharges for the purposes of  
16 administrative costs associated with the additional surcharge charged  
17 under this subsection. Any additional surcharges retained by the  
18 county auditor for administrative purposes must not change the  
19 allocation of any county surcharge fees the city receives for the  
20 purposes of subsection (1) of this section.

21 (d) A city must wait six months from the effective date of the  
22 decision to impose an additional surcharge under this subsection  
23 before any additional surcharge may be collected.

24 (e) If a county imposes an additional surcharge as authorized in  
25 (a) of this subsection after a city within the county imposes an  
26 additional surcharge authorized in (c) of this subsection, a city  
27 must relinquish its authority to impose the additional surcharge  
28 authorized. A city must relinquish its authority to impose an  
29 additional surcharge, including collection and receipt of any  
30 surcharge, within ninety days from the effective date of a county's  
31 decision to impose an additional surcharge pursuant to (a) of this  
32 subsection.

33 (3) A county issuing general obligation bonds pursuant to RCW  
34 36.67.010, to carry out the purposes of subsection (1) of this  
35 section, may provide that such bonds be made payable from any  
36 surcharge provided for in subsection (2) of this section and may  
37 pledge such surcharges to the repayment of the bonds.

38 (4) The surcharges imposed in this section (~~does~~) do not apply  
39 to: (a) Assignments or substitutions of previously recorded deeds of  
40 trust(~~(τ)~~); (b) documents recording a birth, marriage, divorce, or

1 death((~~τ~~)); (c) any recorded documents otherwise exempted from a  
2 recording fee or additional surcharges under state law((~~τ~~)); (d)  
3 marriage licenses issued by the county auditor((~~τ~~)); or (e) documents  
4 recording a state, county, or city lien or satisfaction of lien((~~τ~~); ~~or~~  
5 ~~(f) documents recording a water sewer district lien or satisfaction~~  
6 ~~of a lien for delinquent utility payments~~)).

7 (5) For purposes of this section, "private rental housing" means  
8 housing owned by a private landlord and includes housing owned by a  
9 nonprofit housing entity.

10 **Sec. 3.** RCW 43.185C.030 and 2013 c 200 s 25 are each amended to  
11 read as follows:

12 (1) The department shall annually conduct a Washington homeless  
13 census or count consistent with the requirements of RCW 43.185C.180.  
14 The census shall make every effort to count all homeless individuals  
15 living outdoors, in shelters, and in transitional housing,  
16 coordinated, when reasonably feasible, with already existing homeless  
17 census projects including those funded in part by the United States  
18 department of housing and urban development under the McKinney-Vento  
19 homeless assistance program. The department shall determine, in  
20 consultation with local governments, the data to be collected. Data  
21 on subpopulations and other characteristics of the homeless must, at  
22 a minimum, be consistent with the United States department of housing  
23 and urban development's point-in-time requirements.

24 (2) All personal information collected in the census is  
25 confidential, and the department and each local government shall take  
26 all necessary steps to protect the identity and confidentiality of  
27 each person counted.

28 (3) The department and each local government are prohibited from  
29 disclosing any personally identifying information about any homeless  
30 individual when there is reason to believe or evidence indicating  
31 that the homeless individual is an adult or minor victim of domestic  
32 violence, dating violence, sexual assault, or stalking or is the  
33 parent or guardian of a child victim of domestic violence, dating  
34 violence, sexual assault, or stalking; or revealing other  
35 confidential information regarding HIV/AIDS status, as found in RCW  
36 70.02.220. The department and each local government shall not ask any  
37 homeless housing provider to disclose personally identifying  
38 information about any homeless individuals when the providers  
39 implementing those programs have reason to believe or evidence

1 indicating that those clients are adult or minor victims of domestic  
2 violence, dating violence, sexual assault, or stalking or are the  
3 parents or guardians of child victims of domestic violence, dating  
4 violence, sexual assault, or stalking. Summary data for the  
5 provider's facility or program may be substituted.

6 (4) The Washington homeless census shall be conducted annually on  
7 a schedule created by the department. The department shall make  
8 summary data by county available to the public each year. This data,  
9 and its analysis, shall be included in the department's annual  
10 updated homeless housing program strategic plan.

