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**SENATE BILL 6671**

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**State of Washington 64th Legislature 2016 Regular Session**

**By** Senators Hill, Miloscia, Braun, and Roach

AN ACT Relating to the review of state and local homelessness prevention, assistance, and housing efforts; amending RCW 43.185C.030, 43.185C.040, 43.185C.160, 36.22.178, 36.22.179, 36.22.1791, 43.185C.060, and 43.185C.061; adding a new section to chapter 43.185C RCW; creating new sections; repealing RCW 43.185C.215; and providing an effective date.

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

NEW SECTION. **Sec.**  In 2005, the state created the goal of reducing homelessness in Washington state by fifty percent within ten years. The legislature also recognized that the provision of housing and housing-related services to the homeless should be administered at the local level to meet the diverse needs across the state. The state's responsibility was to coordinate, support, finance, and monitor efforts to address homelessness issues.

During the past decade, the state has experienced an overall decline in homelessness with some counties meeting or exceeding its reduction goal. However, some counties have not only failed to achieve reductions, but have experienced an increase in the number of homeless families and individuals. Additionally, the number of unsheltered and chronic homeless has increased in areas of the state despite significant federal, state, and local financial resources that have been invested in homelessness assistance. The dichotomy between the resources expended and the results achieved warrants a more frequent review of state and local homelessness strategies and more transparent reporting of expenditures, performance, and outcomes at the local level. Therefore, the legislature intends to review state and local homelessness prevention, assistance, and housing efforts on a more frequent basis to improve the development of cost-effective programs and identification of best practices to expand housing security across the state.

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

(1) The department shall annually conduct a Washington homeless census or count consistent with the requirements of RCW 43.185C.180. The census shall make every effort to count all homeless individuals living outdoors, in shelters, and in transitional housing, coordinated, when reasonably feasible, with already existing homeless census projects including those funded in part by the United States department of housing and urban development under the McKinney-Vento homeless assistance program. The department shall determine, in consultation with local governments, the data to be collected. Data on subpopulations and other characteristics of the homeless must, at a minimum, be consistent with United States department of housing and urban development requirements and include the following:

(a) Chronically homeless individuals;

(b) Chronically homeless families;

(c) Unaccompanied homeless youth;

(d) Male veterans;

(e) Female veterans;

(f) Adults with severe mental illness;

(g) Adults with chronic substance abuse issues;

(h) Adults with HIV/AIDS; and

(i) Victims of domestic violence.

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

(3) The department and each local government are prohibited from disclosing any personally identifying information about any homeless individual when there is reason to believe or evidence indicating that the homeless individual is an adult or minor victim of domestic violence, dating violence, sexual assault, or stalking or is the parent or guardian of a child victim of domestic violence, dating violence, sexual assault, or stalking; or revealing other confidential information regarding HIV/AIDS status, as found in RCW 70.02.220. The department and each local government shall not ask any homeless housing provider to disclose personally identifying information about any homeless individuals when the providers implementing those programs have reason to believe or evidence indicating that those clients are adult or minor victims of domestic violence, dating violence, sexual assault, or stalking or are the parents or guardians of child victims of domestic violence, dating violence, sexual assault, or stalking. Summary data for the provider's facility or program may be substituted.

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

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

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

(7) Subject to the availability of amounts appropriated for this specific purpose, the department, in collaboration with the Washington state institute for public policy, must conduct a statewide homeless study every ten years to better understand the causes and characteristics of the homeless in Washington state and help decision makers promote efforts toward housing stability. The purpose of the study is to: Supplement the current point-in-time census and homeless client management information system by conducting face-to-face interviews with people who are homeless or have recently received homelessness assistance to gather an in-depth assessment of why the individual is among the chronically homeless, unaccompanied homeless youth, and unsheltered populations; review the efficacy of current programs and services; and provide recommendations on the type and timing of health and human service interventions needed for these populations to gain housing stability. The department and the Washington state institute for public policy must develop a study proposal defining the study scope, methodology, and costs for the legislature to review by January 1, 2018.

