

CERTIFICATION OF ENROLLMENT

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2163

Chapter 484, Laws of 2005

(partial veto)

59th Legislature
2005 Regular Session

HOMELESS HOUSING AND ASSISTANCE

EFFECTIVE DATE: 8/01/05

Passed by the House April 19, 2005
Yeas 50 Nays 48

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 7, 2005
Yeas 27 Nays 19

BRAD OWEN

President of the Senate

Approved May 16, 2005, with the
exception of Section 4, which is vetoed.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2163** as passed by the House of Representatives and the Senate on the dates hereon set forth.

RICHARD NAFZIGER

Chief Clerk

FILED

May 16, 2005 - 10:55 a.m.

**Secretary of State
State of Washington**

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2163

AS AMENDED BY THE SENATE

Passed Legislature - 2005 Regular Session

State of Washington 59th Legislature 2005 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Ormsby, Holmquist, Miloscia, Williams, Flannigan, Chase, Dickerson, Sells, Ericks, Dunn, Wood, Green, Linville, Springer, Pettigrew, Kenney, O'Brien, Santos, Kagi, Fromhold and Schual-Berke)

READ FIRST TIME 03/07/05.

1 AN ACT Relating to preventing and ending homelessness in the state
2 of Washington; amending RCW 36.22.178, 36.18.010, 43.185B.005, and
3 43.185B.009; adding a new section to chapter 36.22 RCW; adding a new
4 chapter to Title 43 RCW; and providing an effective date.

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

6 NEW SECTION. **Sec. 1.** Despite laudable efforts by all levels of
7 government, private individuals, nonprofit organizations, and
8 charitable foundations to end homelessness, the number of homeless
9 persons in Washington is unacceptably high. The state's homeless
10 population, furthermore, includes a large number of families with
11 children, youth, and employed persons. The legislature finds that the
12 fiscal and societal costs of homelessness are high for both the public
13 and private sectors, and that ending homelessness should be a goal for
14 state and local government.

15 The legislature finds that there are many causes of homelessness,
16 including a shortage of affordable housing; a shortage of family-wage
17 jobs which undermines housing affordability; a lack of an accessible
18 and affordable health care system available to all who suffer from

1 physical and mental illnesses and chemical and alcohol dependency;
2 domestic violence; and a lack of education and job skills necessary to
3 acquire adequate wage jobs in the economy of the twenty-first century.

4 The support and commitment of all sectors of the statewide
5 community is critical to the chances of success in ending homelessness
6 in Washington. While the provision of housing and housing-related
7 services to the homeless should be administered at the local level to
8 best address specific community needs, the legislature also recognizes
9 the need for the state to play a primary coordinating, supporting, and
10 monitoring role. There must be a clear assignment of responsibilities
11 and a clear statement of achievable and quantifiable goals. Systematic
12 statewide data collection on homelessness in Washington must be a
13 critical component of such a program enabling the state to work with
14 local governments to count homeless persons and assist them in finding
15 housing.

16 The systematic collection and rigorous evaluation of homeless data,
17 a search for and implementation through adequate resource allocation of
18 best practices, and the systematic measurement of progress toward
19 interim goals and the ultimate goal of ending homelessness are all
20 necessary components of a statewide effort to end homelessness in
21 Washington by July 1, 2015.

22 NEW SECTION. **Sec. 2.** This chapter may be known and cited as the
23 homelessness housing and assistance act.

24 NEW SECTION. **Sec. 3.** The definitions in this section apply
25 throughout this chapter unless the context clearly requires otherwise.

26 (1) "Department" means the department of community, trade, and
27 economic development.

28 (2) "Director" means the director of the department of community,
29 trade, and economic development.

30 (3) "Homeless person" means an individual living outside or in a
31 building not meant for human habitation or which they have no legal
32 right to occupy, in an emergency shelter, or in a temporary housing
33 program which may include a transitional and supportive housing program
34 if habitation time limits exist. This definition includes substance
35 abusers, mentally ill people, and sex offenders who are homeless.

1 (4) "Washington homeless census" means an annual statewide census
2 conducted as a collaborative effort by towns, cities, counties,
3 community-based organizations, and state agencies, with the technical
4 support and coordination of the department, to count and collect data
5 on all homeless individuals in Washington.

6 (5) "Homeless housing account" means the state treasury account
7 receiving the state's portion of income from revenue from the sources
8 established by section 9 of this act.

