

# SENATE BILL REPORT

## SB 5903

As of March 28, 2017

**Title:** An act relating to the housing for all act.

**Brief Description:** Concerning the provision of funding and services to address homelessness.

**Sponsors:** Senators Darneille, Ranker, Rolfes, Nelson, Frockt, Saldaña, Hasegawa, Wellman, Carlyle, Conway, Pedersen, Keiser, Cleveland, Chase, Takko and Liias.

**Brief History:**

**Committee Activity:** Human Services, Mental Health & Housing: 3/28/17.

### Brief Summary of Bill

- Increases the Homeless Housing and Assistance Act document recording surcharge fee from \$40 to \$90; makes it permanent.
- Eliminates the 45 percent set aside for private rental housing payments.
- Expands use of funds to include innovative strategies to provide homeless housing support.
- Provides that families who receive Temporary Assistance for Needy Families receive priority for housing programs funded by document recording surcharge fees.
- Expands the Homeless Student Stability and Opportunity Gap Act.
- Provides that Essential Needs and Housing Support Program is an entitlement, benefit equal to Aged, Blind, or Disabled Assistance Program (ABD).
- Provides that ABD benefit is double the current benefit for the 17-19 biennium—\$394 per person.
- Provides that the State Board for Community and Technical Colleges is to do a five-year pilot for community colleges to plan and accommodate for the needs of homeless students.
- Provides local governments the authority to enact a one-tenth of 1 percent tax for homeless needing chemical dependency or mental health treatment.

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

- Provides that Behavioral Health Organizations (BHOs) are to develop innovative strategies to work with the homeless including treatment on demand and ensuring no person is discharged from a BHO into homelessness.

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## SENATE COMMITTEE ON HUMAN SERVICES, MENTAL HEALTH & HOUSING

**Staff:** Alison Mendiola (786-7444)

**Background:** Homeless Housing and Assistance Act (Housing Act). The Legislature enacted the Housing Act in 2005, with the goal of reducing homelessness by 50 percent statewide and in each county by 2015. The Department of Commerce (Commerce), with the support of the Interagency Council on Homelessness and the Affordable Housing Advisory Board, is responsible for preparing and publishing a ten-year homeless housing strategic plan with statewide goals and performance measures, and providing biennial progress reports to the Governor and the Legislature. Local areas must also have ten-year plans that are substantially consistent with the state plan.

A \$40 surcharge is imposed on recording of certain documents with county auditors for local homeless housing and assistance. The surcharge specifically does not apply to assignments or substitutions of previously recorded deeds or trusts, or any documents exempt from a recording fee by state law.

Of the \$40 recording surcharge, the county auditor retains 2 percent; 60 percent goes to the county for homeless housing and assistance, of which 6 percent may be used by the county for administrative costs; and the remaining funds are deposited into the Home Security Fund account for homeless housing programs administered by Commerce. Commerce may use 12.5 percent of the funds for administrative fees; the remaining 87.5 percent is used to provide housing and shelter for homeless people and fund the homeless housing grant program.

The document recording surcharge is currently \$40 per recorded document, but is scheduled to revert back to \$10 per recorded document on July 1, 2019.

Of the recording surcharge funds used by Commerce, at least 45 percent must be used for private rental housing payments. Private rental housing is defined to mean housing owned by a private landlord and does not include housing owned by a nonprofit housing entity or government entity. This requires Commerce to make reasonable efforts to ensure local providers conduct outreach to private rental housing landlords each calendar quarter regarding availability of funds.

Temporary Assistance for Needy Families (TANF). TANF is a federal block grant established under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The TANF program replaced the Aid to Families with Dependent Children (AFDC) program, which had provided grants to poor families with children since the 1930s.

States use TANF block grants to operate their own programs. State programs differ, but operate in accordance with the following purposes set forth in federal law:

- to provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- to end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- to prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- to encourage the formation and maintenance of two-parent families.

In addition to money received from the federal government, states are required to spend their own funds on programs for needy families or face financial penalties; this is referred to as the Maintenance of Effort requirement.

Washington's TANF program is called WorkFirst, and is administered by the Department of Social and Health Services (DSHS). Under WorkFirst, eligible adults receive various forms of assistance while they participate in activities that will help them connect to the workforce.

Homeless Student Stability and Opportunity Gap Act (Student Act). In 2016, the Legislature created the Student Act. The Office of the Superintendent of Public Instruction's (OSPI) required data collection and reporting on homeless students is expanded to include unaccompanied homeless students. An unaccompanied homeless student is defined as a student who is not in the physical custody of a parent or guardian and is homeless.

OSPI must create a competitive grant process to evaluate and award state-funded grants to not more than 15 school districts to pilot increased identification of homeless students and the capacity of the districts to provide support. District support may include education liaisons. The process must complement any similar federal grant program to minimize overhead and administrative costs. Homeless students are defined as students without a fixed, regular, and adequate nighttime residence as set forth in the McKinney-Vento Act. The criteria to award the state grants must be based on the demonstrated need of the school districts, the ability of the district to meet the need, and the quality of the applications submitted. School districts may not use the state grants to supplant existing federal, state, or local resources for homeless student supports. School districts may access both federal and state funding to identify and support homeless students.

Commerce, in consultation with OSPI, must develop and administer a competitive grant program. The stated goal of the grant program is to provide educational stability for homeless students and their families or unaccompanied homeless students by promoting housing stability in the homeless student's school district. The grants are awarded to school districts that partner with an eligible organization—a local government, local housing authority, regional support network, nonprofit community or neighborhood-based organization, federally recognized Indian tribe, or regional or statewide nonprofit housing assistance organization. Preference must be given to school districts with a demonstrated commitment of partnership and history with eligible organizations. The grant funds may be used for, but not limited to, rent assistance, transportation assistance, emergency shelter, and housing stability case management. Beneficiaries of the grants must be from very low-

income households, which are defined as a family or unrelated persons living together whose adjusted income is less than 50 percent of the median family income for the county where the grant recipient is located. Grantee school districts in partnership with eligible organizations must collect specified data and report it to Commerce and OSPI. Data on all program participants must be entered into the Washington Homeless Client Management Information System.