**Sec.**  RCW 43.185C.040 and 2015 c 69 s 25 are each amended to read as follows:

(1) ((~~Six months after the first Washington homeless census,~~)) The department shall, in consultation with the interagency council on homelessness and the affordable housing advisory board, prepare and publish a ((~~ten-year~~)) five-year homeless housing strategic plan which ((~~shall~~)) must outline statewide goals and performance measures and ((~~shall~~)) must be coordinated with the plan for homeless families with children required under RCW 43.63A.650. The state homeless housing strategic plan must be submitted to the legislature by December 1, 2017, and every five years thereafter. The plan must include at least the following information:

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

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

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

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

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

(2) To guide local governments in preparation of ((~~their first~~)) local homeless housing plans due December ((~~31, 2005~~)) 1, 2017, and updated every five years thereafter, the department shall issue by October ((~~15, 2005~~)) 1, 2016, ((~~temporary~~)) guidelines consistent with this chapter and including the best available data on each community's homeless population. ((~~Local governments' ten-year homeless housing plans shall not be substantially inconsistent with the goals and program recommendations of the temporary guidelines and, when amended after 2005, the state strategic plan.~~

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

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

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

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

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

((~~The department shall, in consultation with the interagency council on homelessness and the affordable housing advisory board, report biennially to the governor and the appropriate committees of the legislature an assessment of the state's performance in furthering the goals of the state ten-year homeless housing strategic plan and the performance of each participating local government in creating and executing a local homeless housing plan which meets the requirements of this chapter. The annual report may include performance measures such as:~~

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

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

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

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

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

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

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

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

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

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

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

(4) Based on the performance of local homeless housing programs in meeting their ((~~interim~~)) goals, on general population changes and on changes in the homeless population recorded in the annual census, the department may ((~~revise the performance measures and goals of the state homeless housing strategic plan, set goals for years following the initial ten-year period, and recommend~~)) require changes in local governments' plans to be eligible for state funding appropriated to the department for homeless programs.

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

(1) Each county shall create a homeless housing task force to develop a ((~~ten-year~~)) five-year homeless housing plan addressing short-term and long-term housing for homeless persons. The plan is due to the department on December 1, 2017, and must be updated every five years thereafter. The plan must include a local homelessness reduction goal for the county and an implementation plan to achieve the goal over the five-year plan period.

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

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

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

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

(a) Emergency shelters;

(b) Short-term housing needs;

(c) Temporary encampments;

(d) Supportive housing for chronically homeless persons; and

(e) Long-term housing.

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

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

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

(1) By February 1st of each year, beginning February 1, 2017, the department must provide an update on the state's homeless housing strategic plan and its activities for the prior fiscal year. The report must include, but not be limited to, the following information:

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

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

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

(i) Emergency shelter;

(ii) Homelessness prevention and rapid rehousing;

(iii) Permanent housing;

(iv) Permanent supportive housing;

(v) Transitional housing;

(vi) Services only; and

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

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

(e) A report on the expenditures, performance, and outcomes of homelessness document recording fees meeting the requirements of RCW 43.185C.240(1)(c)(iv);

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

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

(2) Beginning February 1, 2017, any local government receiving state funds for homelessness assistance or state or local homelessness document recording fees under RCW 36.22.178, 36.22.179, or 36.22.1791 must provide an annual report on its performance in meeting the goals in its local homeless housing plan. The report must be in a substantially similar form and for the same fiscal period as the report required in subsection (1) of this section. The report must include local government homelessness spending from all sources. The department must develop a standardized reporting tool or template for local governments to use to meet this requirement. If a local government fails to report or provides an inadequate or incomplete report, the department must take corrective action, including withholding state funding for homelessness assistance to the local government until it is compliant with this subsection.

**Sec.**  RCW 36.22.178 and 2011 c 110 s 1 are each amended to read as follows:

The surcharge provided for in this section shall be named the affordable housing for all surcharge.