9 (6) "Homeless housing grant program" means the vehicle by which
10 competitive grants are awarded by the department, utilizing moneys from
11 the homeless housing account, to local governments for programs
12 directly related to housing homeless individuals and families,
13 addressing the root causes of homelessness, preventing homelessness,
14 collecting data on homeless individuals, and other efforts directly
15 related to housing homeless persons.

16 (7) "Local government" means a county government in the state of
17 Washington or a city government, if the legislative authority of the
18 city affirmatively elects to accept the responsibility for housing
19 homeless persons within its borders.

20 (8) "Housing continuum" means the progression of individuals along
21 a housing-focused continuum with homelessness at one end and
22 homeownership at the other.

23 (9) "Local homeless housing task force" means a voluntary local
24 committee created to advise a local government on the creation of a
25 local homeless housing plan and participate in a local homeless housing
26 program. It must include a representative of the county, a
27 representative of the largest city located within the county, at least
28 one homeless or formerly homeless person, such other members as may be
29 required to maintain eligibility for federal funding related to housing
30 programs and services and if feasible, a representative of a private
31 nonprofit organization with experience in low-income housing.

32 (10) "Long-term private or public housing" means subsidized and
33 unsubsidized rental or owner-occupied housing in which there is no
34 established time limit for habitation of less than two years.

35 (11) "Interagency council on homelessness" means a committee
36 appointed by the governor and consisting of, at least, the director of
37 the department; the secretary of the department of corrections; the

1 secretary of the department of social and health services; the director
2 of the department of veterans affairs; and the secretary of the
3 department of health.

4 (12) "Performance measurement" means the process of comparing
5 specific measures of success against ultimate and interim goals.

6 (13) "Community action agency" means a nonprofit private or public
7 organization established under the economic opportunity act of 1964.

8 (14) "Housing authority" means any of the public corporations
9 created by chapter 35.82 RCW.

10 (15) "Homeless housing program" means the program authorized under
11 this chapter as administered by the department at the state level and
12 by the local government or its designated subcontractor at the local
13 level.

14 (16) "Homeless housing plan" means the ten-year plan developed by
15 the county or other local government to address housing for homeless
16 persons.

17 (17) "Homeless housing strategic plan" means the ten-year plan
18 developed by the department, in consultation with the interagency
19 council on homelessness and the affordable housing advisory board.

20 ****NEW SECTION. Sec. 4. The governor shall establish the interagency***
21 ***council on homelessness and appoint, at least, the director of the***
22 ***department, the secretary of the department of social and health***
23 ***services, the secretary of the department of corrections, the director***
24 ***of the department of veterans affairs, the director of the employment***
25 ***security department, the director of the department of health, and the***
26 ***director of the office of financial management to the council. The***
27 ***interagency council on homelessness shall be responsible to further the***
28 ***goals of the state ten-year homeless housing strategic plan to end***
29 ***homelessness through the following actions:***

30 (1) ***Aligning housing and supporting services policies and resources***
31 ***among state agencies;***

32 (2) ***Identifying and eliminating policies and actions which***
33 ***contribute to homelessness or interfere with its reduction; and***

34 (3) ***Adopting or recommending new policies to improve practices and***
35 ***align resources, including those policies requested by the affordable***
36 ***housing advisory board or through state and local homeless housing***
37 ***plans.***

****Sec. 4 was vetoed. See message at end of chapter.***

1 NEW SECTION. **Sec. 5.** There is created within the department the
2 homeless housing program to develop and coordinate a statewide
3 strategic plan aimed at housing homeless persons. The program shall be
4 developed and administered by the department with advice and input from
5 the affordable housing advisory board established in RCW 43.185B.020.

6 NEW SECTION. **Sec. 6.** The department shall annually conduct a
7 Washington homeless census or count consistent with the requirements of
8 RCW 43.63A.655. The census shall make every effort to count all
9 homeless individuals living outdoors, in shelters, and in transitional
10 housing, coordinated, when reasonably feasible, with already existing
11 homeless census projects including those funded in part by the United
12 States department of housing and urban development under the McKinney-
13 Vento homeless assistance program. The department shall determine, in
14 consultation with local governments, the data to be collected.