11 (5) Based on the annual census and provider information from the  
12 local government plans, the department shall, by the end of year  
13 four, implement an online information and referral system to enable  
14 local governments and providers to identify available housing for a  
15 homeless person. The department shall work with local governments and  
16 their providers to develop a capacity for continuous case management  
17 to assist homeless persons.

18 (6) By the end of year four, the department shall implement an  
19 organizational quality management system.

20 **Sec. 4.** RCW 43.185C.040 and 2017 3rd sp.s. c 15 s 2 are each  
21 amended to read as follows:

22 (1) ~~((Six months after the first Washington homeless census,))~~  
23 The department shall, in consultation with the interagency council on  
24 homelessness ((and)), the affordable housing advisory board, and the  
25 state advisory council on homelessness, prepare and publish a ((ten))  
26 five-year homeless housing strategic plan which ((shall)) must  
27 outline statewide goals and performance measures ((and shall be  
28 coordinated with the plan for homeless families with children  
29 required under RCW 43.63A.650)). The state homeless housing strategic  
30 plan must be submitted to the legislature by July 1, 2019, and every  
31 five years thereafter. The plan must include:

32 (a) Performance measures and goals to reduce homelessness,  
33 including long-term and short-term goals;

34 (b) An analysis of the services and programs being offered at the  
35 state and county level and an identification of those representing  
36 best practices and outcomes;

37 (c) Recognition of services and programs targeted to certain  
38 homeless populations or geographic areas in recognition of the  
39 diverse needs across the state;

1 (d) New or innovative funding, program, or service strategies to  
2 pursue;

3 (e) An analysis of either current drivers of homelessness or  
4 improvements to housing security, or both, such as increases and  
5 reductions to employment opportunities, housing scarcity and  
6 affordability, health and behavioral health services, chemical  
7 dependency treatment, and incarceration rates; and

8 (f) An implementation strategy outlining the roles and  
9 responsibilities at the state and local level and timelines to  
10 achieve a reduction in homelessness at the statewide level during  
11 periods of the five-year homeless housing strategic plan.

12 (2) The department must coordinate its efforts on the state  
13 homeless housing strategic plan with the office of homeless youth  
14 prevention and protection programs advisory committee under RCW  
15 43.330.705. The state homeless housing strategic plan must not  
16 conflict with the strategies, planning, data collection, and  
17 performance and outcome measures developed under RCW 43.330.705 and  
18 43.330.706 to reduce the state's homeless youth population.

19 (3) To guide local governments in preparation of ((their first))  
20 local homeless housing plans due December ((31, 2005)) 1, 2019, the  
21 department shall issue by ((October 15, 2005, temporary)) December 1,  
22 2018, guidelines consistent with this chapter and including the best  
23 available data on each community's homeless population. ((Local  
24 governments' ten-year homeless housing plans shall not be  
25 substantially inconsistent with the goals and program recommendations  
26 of the temporary guidelines and, when amended after 2005, the state  
27 strategic plan.

28 (2)) Program outcomes ((and)), performance measures, and goals  
29 ((shall)) must be created by the department ((and reflected in the  
30 department's homeless housing strategic plan as well as interim  
31 goals)) in collaboration with local governments against which state  
32 and local governments' performance ((may)) will be measured((,  
33 including:

34 (a) By the end of year one, completion of the first census as  
35 described in RCW 43.185C.030;

36 (b) By the end of each subsequent year, goals common to all local  
37 programs which are measurable and the achievement of which would move  
38 that community toward housing its homeless population; and

39 (c) By July 1, 2015, reduction of the homeless population  
40 statewide and in each county by fifty percent)).