(1) Except as provided in subsection (3) of this section, a surcharge of ten dollars per instrument shall be charged by the county auditor for each document recorded, which will be in addition to any other charge authorized by law. ((~~The county may retain up to five percent of these funds collected solely for the collection, administration, and local distribution of these funds. Of the remaining funds,~~)) Forty percent of the revenue generated through this surcharge will be transmitted monthly to the state treasurer who will deposit the funds into the affordable housing for all account created in RCW 43.185C.190. The department of commerce must use these funds to provide housing and shelter for extremely low-income households, including but not limited to housing for victims of human trafficking and their families and grants for building operation and maintenance costs of housing projects or units within housing projects that are affordable to extremely low-income households with incomes at or below thirty percent of the area median income, and that require a supplement to rent income to cover ongoing operating expenses.

(2) All of the remaining funds generated by this surcharge will be retained by the county and be deposited into a fund that must be used by the county and its cities and towns for eligible housing activities as described in this subsection that serve very low-income households with incomes at or below fifty percent of the area median income. Up to six percent of the funds may be used by the county for the collection and local distribution of these funds and administrative costs related to its homeless housing plan. The portion of the surcharge retained by a county shall be allocated to eligible housing activities that serve extremely low and very low-income households in the county and the cities within a county according to an interlocal agreement between the county and the cities within the county consistent with countywide and local housing needs and policies. A priority must be given to eligible housing activities that serve extremely low-income households with incomes at or below thirty percent of the area median income. Eligible housing activities to be funded by these county funds are limited to:

(a) Acquisition, construction, or rehabilitation of housing projects or units within housing projects that are affordable to very low-income households with incomes at or below fifty percent of the area median income, including units for homeownership, rental units, seasonal and permanent farmworker housing units, units reserved for victims of human trafficking and their families, and single room occupancy units;

(b) Supporting building operation and maintenance costs of housing projects or units within housing projects eligible to receive housing trust funds, that are affordable to very low-income households with incomes at or below fifty percent of the area median income, and that require a supplement to rent income to cover ongoing operating expenses;

(c) Rental assistance vouchers for housing units that are affordable to very low-income households with incomes at or below fifty percent of the area median income, including rental housing vouchers for victims of human trafficking and their families, to be administered by a local public housing authority or other local organization that has an existing rental assistance voucher program, consistent with or similar to the United States department of housing and urban development's section 8 rental assistance voucher program standards; and

(d) Operating costs for emergency shelters and licensed overnight youth shelters.

(3) The surcharge imposed in this section does not apply to assignments or substitutions of previously recorded deeds of trust.

**Sec.**  RCW 36.22.179 and 2014 c 200 s 1 are each amended to read as follows:

(1) In addition to the surcharge authorized in RCW 36.22.178, and except as provided in subsection (2) of this section, an additional surcharge of ten dollars shall be charged by the county auditor for each document recorded, which will be in addition to any other charge allowed by law. From September 1, 2012, through June 30, 2019, the surcharge shall be forty dollars. The funds collected pursuant to this section are to be distributed and used as follows:

(a) The auditor shall ((~~retain two percent for collection of the fee, and of the remainder shall~~)) remit sixty percent to the county to be deposited into a fund that must be used by the county and its cities and towns to accomplish the purposes of chapter 484, Laws of 2005, six percent of which may be used by the county for the collection and local distribution of these funds and administrative costs related to its homeless housing plan, and the remainder for programs which directly accomplish the goals of the county's local homeless housing plan, except that for each city in the county which elects as authorized in RCW 43.185C.080 to operate its own local homeless housing program, a percentage of the surcharge assessed under this section equal to the percentage of the city's local portion of the real estate excise tax collected by the county shall be transmitted at least quarterly to the city treasurer, without any deduction for county administrative costs, for use by the city for program costs which directly contribute to the goals of the city's local homeless housing plan; of the funds received by the city, it may use six percent for administrative costs for its homeless housing program.

(b) The auditor shall remit the remaining funds to the state treasurer for deposit in the home security fund account. The department may use twelve and one-half percent of this amount for administration of the program established in RCW 43.185C.020, including the costs of creating the statewide homeless housing strategic plan, measuring performance, providing technical assistance to local governments, and managing the homeless housing grant program. Of the remaining eighty-seven and one-half percent, at least forty-five percent must be set aside for the use of private rental housing payments, and the remainder is to be used by the department to:

(i) Provide housing and shelter for homeless people including, but not limited to: Grants to operate, repair, and staff shelters; grants to operate transitional housing; partial payments for rental assistance; consolidated emergency assistance; overnight youth shelters; grants and vouchers designated for victims of human trafficking and their families; and emergency shelter assistance; and

(ii) Fund the homeless housing grant program.