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

19 The department and each local government are prohibited from
20 disclosing any personally identifying information about any homeless
21 individual when there is reason to believe or evidence indicating that
22 the homeless individual is an adult or minor victim of domestic
23 violence, dating violence, sexual assault, or stalking or is the parent
24 or guardian of a child victim of domestic violence, dating violence,
25 sexual assault, or stalking; or revealing other confidential
26 information regarding HIV/AIDS status, as found in RCW 70.24.105. The
27 department and each local government shall not ask any homeless housing
28 provider to disclose personally identifying information about any
29 homeless individuals when the providers implementing those programs
30 have reason to believe or evidence indicating that those clients are
31 adult or minor victims of domestic violence, dating violence, sexual
32 assault, or stalking or are the parents or guardians of child victims
33 of domestic violence, dating violence, sexual assault, or stalking.
34 Summary data for the provider's facility or program may be substituted.

35 The Washington homeless census shall be conducted annually on a
36 schedule created by the department. The department shall make summary

1 data by county available to the public each year. This data, and its
2 analysis, shall be included in the department's annual updated homeless
3 housing program strategic plan.

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

11 By the end of year four, the department shall implement an
12 organizational quality management system.

13 NEW SECTION. **Sec. 7.** (1) Six months after the first Washington
14 homeless census, the department shall, in consultation with the
15 interagency council on homelessness and the affordable housing advisory
16 board, prepare and publish a ten-year homeless housing strategic plan
17 which shall outline statewide goals and performance measures and shall
18 be coordinated with the plan for homeless families with children
19 required under RCW 43.63A.650. To guide local governments in
20 preparation of their first local homeless housing plans due December
21 31, 2005, the department shall issue by October 15, 2005, temporary
22 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 substantially
25 inconsistent with the goals and program recommendations of the
26 temporary guidelines and, when amended after 2005, the state strategic
27 plan.

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

32 (a) By the end of year one, completion of the first census as
33 described in section 6 of this act;

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

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

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

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

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

19 (b) The number of new units available and affordable for homeless
20 families by housing type;

21 (c) The number of homeless individuals identified who are not
22 offered suitable housing within thirty days of their request or
23 identification as homeless;

24 (d) The number of households at risk of losing housing who maintain
25 it due to a preventive intervention;

26 (e) The transition time from homelessness to permanent housing;

27 (f) The cost per person housed at each level of the housing
28 continuum;

29 (g) The ability to successfully collect data and report
30 performance;

31 (h) The extent of collaboration and coordination among public
32 bodies, as well as community stakeholders, and the level of community
33 support and participation;

34 (i) The quality and safety of housing provided; and

35 (j) The effectiveness of outreach to homeless persons, and their
36 satisfaction with the program.

37 (4) Based on the performance of local homeless housing programs in
38 meeting their interim goals, on general population changes and on

1 changes in the homeless population recorded in the annual census, the
2 department may revise the performance measures and goals of the state
3 homeless housing strategic plan, set goals for years following the
4 initial ten-year period, and recommend changes in local governments'
5 plans.

6 NEW SECTION. **Sec. 8.** (1) Each local homeless housing task force
7 shall prepare and recommend to its local government legislative
8 authority a ten-year homeless housing plan for its jurisdictional area
9 which shall be not inconsistent with the department's statewide
10 temporary guidelines, for the December 31, 2005, plan, and thereafter
11 the department's ten-year homeless housing strategic plan and which
12 shall be aimed at eliminating homelessness, with a minimum goal of
13 reducing homelessness by fifty percent by July 1, 2015. The local
14 government may amend the proposed local plan and shall adopt a plan by
15 December 31, 2005. Performance in meeting the goals of this local plan
16 shall be assessed annually in terms of the performance measures
17 published by the department. Local plans may include specific local
18 performance measures adopted by the local government legislative
19 authority, and may include recommendations for any state legislation
20 needed to meet the state or local plan goals.