1       ~~((3)(a) The department shall work in consultation with the~~  
2 ~~interagency council on homelessness, the affordable housing advisory~~  
3 ~~board, and the state advisory council on homelessness to develop~~  
4 ~~performance measures that address the limitations of the annual~~  
5 ~~point-in-time count on measuring the effectiveness of the document~~  
6 ~~recording fee surcharge funds in supporting homeless programs. The~~  
7 ~~department must report its findings and recommendations regarding the~~  
8 ~~new performance measures to the appropriate committees of the~~  
9 ~~legislature by December 1, 2017.~~

10       ~~(b) The department must implement at least three performance~~  
11 ~~metrics, in addition to the point-in-time measurement, that measure~~  
12 ~~the impact of surcharge funding on reducing homelessness by July 1,~~  
13 ~~2018.~~

14       ~~(c) The joint legislative audit and review committee must review~~  
15 ~~how the surcharge fees are expended to address homelessness,~~  
16 ~~including a review of the related program performance measures and~~  
17 ~~targets. The joint legislative audit and review committee must report~~  
18 ~~its review findings by December 1, 2022, and update the review every~~  
19 ~~five years thereafter.))~~

20       (4) The department shall develop a consistent statewide data  
21 gathering instrument to monitor the performance of cities and  
22 counties receiving grants in order to determine compliance with the  
23 terms and conditions set forth in the grant application or required  
24 by the department.

25       The department shall, in consultation with the interagency  
26 council on homelessness and the affordable housing advisory board,  
27 report biennially to the governor and the appropriate committees of  
28 the legislature an assessment of the state's performance in  
29 furthering the goals of the state ~~((ten-year))~~ five-year homeless  
30 housing strategic plan and the performance of each participating  
31 local government in creating and executing a local homeless housing  
32 plan which meets the requirements of this chapter. To increase the  
33 effectiveness of the report, the department must develop a process to  
34 ensure consistent presentation, analysis, and explanation in the  
35 report, including year-to-year comparisons, highlights of program  
36 successes and challenges, and information that supports recommended  
37 strategy or operational changes. The ~~((annual))~~ report may include  
38 performance measures such as:

39       (a) The reduction in the number of homeless individuals and  
40 families from the initial count of homeless persons;



1 (b) The reduction in the number of unaccompanied homeless youth.  
2 "Unaccompanied homeless youth" has the same meaning as in RCW  
3 43.330.702;

4 (c) The number of new units available and affordable for homeless  
5 families by housing type;

6 (d) The number of homeless individuals identified who are not  
7 offered suitable housing within thirty days of their request or  
8 identification as homeless;

9 (e) The number of households at risk of losing housing who  
10 maintain it due to a preventive intervention;

11 (f) The transition time from homelessness to permanent housing;

12 (g) The cost per person housed at each level of the housing  
13 continuum;

14 (h) The ability to successfully collect data and report  
15 performance;

16 (i) The extent of collaboration and coordination among public  
17 bodies, as well as community stakeholders, and the level of community  
18 support and participation;

19 (j) The quality and safety of housing provided; and

20 (k) The effectiveness of outreach to homeless persons, and their  
21 satisfaction with the program.

22 ~~((5) Based on the performance of local homeless housing programs~~  
23 ~~in meeting their interim goals, on general population changes and on~~  
24 ~~changes in the homeless population recorded in the annual census, the~~  
25 ~~department may revise the performance measures and goals of the state~~  
26 ~~homeless housing strategic plan, set goals for years following the~~  
27 ~~initial ten-year period, and recommend changes in local governments'~~  
28 ~~plans.))~~

29 **Sec. 5.** RCW 43.185C.060 and 2014 c 200 s 2 are each amended to  
30 read as follows:

31 (1) The home security fund account is created in the state  
32 treasury, subject to appropriation. The state's portion of the  
33 surcharge established in RCW 36.22.179 and 36.22.1791 must be  
34 deposited in the account. Expenditures from the account may be used  
35 only for homeless housing programs as described in this chapter. ~~((If~~  
36 ~~an independent audit finds that the department has failed to set~~  
37 ~~aside at least forty five percent of funds received under RCW~~  
38 ~~36.22.179(1)(b) after June 12, 2014, for the use of private rental~~  
39 ~~housing payments, the department must submit a corrective action plan~~