Essential Needs and Housing Support Program (HEN). The HEN was created by the Legislature in 2011. Individuals eligible for the Medical Care Services Program, except for recipients under the Alcoholism and Drug Addiction Treatment Support Act as well as the Aged, Blind, or Disabled Assistance Program (ABD), are eligible for a referral to HEN. No cash grant is awarded under HEN. After 12 months, the DSHS must review cases of clients in the Medical Care Services Program who have been referred to HEN. Thereafter, the DSHS must review those cases annually. Commerce is required to distribute funds for HEN. The amount of the distribution is designated in the biennial state omnibus operating appropriations act.

Aged, Blind, or Disabled Assistance Program. The ABD was established by the Legislature in 2011. Under this program, the DSHS provides financial assistance to persons who meet the income, resource, and incapacity standards, which include having a medical or mental health impairment that is likely to meet federal Supplemental Security Income (SSI) disability standards. The federal SSI standards include the requirement that an individual has a disability that is likely to continue for a minimum of 12 months and that prevents the individual from performing work that the individual was able to perform within the past 15 years. A person is not eligible for ABD if there has been a final determination that the person is not eligible for federal SSI.

State Board for Community and Technical Colleges (SBCTC). There are 34 community and technical colleges in the state, including 29 community colleges and 5 technical colleges. The SBCTC provides financial, academic, and information technology coordination for all 34 colleges.

Sales and Use Tax for Chemical Dependency or Mental Health Treatment or Therapeutic Courts. In 2005, the Legislature established a local option tax authorizing a county legislative authority to impose a sales and use tax of one-tenth of 1 percent to support local behavioral health treatment and therapeutic courts. A city in a county with population greater than 800,000 may impose the tax if the county does not. Monies collected under this provision must be used solely for new or expanded services, including the operation or delivery of chemical dependency or mental health treatment programs or the operation or delivery of therapeutic court programs or services. As of July 2016, 22 counties and the city of Tacoma have imposed this local option tax.

Treatment on Demand. The term treatment on demand refers to a substance use disorder treatment policy that supports immediate entry into substance use disorder treatment for all requesting it. Timely access to treatment is designed to reduce barriers to enrollment in treatment, and to provide an alternative to policies that emphasize punishment or prohibition.

**Summary of Bill:** Homeless Housing and Assistance Act. The Housing Act document recording surcharge fee is increased from \$40 to \$90 and is made permanent. The 45 percent set aside for private rental housing payments is eliminated. The use of document recording surcharge funds is expanded to include innovative strategies to provide homeless housing support through:

- nonacademic support for homeless students as provided for in RCW 28A.165.035;
- providing additional subsidy for the Homeless Child Care Program as provided for in rule, including funding for outreach workers to enroll eligible families in the program;
- funding mobile health and hygiene programs;
- funding programs to ensure that no person exits a government funded or supported system of care into homelessness;
- vehicle repair support; and
- reducing barriers that prevent entry into shelters such as people who have pets or supporting an adult couple without children.

Families who receive TANF receive priority for housing programs funded by document recording surcharge fees.

This act expands the Homeless Student Stability and Opportunity Gap Act; the pilot is not limited to 15 school districts—all school districts may apply. A student receiving assistance under this Housing Act is eligible for the Readiness to Learn program.

Public Assistance. The Essential Needs and Housing Support Program is an entitlement, with the benefit equal to ABD. For the 2017-2019 biennium, the ABD benefit is double the current benefit of \$197 per person.

State Board for Community and Technical Colleges. The SBCTC shall establish a pilot program to encourage college districts to plan for the unique needs and challenges of students experiencing homelessness. Such accommodations may include, but are not limited to: laundry facilities, storage, showers, encouraging culinary programs to provide free or reduced priced meals, and providing short-term housing or housing assistance; and plans to develop surplus property for affordable housing to accommodate the needs of students experiencing homelessness. The pilot program must include two college districts, one on each side of the Cascade mountain range. The pilot program expires July 1, 2022. The college districts that participate in the pilot program shall provide a joint report to the Legislature by December 1, 2022, that includes at the least the following information: (1) the number of students experiencing homelessness during the pilot program, (2) the number of students assisted, (3) strategies for accommodating students experiencing homelessness, and (4) legislative recommendations.

Chemical Dependency or Mental Health Treatment for Homeless Individuals. Local governments have the authority to enact a one-tenth of 1 percent tax for homeless individuals needing chemical dependency or mental health treatment. Monies collected under this tax must be used for the purpose of providing for the operation or delivery of chemical dependency or mental health treatment programs and services and for the operation or delivery of therapeutic court programs and services for individuals experiencing homelessness. Programs and services includes, but is not limited to: treatment services, case

management, transportation, and housing that are a component of a coordinated chemical dependency or mental health treatment program or service for individuals experiencing homelessness. Monies collected may be used to support the cost of the judicial officer and support staff of a therapeutic court.

Treatment on Demand. BHOs are to develop innovative strategies to serve the homeless including, but not limited to: treatment on demand, engaging in outreach programs to encourage homeless people to receive services, and developing a process to link a homeless person with housing, ensuring that no person receiving services through a behavioral health organization is discharged into homelessness. Treatment on demand means immediate entry into mental health or drug treatment, or both, for all homeless individuals who request such services.

**Appropriation:** None.

**Fiscal Note:** Requested on March 20, 2017.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.