21 (2) Eligible activities under the local plans include:

22 (a) Rental and furnishing of dwelling units for the use of homeless
23 persons;

24 (b) Costs of developing affordable housing for homeless persons,
25 and services for formerly homeless individuals and families residing in
26 transitional housing or permanent housing and still at risk of
27 homelessness;

28 (c) Operating subsidies for transitional housing or permanent
29 housing serving formerly homeless families or individuals;

30 (d) Services to prevent homelessness, such as emergency eviction
31 prevention programs including temporary rental subsidies to prevent
32 homelessness;

33 (e) Temporary services to assist persons leaving state institutions
34 and other state programs to prevent them from becoming or remaining
35 homeless;

36 (f) Outreach services for homeless individuals and families;

1 (g) Development and management of local homeless plans including
2 homeless census data collection; identification of goals, performance
3 measures, strategies, and costs and evaluation of progress towards
4 established goals;

5 (h) Rental vouchers payable to landlords for persons who are
6 homeless or below thirty percent of the median income or in immediate
7 danger of becoming homeless; and

8 (i) Other activities to reduce and prevent homelessness as
9 identified for funding in the local plan.

10 NEW SECTION. **Sec. 9.** A new section is added to chapter 36.22 RCW
11 to read as follows:

12 (1) In addition to the surcharge authorized in RCW 36.22.178, and
13 except as provided in subsection (2) of this section, an additional
14 surcharge of ten dollars shall be charged by the county auditor for
15 each document recorded, which will be in addition to any other charge
16 allowed by law. The funds collected pursuant to this section are to be
17 distributed and used as follows:

18 (a) The auditor shall retain two percent for collection of the fee,
19 and of the remainder shall remit sixty percent to the county to be
20 deposited into a fund that must be used by the county and its cities
21 and towns to accomplish the purposes of this act, six percent of which
22 may be used by the county for administrative costs related to its
23 homeless housing plan, and the remainder for programs which directly
24 accomplish the goals of the county's homeless housing plan, except that
25 for each city in the county which elects as authorized in section 12 of
26 this act to operate its own homeless housing program, a percentage of
27 the surcharge assessed under this section equal to the percentage of
28 the city's local portion of the real estate excise tax collected by the
29 county shall be transmitted at least quarterly to the city treasurer,
30 without any deduction for county administrative costs, for use by the
31 city for program costs which directly contribute to the goals of the
32 city's homeless housing plan; of the funds received by the city, it may
33 use six percent for administrative costs for its homeless housing
34 program.

35 (b) The auditor shall remit the remaining funds to the state
36 treasurer for deposit in the homeless housing account. The department
37 may use twelve and one-half percent of this amount for administration

1 of the program established in section 5 of this act, including the
2 costs of creating the statewide homeless housing strategic plan,
3 measuring performance, providing technical assistance to local
4 governments, and managing the homeless housing grant program. The
5 remaining eighty-seven and one-half percent is to be distributed by the
6 department to local governments through the homeless housing grant
7 program.

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

10 NEW SECTION. **Sec. 10.** The homeless housing account is created in
11 the custody of the state treasurer. The state's portion of the
12 surcharge established in section 9 of this act must be deposited in the
13 account. Expenditures from the account may be used only for the
14 homeless housing program as described in this chapter. Only the
15 director or the director's designee may authorize expenditures from the
16 account. The account is subject to allotment procedures under chapter
17 43.88 RCW, but an appropriation is not required for expenditures.

18 NEW SECTION. **Sec. 11.** (1) During each calendar year in which
19 moneys from the homeless housing account are available for use by the
20 department for the homeless housing grant program, the department shall
21 announce to all Washington counties, participating cities, and through
22 major media throughout the state, a grant application period of at
23 least ninety days' duration. This announcement will be made as often
24 as the director deems appropriate for proper utilization of resources.
25 The department shall then promptly grant as many applications as will
26 utilize available funds, less appropriate administrative costs of the
27 department as described in section 9 of this act.

28 (2) The department will develop, with advice and input from the
29 affordable housing advisory board established in RCW 43.185B.020,
30 criteria to evaluate grant applications.

31 (3) The department may approve applications only if they are
32 consistent with the local and state homeless housing program strategic
33 plans. The department may give preference to applications based on
34 some or all of the following criteria:

35 (a) The total homeless population in the applicant local government

1 service area, as reported by the most recent annual Washington homeless
2 census;

3 (b) Current local expenditures to provide housing for the homeless
4 and to address the underlying causes of homelessness as described in
5 section 1 of this act;

6 (c) Local government and private contributions pledged to the
7 program in the form of matching funds, property, infrastructure
8 improvements, and other contributions; and the degree of leveraging of
9 other funds from local government or private sources for the program
10 for which funds are being requested, to include recipient contributions
11 to total project costs, including allied contributions from other
12 sources such as professional, craft and trade services, and lender
13 interest rate subsidies;