1 ~~to the office of financial management within thirty days of receipt~~  
2 ~~of the independent audit. The office of financial management must~~  
3 ~~monitor the department's corrective action plan and expenditures from~~  
4 ~~this account for the remainder of the fiscal year. If the department~~  
5 ~~is not in compliance with RCW 36.22.179(1)(b) in any month of the~~  
6 ~~fiscal year following submission of the corrective action plan, the~~  
7 ~~office of financial management must reduce the department's~~  
8 ~~allotments from this account and hold in reserve status a portion of~~  
9 ~~the department's appropriation equal to the expenditures made during~~  
10 ~~the month not in compliance with RCW 36.22.179(1)(b).))~~ Only the  
11 director or the director's designee may authorize expenditures from  
12 the account. The account is subject to allotment procedures under  
13 chapter 43.88 RCW.

14 (2) The department must distinguish allotments from the account  
15 made to carry out the activities in RCW 43.330.167, 43.330.700  
16 through 43.330.715, 43.330.911, 43.185C.010, 43.185C.250 through  
17 43.185C.320, and 36.22.179(1)(b).

18 (3) The office of financial management must secure an independent  
19 expenditure review of state funds received under RCW 36.22.179(1)(b)  
20 on a biennial basis. The purpose of the review is to assess the  
21 consistency in achieving policy priorities within the private market  
22 rental housing segment for housing persons experiencing homelessness.  
23 The independent reviewer must notify the department and the office of  
24 financial management of its findings. The first biennial expenditure  
25 review, for the 2017-2019 fiscal biennium, is due February 1, 2020.  
26 Independent reviews conducted thereafter are due February 1st of each  
27 even-numbered year.

28 **Sec. 6.** RCW 43.185C.061 and 2015 c 69 s 27 are each amended to  
29 read as follows:

30 Home security fund account funds (~~appropriated~~) alloted to  
31 carry out the activities of RCW 43.330.700 through 43.330.715,  
32 43.330.911, 43.185C.010, 43.185C.250 through 43.185C.320, and  
33 43.330.167 are not subject to the set aside under RCW  
34 36.22.179(1)(b).

35 **Sec. 7.** RCW 43.185C.160 and 2005 c 485 s 1 are each amended to  
36 read as follows:

1 (1) Each county shall create a homeless housing task force to  
2 develop a ((ten)) five-year homeless housing plan addressing short-  
3 term and long-term housing for homeless persons.

4 Membership on the task force may include representatives of the  
5 counties, cities, towns, housing authorities, civic and faith  
6 organizations, schools, community networks, human services providers,  
7 law enforcement personnel, criminal justice personnel, including  
8 prosecutors, probation officers, and jail administrators, substance  
9 abuse treatment providers, mental health care providers, emergency  
10 health care providers, businesses, real estate professionals, at  
11 large representatives of the community, and a homeless or formerly  
12 homeless individual.

13 In lieu of creating a new task force, a local government may  
14 designate an existing governmental or nonprofit body which  
15 substantially conforms to this section and which includes at least  
16 one homeless or formerly homeless individual to serve as its homeless  
17 representative. As an alternative to a separate plan, two or more  
18 local governments may work in concert to develop and execute a joint  
19 homeless housing plan, or to contract with another entity to do so  
20 according to the requirements of this chapter. While a local  
21 government has the authority to subcontract with other entities, the  
22 local government continues to maintain the ultimate responsibility  
23 for the homeless housing program within its borders.

24 A county may decline to participate in the program authorized in  
25 this chapter by forwarding to the department a resolution adopted by  
26 the county legislative authority stating the intention not to  
27 participate. A copy of the resolution shall also be transmitted to  
28 the county auditor and treasurer. If a county declines to  
29 participate, the department shall create and execute a local homeless  
30 housing plan for the county meeting the requirements of this chapter.

31 (2) In addition to developing a ((ten)) five-year homeless  
32 housing plan, each task force shall establish guidelines consistent  
33 with the statewide homeless housing strategic plan, as needed, for  
34 the following:

- 35 (a) Emergency shelters;
- 36 (b) Short-term housing needs;
- 37 (c) Temporary encampments;
- 38 (d) Supportive housing for chronically homeless persons; and
- 39 (e) Long-term housing.