(2) The surcharge imposed in this section does not apply to (a) assignments or substitutions of previously recorded deeds of trust, (b) documents recording a birth, marriage, divorce, or death, (c) any recorded documents otherwise exempted from a recording fee or additional surcharges under state law, (d) marriage licenses issued by the county auditor, or (e) documents recording a state, county, or city lien or satisfaction of lien.

**Sec.**  RCW 36.22.1791 and 2011 c 110 s 3 are each amended to read as follows:

(1) In addition to the surcharges authorized in RCW 36.22.178 and 36.22.179, and except as provided in subsection (2) of this section, the county auditor shall charge an additional surcharge of eight dollars for each document recorded, which is in addition to any other charge allowed by law. The funds collected under this section are to be distributed and used as follows:

(a) The auditor shall remit ninety percent to the county to be deposited into a fund six percent of which may be used by the county for the collection and local distribution of these funds and administrative costs related to its homeless housing plan, and the remainder for programs that directly accomplish the goals of the county's local homeless housing plan, except that for each city in the county that elects, as authorized in RCW 43.185C.080, to operate its own local homeless housing program, a percentage of the surcharge assessed under this section equal to the percentage of the city's local portion of the real estate excise tax collected by the county must be transmitted at least quarterly to the city treasurer for use by the city for program costs that directly contribute to the goals of the city's local homeless housing plan.

(b) The auditor shall remit the remaining funds to the state treasurer for deposit in the home security fund account. The department may use the funds for administering the program established in RCW 43.185C.020, including the costs of creating and updating the statewide homeless housing strategic plan, measuring performance, providing technical assistance to local governments, and managing the homeless housing grant program. Remaining funds may also be used to:

(i) Provide housing and shelter for homeless people including, but not limited to: Grants to operate, repair, and staff shelters; grants to operate transitional housing; partial payments for rental assistance; consolidated emergency assistance; overnight youth shelters; grants and vouchers designated for victims of human trafficking and their families; and emergency shelter assistance; and

(ii) Fund the homeless housing grant program.

(2) The surcharge imposed in this section does not apply to assignments or substitutions of previously recorded deeds of trust.

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

(1) The home security fund account is created in the state treasury, subject to appropriation. The state's portion of the surcharge established in RCW 36.22.179 and 36.22.1791 must be deposited in the account. Expenditures from the account may be used only for homeless housing programs as described in this chapter. If an independent audit finds that the department has failed to set aside at least forty-five percent of funds received under RCW 36.22.179(1)(b) after June 12, 2014, for the use of private rental housing payments, the department must submit a corrective action plan to the office of financial management within thirty days of receipt of the independent audit. The office of financial management must monitor the department's corrective action plan and expenditures from this account for the remainder of the fiscal year. If the department is not in compliance with RCW 36.22.179(1)(b) in any month of the fiscal year following submission of the corrective action plan, the office of financial management must reduce the department's allotments from this account and hold in reserve status a portion of the department's appropriation equal to the expenditures made during the month not in compliance with RCW 36.22.179(1)(b).

(2) Beginning with the 2017-2019 fiscal biennium, twenty percent of funds deposited into the account or seven million five hundred thousand dollars, whichever is greater, must be used for the transitional housing operating and rent program under RCW 43.185C.210.

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

Home security fund account funds appropriated to carry out the activities of RCW 43.330.700 through 43.330.715, 43.330.911, 43.185C.010, 43.185C.210, 43.185C.250 through 43.185C.320, and 43.330.167 are not subject to the set aside under RCW 36.22.179(1)(b).

NEW SECTION. **Sec.**  RCW 43.185C.215 (Transitional housing operating and rent account) and 2008 c 256 s 2 are each repealed, effective July 1, 2017.

NEW SECTION. **Sec.**  Any residual balance of funds remaining in the transitional housing operating and rent account as of July 1, 2017, must be transferred to the home security fund account created in RCW 43.185C.060.

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