14 (d) Construction projects or rehabilitation that will serve
15 homeless individuals or families for a period of at least twenty-five
16 years;

17 (e) Projects which demonstrate serving homeless populations with
18 the greatest needs, including projects that serve special needs
19 populations;

20 (f) The degree to which the applicant project represents a
21 collaboration between local governments, nonprofit community-based
22 organizations, local and state agencies, and the private sector,
23 especially through its integration with the coordinated and
24 comprehensive plan for homeless families with children required under
25 RCW 43.63A.650;

26 (g) The cooperation of the local government in the annual
27 Washington homeless census project;

28 (h) The commitment of the local government and any subcontracting
29 local governments, nonprofit organizations, and for-profit entities to
30 employ a diverse work force;

31 (i) The extent, if any, that the local homeless population is
32 disproportionate to the revenues collected under this chapter, RCW
33 36.22.178, and section 9 of this act; and

34 (j) Other elements shown by the applicant to be directly related to
35 the goal and the department's state strategic plan.

36 NEW SECTION. **Sec. 12.** (1) Only a local government is eligible to
37 receive a homeless housing grant from the homeless housing account.

1 Any city may assert responsibility for homeless housing within its
2 borders if it so chooses, by forwarding a resolution to the legislative
3 authority of the county stating its intention and its commitment to
4 operate a separate homeless housing program. The city shall then
5 receive a percentage of the surcharge assessed under section 9 of this
6 act equal to the percentage of the city's local portion of the real
7 estate excise tax collected by the county. A participating city may
8 also then apply separately for homeless housing program grants. A city
9 choosing to operate a separate homeless housing program shall be
10 responsible for complying with all of the same requirements as counties
11 and shall adopt a local homeless housing plan meeting the requirements
12 of this chapter for county local plans. However, the city may by
13 resolution of its legislative authority accept the county's homeless
14 housing task force as its own and based on that task force's
15 recommendations adopt a homeless housing plan specific to the city.

16 (2) Local governments applying for homeless housing funds may
17 subcontract with any other local government, housing authority,
18 community action agency or other nonprofit organization for the
19 execution of programs contributing to the overall goal of ending
20 homelessness within a defined service area. All subcontracts shall be
21 consistent with the local homeless housing plan adopted by the
22 legislative authority of the local government, time limited, and filed
23 with the department and shall have specific performance terms. While
24 a local government has the authority to subcontract with other
25 entities, the local government continues to maintain the ultimate
26 responsibility for the homeless housing program within its borders.

27 (3) A county may decline to participate in the program authorized
28 in this chapter by forwarding to the department a resolution adopted by
29 the county legislative authority stating the intention not to
30 participate. A copy of the resolution shall also be transmitted to the
31 county auditor and treasurer. If such a resolution is adopted, all of
32 the funds otherwise due to the county under section 10 of this act
33 shall be remitted monthly to the state treasurer for deposit in the
34 homeless housing account, without any reduction by the county for
35 collecting or administering the funds. Upon receipt of the resolution,
36 the department shall promptly begin to identify and contract with one
37 or more entities eligible under this section to create and execute a
38 local homeless housing plan for the county meeting the requirements of

1 this chapter. The department shall expend all of the funds received
2 from the county under this subsection to carry out the purposes of this
3 act in the county, provided that the department may retain six percent
4 of these funds to offset the cost of managing the county's program.

5 (4) A resolution by the county declining to participate in the
6 program shall have no effect on the ability of each city in the county
7 to assert its right to manage its own program under this chapter, and
8 the county shall monthly transmit to the city the funds due under this
9 chapter.

10 NEW SECTION. **Sec. 13.** The department shall allocate grant moneys
11 from the homeless housing account to finance in whole or in part
12 programs and projects in approved local homeless housing plans to
13 assist homeless individuals and families gain access to adequate
14 housing, prevent at-risk individuals from becoming homeless, address
15 the root causes of homelessness, track and report on homeless-related
16 data, and facilitate the movement of homeless or formerly homeless
17 individuals along the housing continuum toward more stable and
18 independent housing. The department may issue criteria or guidelines
19 to guide local governments in the application process.