1 Guidelines must include, when appropriate, standards for health  
2 and safety and notifying the public of proposed facilities to house  
3 the homeless.

4 (3) Each county, including counties exempted from creating a new  
5 task force under subsection (1) of this section, shall report to the  
6 department (~~(of community, trade, and economic development)~~) such  
7 information as may be needed to ensure compliance with this chapter,  
8 including the annual report required in section 8 of this act.

9 NEW SECTION. **Sec. 8.** A new section is added to chapter 43.185C  
10 RCW to read as follows:

11 (1) By December 1st of each year, the department must provide an  
12 update on the state's homeless housing strategic plan and its  
13 activities for the prior fiscal year. The report must include, but  
14 not be limited to, the following information:

15 (a) An assessment of the current condition of homelessness in  
16 Washington state and the state's performance in meeting the goals in  
17 the state homeless housing strategic plan;

18 (b) A report on the results of the annual homeless point-in-time  
19 census conducted statewide under RCW 43.185C.030;

20 (c) The amount of federal, state, local, and private funds spent  
21 on homelessness assistance, categorized by funding source and the  
22 following major assistance types:

23 (i) Emergency shelter;

24 (ii) Homelessness prevention and rapid rehousing;

25 (iii) Permanent housing;

26 (iv) Permanent supportive housing;

27 (v) Transitional housing;

28 (vi) Services only; and

29 (vii) Any other activity in which more than five hundred thousand  
30 dollars of category funds were expended;

31 (d) A report on the expenditures, performance, and outcomes of  
32 state funds distributed through the consolidated homeless grant  
33 program, including the grant recipient, award amount expended, use of  
34 the funds, counties served, and households served;

35 (e) A report on state and local homelessness document recording  
36 fee expenditure by county, including the total amount of fee  
37 spending, percentage of total spending from fees, number of people  
38 served by major assistance type, and amount of expenditures for  
39 private rental payments required in RCW 36.22.179;

1 (f) A report on the expenditures, performance, and outcomes of  
2 the essential needs and housing support program meeting the  
3 requirements of RCW 43.185C.220; and

4 (g) A report on the expenditures, performance, and outcomes of  
5 the independent youth housing program meeting the requirements of RCW  
6 43.63A.311.

7 (2) The report required in subsection (1) of this section must be  
8 posted to the department's web site and may include links to updated  
9 or revised information contained in the report.

10 (3) Any local government receiving state funds for homelessness  
11 assistance or state or local homelessness document recording fees  
12 under RCW 36.22.178, 36.22.179, or 36.22.1791 must provide an annual  
13 report on the current condition of homelessness in its jurisdiction,  
14 its performance in meeting the goals in its local homeless housing  
15 plan, and any significant changes made to the plan. The annual report  
16 must be posted on the department's web site. Along with each local  
17 government annual report, the department must produce and post  
18 information on the local government's homelessness spending from all  
19 sources by project during the prior state fiscal year in a format  
20 similar to the department's report under subsection (1)(c) of this  
21 section. If a local government fails to report or provides an  
22 inadequate or incomplete report, the department must take corrective  
23 action, which may include withholding state funding for homelessness  
24 assistance to the local government to enable the department to use  
25 such funds to contract with other public or nonprofit entities to  
26 provide homelessness assistance within the jurisdiction.

27 **Sec. 9.** RCW 43.185C.240 and 2015 c 69 s 26 are each amended to  
28 read as follows:

29 (1) As a means of efficiently and cost-effectively providing  
30 housing assistance to very-low income and homeless households:

31 (a) Any local government that has the authority to issue housing  
32 vouchers, directly or through a contractor, using document recording  
33 surcharge funds collected pursuant to RCW 36.22.178, 36.22.179, or  
34 36.22.1791 must:

35 (i)(A) Maintain an interested landlord list, which at a minimum,  
36 includes information on rental properties in buildings with fewer  
37 than fifty units;

38 (B) Update the list at least once per quarter;

1 (C) Distribute the list to agencies providing services to  
2 individuals and households receiving housing vouchers;

3 (D) Ensure that a copy of the list or information for accessing  
4 the list online is provided with voucher paperwork; and

5 (E) Communicate and interact with landlord and tenant  
6 associations located within its jurisdiction to facilitate  
7 development, maintenance, and distribution of the list to private  
8 rental housing landlords. The department must make reasonable efforts  
9 to ensure that local providers conduct outreach to private rental  
10 housing landlords each calendar quarter regarding opportunities to  
11 provide rental housing to the homeless and the availability of funds;

12 (ii) Using cost-effective methods of communication, convene, on a  
13 semiannual or more frequent basis, landlords represented on the  
14 interested landlord list and agencies providing services to  
15 individuals and households receiving housing vouchers to identify  
16 successes, barriers, and process improvements. The local government  
17 is not required to reimburse any participants for expenses related to  
18 attendance;

19 (iii) Produce data, limited to document recording fee uses and  
20 expenditures, on a (~~calendar~~) fiscal year basis in consultation  
21 with landlords represented on the interested landlord list and  
22 agencies providing services to individuals and households receiving  
23 housing vouchers, that include the following: Total amount expended  
24 from document recording fees; amount expended on, number of  
25 households that received, and number of housing vouchers issued in  
26 each of the private, public, and nonprofit markets; amount expended  
27 on, number of households that received, and number of housing  
28 placement payments provided in each of the private, public, and  
29 nonprofit markets; amount expended on and number of eviction  
30 prevention services provided in the private market; amount expended  
31 on and number of other tenant-based rent assistance services provided  
32 in the private market; and amount expended on and number of services  
33 provided to unaccompanied homeless youth. If these data elements are  
34 not readily available, the reporting government may request the  
35 department to use the sampling methodology established pursuant to  
36 (c)(iii) of this subsection to obtain the data; and

37 (iv) Annually submit the (~~calendar~~) fiscal year data to the  
38 department (~~by October 1st, with preliminary data submitted by~~  
39 ~~October 1, 2012, and full calendar year data submitted beginning~~  
40 ~~October 1, 2013)).~~

1 (b) Any local government receiving more than three million five  
2 hundred thousand dollars during the previous (~~calendar~~) fiscal year  
3 from document recording surcharge funds collected pursuant to RCW  
4 36.22.178, 36.22.179, and 36.22.1791, must apply to the Washington  
5 state quality award program, or similar Baldrige assessment  
6 organization, for an independent assessment of its quality  
7 management, accountability, and performance system. The first  
8 assessment may be a lite assessment. After submitting an application,  
9 a local government is required to reapply at least every two years.

10 (c) The department must:

11 (i) Require contractors that provide housing vouchers to  
12 distribute the interested landlord list created by the appropriate  
13 local government to individuals and households receiving the housing  
14 vouchers;

15 (ii) Convene a stakeholder group by March 1, 2017, consisting of  
16 landlords, homeless housing advocates, real estate industry  
17 representatives, cities, counties, and the department to meet to  
18 discuss long-term funding strategies for homeless housing programs  
19 that do not include a surcharge on document recording fees. The  
20 stakeholder group must provide a report of its findings to the  
21 legislature by December 1, 2017;

22 (iii) Develop a sampling methodology to obtain data required  
23 under this section when a local government or contractor does not  
24 have such information readily available. The process for developing  
25 the sampling methodology must include providing notification to and  
26 the opportunity for public comment by local governments issuing  
27 housing vouchers, landlord association representatives, and agencies  
28 providing services to individuals and households receiving housing  
29 vouchers;

30 (iv) Develop a report, limited to document recording fee uses and  
31 expenditures, on a (~~calendar~~) fiscal year basis that may include  
32 consultation with local governments, landlord association  
33 representatives, and agencies providing services to individuals and  
34 households receiving housing vouchers, that includes the following:  
35 Total amount expended from document recording fees; amount expended  
36 on, number of households that received, and number of housing  
37 vouchers issued in each of the private, public, and nonprofit  
38 markets; amount expended on, number of households that received, and  
39 number of housing placement payments provided in each of the private,  
40 public, and nonprofit markets; amount expended on and number of