20 NEW SECTION. **Sec. 14.** The department shall provide technical
21 assistance to any participating local government that requests such
22 assistance. Technical assistance activities may include:

23 (1) Assisting local governments to identify appropriate parties to
24 participate on local homeless housing task forces;

25 (2) Assisting local governments to identify appropriate service
26 providers with which the local governments may subcontract for service
27 provision and development activities, when necessary;

28 (3) Assisting local governments to implement or expand homeless
29 census programs to meet homeless housing program requirements;

30 (4) Assisting in the identification of "best practices" from other
31 areas;

32 (5) Assisting in identifying additional funding sources for
33 specific projects; and

34 (6) Training local government and subcontractor staff.

1 NEW SECTION. **Sec. 15.** The department shall establish a uniform
2 process for participating local governments to report progress toward
3 reducing homelessness and meeting locally established goals.

4 NEW SECTION. **Sec. 16.** The department may adopt such rules as may
5 be necessary to effect the purposes of this chapter.

6 NEW SECTION. **Sec. 17.** The department shall ensure that the
7 state's interest is protected upon the development, use, sale, or
8 change of use of projects constructed, acquired, or financed in whole
9 or in part through the homeless housing grant program. These policies
10 may include, but are not limited to: (1) Requiring a share of the
11 appreciation in the project in proportion to the state's contribution
12 to the project, or (2) requiring a lump sum repayment of the grant upon
13 the sale or change of use of the project.

14 **Sec. 18.** RCW 36.22.178 and 2002 c 294 s 2 are each amended to read
15 as follows:

16 (1) Except as provided in subsection (2) of this section, a
17 surcharge of ten dollars per instrument shall be charged by the county
18 auditor for each document recorded, which will be in addition to any
19 other charge authorized by law. The ((auditor)) county may retain up
20 to five percent of these funds collected ((to administer)) solely for
21 the collection, administration, and local distribution of these funds.
22 Of the remaining funds, forty percent of the revenue generated through
23 this surcharge will be transmitted monthly to the state treasurer who
24 will deposit the funds into the Washington housing trust account. The
25 office of community development of the department of community, trade,
26 and economic development will develop guidelines for the use of these
27 funds to support building operation and maintenance costs of housing
28 projects or units within housing projects that are affordable to
29 extremely low-income persons with incomes at or below thirty percent of
30 the area median income, and that require a supplement to rent income to
31 cover ongoing operating expenses. ((Sixty percent of the revenue)) All
32 of the remaining funds generated by this surcharge will be retained by
33 the county and be deposited into a fund that must be used by the county
34 and its cities and towns for housing projects or units within housing
35 projects that are affordable to very low-income persons with incomes at

1 or below fifty percent of the area median income. The portion of the
2 surcharge retained by a county shall be allocated to very low-income
3 housing projects or units within such housing projects in the county
4 and the cities within a county according to an interlocal agreement
5 between the county and the cities within the county, consistent with
6 countywide and local housing needs and policies. The funds generated
7 with this surcharge shall not be used for construction of new housing
8 if at any time the vacancy rate for available low-income housing within
9 the county rises above ten percent. The vacancy rate for each county
10 shall be developed using the state low-income vacancy rate standard
11 developed under subsection (3) of this section. ((Permissible)) Uses
12 of these local funds are limited to:

13 (a) Acquisition, construction, or rehabilitation of housing
14 projects or units within housing projects that are affordable to very
15 low-income persons with incomes at or below fifty percent of the area
16 median income;

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

23 (c) Rental assistance vouchers for housing projects or units within
24 housing projects that are affordable to very low-income persons with
25 incomes at or below fifty percent of the area median income, to be
26 administered by a local public housing authority or other local
27 organization that has an existing rental assistance voucher program,
28 consistent with the United States department of housing and urban
29 development's section 8 rental assistance voucher program standards;
30 and

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

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

35 (3) The real estate research center at Washington State University
36 shall develop a vacancy rate standard for low-income housing in the
37 state as described in RCW 18.85.540(1)(i).

1 **Sec. 19.** RCW 36.18.010 and 2002 c 294 s 3 are each amended to read
2 as follows:

3 County auditors or recording officers shall collect the following
4 fees for their official services:

5 For recording instruments, for the first page eight and one-half by
6 fourteen inches or less, five dollars; for each additional page eight
7 and one-half by fourteen inches or less, one dollar. The fee for
8 recording multiple transactions contained in one instrument will be
9 calculated for each transaction requiring separate indexing as required
10 under RCW 65.04.050 as follows: The fee for each title or transaction
11 is the same fee as the first page of any additional recorded document;
12 the fee for additional pages is the same fee as for any additional
13 pages for any recorded document; the fee for the additional pages may
14 be collected only once and may not be collected for each title or
15 transaction;

16 For preparing and certifying copies, for the first page eight and
17 one-half by fourteen inches or less, three dollars; for each additional
18 page eight and one-half by fourteen inches or less, one dollar;

19 For preparing noncertified copies, for each page eight and one-half
20 by fourteen inches or less, one dollar;

21 For administering an oath or taking an affidavit, with or without
22 seal, two dollars;

23 For issuing a marriage license, eight dollars, (this fee includes
24 taking necessary affidavits, filing returns, indexing, and transmittal
25 of a record of the marriage to the state registrar of vital statistics)
26 plus an additional five-dollar fee for use and support of the
27 prevention of child abuse and neglect activities to be transmitted
28 monthly to the state treasurer and deposited in the state general fund
29 plus an additional ten-dollar fee to be transmitted monthly to the
30 state treasurer and deposited in the state general fund. The
31 legislature intends to appropriate an amount at least equal to the
32 revenue generated by this fee for the purposes of the displaced
33 homemaker act, chapter 28B.04 RCW;

34 For searching records per hour, eight dollars;

35 For recording plats, fifty cents for each lot except cemetery plats
36 for which the charge shall be twenty-five cents per lot; also one
37 dollar for each acknowledgment, dedication, and description: PROVIDED,
38 That there shall be a minimum fee of twenty-five dollars per plat;

1 For recording of miscellaneous records not listed above, for the
2 first page eight and one-half by fourteen inches or less, five dollars;
3 for each additional page eight and one-half by fourteen inches or less,
4 one dollar;

5 For modernization and improvement of the recording and indexing
6 system, a surcharge as provided in RCW 36.22.170((~~-~~));

7 For recording an emergency nonstandard document as provided in RCW
8 65.04.047, fifty dollars, in addition to all other applicable recording
9 fees((~~-~~));

10 For recording instruments, a surcharge as provided in RCW
11 36.22.178; and

12 For recording instruments, except for documents recording a birth,
13 marriage, divorce, or death or any documents otherwise exempted from a
14 recording fee under state law, a surcharge as provided in section 9 of
15 this act.

16 NEW SECTION. Sec. 20. The department of social and health
17 services shall exempt payments to individuals provided under this
18 chapter when determining eligibility for public assistance.

19 NEW SECTION. Sec. 21. This chapter does not require either the
20 department or any local government to expend any funds to accomplish
21 the goals of this chapter other than the revenues authorized in this
22 act. However, neither the department nor any local government may use
23 any funds authorized in this act to supplant or reduce any existing
24 expenditures of public money for the reduction or prevention of
25 homelessness or services for homeless persons.

26 **Sec. 22.** RCW 43.185B.005 and 1993 c 478 s 1 are each amended to
27 read as follows:

28 (1) The legislature finds that:

29 (a) Housing is of vital statewide importance to the health, safety,
30 and welfare of the residents of the state;

31 (b) Reducing homelessness and moving individuals and families
32 toward stable, affordable housing is of vital statewide importance;

33 (c) Safe, affordable housing is an essential factor in stabilizing
34 communities;

1 ~~((e))~~ (d) Residents must have a choice of housing opportunities
2 within the community where they choose to live;

3 ~~((d))~~ (e) Housing markets are linked to a healthy economy and can
4 contribute to the state's economy;

5 ~~((e))~~ (f) Land supply is a major contributor to the cost of
6 housing;

7 ~~((f))~~ (g) Housing must be an integral component of any
8 comprehensive community and economic development strategy;

9 ~~((g))~~ (h) State and local government must continue working
10 cooperatively toward the enhancement of increased housing units by
11 reviewing, updating, and removing conflicting regulatory language;

12 ~~((h))~~ (i) State and local government should work together in
13 developing creative ways to reduce the shortage of housing;

14 ~~((i))~~ (j) The lack of a coordinated state housing policy inhibits
15 the effective delivery of housing for some of the state's most
16 vulnerable citizens and those with limited incomes; and

17 ~~((j))~~ (k) It is in the public interest to adopt a statement of
18 housing policy objectives.