1 eviction prevention services provided in the private market; the  
2 total amount of funds set aside for private rental housing payments  
3 as required in RCW 36.22.179(1)(b); and amount expended on and number  
4 of other tenant-based rent assistance services provided in the  
5 private market. The information in the report must include data  
6 submitted by local governments and data on all additional document  
7 recording fee activities for which the department contracted that  
8 were not otherwise reported. The data, samples, and sampling  
9 methodology used to develop the report must be made available upon  
10 request and for the audits required in this section;

11 (v) Annually submit the (~~calendar~~) fiscal year report to the  
12 legislature by December (~~15th, with a preliminary report submitted~~  
13 ~~by December 15, 2012, and full calendar year reports submitted~~  
14 ~~beginning December 15, 2013~~) 1st of each year; and

15 (vi) Work with the Washington state quality award program, local  
16 governments, and any other organizations to ensure the appropriate  
17 scheduling of assessments for all local governments meeting the  
18 criteria described in subsection (1)(b) of this section.

19 (d) The office of financial management must secure an independent  
20 audit of the department's data and expenditures of state funds  
21 received under RCW 36.22.179(1)(b) on an annual basis. The  
22 independent audit must review a random sample of local governments,  
23 contractors, and housing providers that is geographically and  
24 demographically diverse. The independent auditor must meet with the  
25 department and a landlord representative to review the preliminary  
26 audit and provide the department and the landlord representative with  
27 the opportunity to include written comments regarding the findings  
28 that must be included with the audit. The first audit of the  
29 department's data and expenditures will be for calendar year 2014 and  
30 is due July 1, 2015. Each audit thereafter will be due July 1st  
31 following the department's submission of the report to the  
32 legislature. If the independent audit finds that the department has  
33 failed to set aside at least forty-five percent of the funds received  
34 under RCW 36.22.179(1)(b) after June 12, 2014, for private rental  
35 housing payments, the independent auditor must notify the department  
36 and the office of financial management of its finding. In addition,  
37 the independent auditor must make recommendations to the office of  
38 financial management and the legislature on alternative means of  
39 distributing the funds to meet the requirements of RCW  
40 36.22.179(1)(b).



1 (e) The office of financial management must contract with an  
2 independent auditor to conduct a performance audit of the programs  
3 funded by document recording surcharge funds collected pursuant to  
4 RCW 36.22.178, 36.22.179, and 36.22.1791. The audit must provide  
5 findings to determine if the funds are being used effectively,  
6 efficiently, and for their intended purpose. The audit must review  
7 the department's performance in meeting all statutory requirements  
8 related to document recording surcharge funds including, but not  
9 limited to, the data the department collects, the timeliness and  
10 quality of required reports, and whether the data and required  
11 reports provide adequate information and accountability for the use  
12 of the document recording surcharge funds. The audit must include  
13 recommendations for policy and operational improvements to the use of  
14 document recording surcharges by counties and the department. The  
15 performance audit must be submitted to the legislature by December 1,  
16 2016.

17 (2) For purposes of this section:

18 (a) "Housing placement payments" means one-time payments, such as  
19 first and last month's rent and move-in costs, funded by document  
20 recording surcharges collected pursuant to RCW 36.22.178, 36.22.179,  
21 or 36.22.1791 that are made to secure a unit on behalf of a tenant.

22 (b) "Housing vouchers" means payments, including private rental  
23 housing payments, funded by document recording surcharges collected  
24 pursuant to RCW 36.22.178, 36.22.179, or 36.22.1791 that are made by  
25 a local government or contractor to secure: (i) A rental unit on  
26 behalf of an individual tenant; or (ii) a block of units on behalf of  
27 multiple tenants.

28 (c) "Interested landlord list" means a list of landlords who have  
29 indicated to a local government or contractor interest in renting to  
30 individuals or households receiving a housing voucher funded by  
31 document recording surcharges.

32 (d) "Private rental housing" means housing owned by a private  
33 landlord and ~~((does not))~~ includes housing owned by a nonprofit  
34 housing entity ~~((or government entity))~~.

35 (3) This section expires June 30, 2019.

36 NEW SECTION. **Sec. 10.** This act may be known and cited as the  
37 Washington housing opportunities act.

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