19 (2) The legislature declares that the purposes of the Washington
20 housing policy act are to:

21 (a) Provide policy direction to the public and private sectors in
22 their attempt to meet the shelter needs of Washington residents;

23 (b) Reevaluate housing and housing-related programs and policies in
24 order to ensure proper coordination of those programs and policies to
25 meet the housing needs of Washington residents;

26 (c) Improve the delivery of state services and assistance to very
27 low-income and low-income households and special needs populations;

28 (d) Strengthen partnerships among all levels of government, and the
29 public and private sectors, including for-profit and nonprofit
30 organizations, in the production and operation of housing to targeted
31 populations including low-income and moderate-income households;

32 (e) Increase the supply of housing for persons with special needs;

33 (f) Encourage collaborative planning with social service providers;

34 (g) Encourage financial institutions to increase residential
35 mortgage lending; and

36 (h) Coordinate housing into comprehensive community and economic
37 development strategies at the state and local level.

1 **Sec. 23.** RCW 43.185B.009 and 1993 c 478 s 3 are each amended to
2 read as follows:

3 The objectives of the Washington housing policy act shall be to
4 attain the state's goal of a decent home in a healthy, safe environment
5 for every resident of the state by strengthening public and private
6 institutions that are able to:

7 (1) Develop an adequate and affordable supply of housing for all
8 economic segments of the population, including the destitute;

9 (2) Identify and reduce the causal factors preventing the state
10 from reaching its goal;

11 (3) Assist very low-income and special needs households who cannot
12 obtain affordable, safe, and adequate housing in the private market;

13 ~~((3))~~ (4) Encourage and maintain home ownership opportunities;

14 ~~((4))~~ (5) Reduce life-cycle housing costs while preserving public
15 health and safety;

16 ~~((5))~~ (6) Preserve the supply of existing affordable housing;

17 ~~((6))~~ (7) Provide housing for special needs populations;

18 ~~((7))~~ (8) Ensure fair and equal access to the housing market;

19 ~~((8))~~ (9) Increase the availability of mortgage credit at low
20 interest rates; and

21 ~~((9))~~ (10) Coordinate and be consistent with the goals,
22 objectives, and required housing element of the comprehensive plan in
23 the state's growth management act in RCW 36.70A.070.

24 NEW SECTION. **Sec. 24.** If any part of this act is found to be in
25 conflict with federal requirements that are a prescribed condition to
26 the allocation of federal funds to the state, the conflicting part of
27 this act is inoperative solely to the extent of the conflict and with
28 respect to the agencies directly affected, and this finding does not
29 affect the operation of the remainder of this act in its application to
30 the agencies concerned. Rules adopted under this act must meet federal
31 requirements that are a necessary condition to the receipt of federal
32 funds by the state.

33 NEW SECTION. **Sec. 25.** This act takes effect August 1, 2005.

1 NEW SECTION. **Sec. 26.** Sections 1 through 8, 10 through 17, 20,
2 21, 24, and 25 of this act constitute a new chapter in Title 43 RCW.

 Passed by the House April 19, 2005.

 Passed by the Senate April 7, 2005.

 Approved by the Governor May 16, 2005, with the exception of
 certain items that were vetoed.

 Filed in Office of Secretary of State May 16, 2005.

 Note: Governor's explanation of partial veto is as follows:

"I am returning, without my approval as to Section 4, Engrossed
Second Substitute House Bill No. 2163 entitled:

 "AN ACT Relating to preventing and ending homelessness in the
state of Washington."

Section 4 requires the Governor to create a cabinet level interagency
council to include at least seven state agencies. The section
specifies that membership is to consist of the directors of those
agencies, and does not offer latitude for those directors to delegate
membership to staff. Unfortunately, the interagency council is just
one of many work groups the Legislature has proposed this year
requiring cabinet directors to participate in certain activities.
Agency directors cannot do everything themselves and must be allowed
to appropriately delegate certain tasks to staff.

Although I am vetoing this section, I am directing the directors of
each of the seven agencies named in Section 4 of this bill to ensure
that a senior staff member from their agency is clearly designated as
that agency's lead on homelessness issues and designated to
coordinate with the staff at the Department of Community Trade and
Economic Development who will be developing the state's homeless
housing plan.

For these reasons, I have vetoed sections 4 of Engrossed Second
Substitute House Bill No. 2163.

With the exception of sections 4, Engrossed Second Substitute House
Bill No. 2163 is approved."