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HOUSE BILL 1570

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State of Washington

65th Legislature

2017 Regular Session

By Representatives Macri, Robinson, McBride, Kagi, Sawyer, Tharinger, Doglio, Pollet, Ortiz-Self, Chapman, Cody, Jenkins, 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 01/23/17. Referred to Committee on Community Development, Housing & Tribal Affairs.

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.

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

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

20 **Sec. 2.** RCW 36.22.179 and 2014 c 200 s 1 are each amended to  
21 read as follows:

22 (1) In addition to the surcharge authorized in RCW 36.22.178, and  
23 except as provided in subsection (2) of this section, an additional  
24 surcharge of ~~((ten))~~ ninety dollars shall be charged by the county  
25 auditor for each document recorded, which will be in addition to any  
26 other charge allowed by law. ~~((From September 1, 2012, through June  
27 30, 2019, the surcharge shall be forty dollars.))~~ The funds collected  
28 pursuant to this section are to be distributed and used as follows:

29 (a) The auditor shall retain two percent for collection of the  
30 fee, and of the remainder shall remit sixty percent to the county to  
31 be deposited into a fund that must be used by the county and its  
32 cities and towns to accomplish the purposes of chapter 484, Laws of  
33 2005, six percent of which may be used by the county for  
34 administrative costs related to its homeless housing plan, and the  
35 remainder for programs which directly accomplish the goals of the  
36 county's local homeless housing plan, except that for each city in  
37 the county which elects as authorized in RCW 43.185C.080 to operate  
38 its own local homeless housing program, a percentage of the surcharge  
39 assessed under this section equal to the percentage of the city's

1 local portion of the real estate excise tax collected by the county  
2 shall be transmitted at least quarterly to the city treasurer,  
3 without any deduction for county administrative costs, for use by the  
4 city for program costs which directly contribute to the goals of the  
5 city's local homeless housing plan; of the funds received by the  
6 city, it may use six percent for administrative costs for its  
7 homeless housing program.

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

11 (i) The department may use twelve and one-half percent of this  
12 amount for administration of the program established in RCW  
13 43.185C.020, including the costs of creating the statewide homeless  
14 housing strategic plan, measuring performance, providing technical  
15 assistance to local governments, and managing the homeless housing  
16 grant program. (~~(0f)~~)

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

19 (A) At least forty-five percent of the initial forty dollars  
20 collected, after reduction by the amounts retained in (a) and (b)(i)  
21 of this subsection, must be set aside for the use of private rental  
22 housing payments, landlord education, and landlord liaison programs;  
23 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) The surcharge imposed in this section does not apply to: (a)  
33 Assignments or substitutions of previously recorded deeds of  
34 trust(~~(-)~~); (b) documents recording a birth, marriage, divorce, or  
35 death(~~(-)~~); (c) any recorded documents otherwise exempted from a  
36 recording fee or additional surcharges under state law(~~(-)~~); (d)  
37 marriage licenses issued by the county auditor(~~(-)~~); or (e) documents  
38 recording a state, county, or city lien or satisfaction of lien.

39 (3) The definitions in this subsection apply throughout this  
40 section unless the context clearly requires otherwise.

1        (a) "Landlord liaison program" means a program that provides  
2 financial and other support to landlords who are willing to rent to  
3 tenants using rental assistance to mitigate damages that are not  
4 attributable to normal wear and tear that may be caused by tenants.

5        (b) "Private rental housing payments" means housing owned by a  
6 private landlord and includes housing owned by a nonprofit housing  
7 entity.

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

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

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

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

1 parents or guardians of child victims of domestic violence, dating  
2 violence, sexual assault, or stalking. Summary data for the  
3 provider's facility or program may be substituted.

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

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

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

18 (7)(a) Subject to the availability of amounts appropriated for  
19 this specific purpose, the department, in collaboration with the  
20 Washington state institute for public policy, must conduct a  
21 statewide homeless study every ten years to better understand the  
22 causes and characteristics of the homeless in Washington state and  
23 help decision makers promote efforts toward housing stability. The  
24 purpose of the study is to: Supplement the current point-in-time  
25 census and homeless client management information system by  
26 conducting face-to-face interviews with people who are homeless or  
27 have recently received homelessness assistance to gather an in-depth  
28 assessment of why the individual is among the chronically homeless,  
29 unaccompanied homeless youth, and unsheltered populations; review the  
30 efficacy of current programs and services; and provide  
31 recommendations on the type and timing of health and human service  
32 interventions needed for these populations to gain housing stability.  
33 The department and the Washington state institute for public policy  
34 must consider, when completing the statewide homeless study, the  
35 following socioeconomic factors relating to:

36 (i) Local and statewide housing markets, including rent costs,  
37 vacancy rates, and availability of affordable housing relative to  
38 income;

1 (ii) Income, including unemployment rates, income levels and  
2 disparities, and wage workers' ability to afford rent at fair market  
3 rates; and

4 (iii) Barriers to accessing the private rental market, including  
5 the cost of screening fees, rental applications, income requirements,  
6 and discrimination based on factors such as income, criminal record,  
7 race, disability, gender, and sexual orientation.

8 (b) The department and the Washington state institute for public  
9 policy must develop a study proposal defining the study scope,  
10 methodology, and costs for the legislature to review by January 1,  
11 2019.

12 **Sec. 4.** RCW 43.185C.040 and 2015 c 69 s 25 are each amended to  
13 read as follows:

14 ~~(1) ((Six months after the first Washington homeless census,))~~  
15 The department shall, in consultation with the interagency council on  
16 homelessness ((and)), the affordable housing advisory board, and the  
17 state advisory council on homelessness, prepare and publish a ((ten))  
18 five-year homeless housing strategic plan which ((shall)) must  
19 outline statewide goals and performance measures ((and shall be  
20 coordinated with the plan for homeless families with children  
21 required under RCW 43.63A.650)). The state homeless housing strategic  
22 plan must be submitted to the legislature by July 1, 2018, and every  
23 five years thereafter. The plan must include:

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

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

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

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

34 (e) An analysis of either current drivers of homelessness or  
35 improvements to housing security, or both, such as increases and  
36 reductions to employment opportunities, housing scarcity and  
37 affordability, health and behavioral health services, chemical  
38 dependency treatment, and incarceration rates; and

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

5 (2) The department must coordinate its efforts on the state  
6 homeless housing strategic plan with the office of homeless youth  
7 prevention and protection programs advisory committee under RCW  
8 43.330.705. The state homeless housing strategic plan must not  
9 conflict with the strategies, planning, data collection, and  
10 performance and outcome measures developed under RCW 43.330.705 and  
11 43.330.706 to reduce the state's homeless youth population.

12 (3) To guide local governments in preparation of ((their first))  
13 local homeless housing plans due December ((31, 2005)) 1, 2018, the  
14 department shall issue by ((October 15, 2005, temporary)) December 1,  
15 2017, guidelines consistent with this chapter and including the best  
16 available data on each community's homeless population. ((Local  
17 governments' ten-year homeless housing plans shall not be  
18 substantially inconsistent with the goals and program recommendations  
19 of the temporary guidelines and, when amended after 2005, the state  
20 strategic plan.

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

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

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

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

34 ((3)) (4) The department shall develop a consistent statewide  
35 data gathering instrument to monitor the performance of cities and  
36 counties receiving grants in order to determine compliance with the  
37 terms and conditions set forth in the grant application or required  
38 by the department.

39 ((The department shall, in consultation with the interagency  
40 council on homelessness and the affordable housing advisory board,

1 ~~report biennially to the governor and the appropriate committees of~~  
2 ~~the legislature an assessment of the state's performance in~~  
3 ~~furthering the goals of the state ten-year homeless housing strategic~~  
4 ~~plan and the performance of each participating local government in~~  
5 ~~creating and executing a local homeless housing plan which meets the~~  
6 ~~requirements of this chapter. The annual report may include~~  
7 ~~performance measures such as:~~

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

10 ~~(b) The reduction in the number of unaccompanied homeless youth.~~  
11 ~~"Unaccompanied homeless youth" has the same meaning as in RCW~~  
12 ~~43.330.702;~~

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

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

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

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

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

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

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

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

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

31 ~~(4) Based on the performance of local homeless housing programs~~  
32 ~~in meeting their interim goals, on general population changes and on~~  
33 ~~changes in the homeless population recorded in the annual census, the~~  
34 ~~department may revise the performance measures and goals of the state~~  
35 ~~homeless housing strategic plan, set goals for years following the~~  
36 ~~initial ten-year period, and recommend changes in local governments'~~  
37 ~~plans.))~~

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

1        (1) The home security fund account is created in the ((state  
2 treasury, subject to appropriation. The state's portion of the  
3 surcharge established in RCW 36.22.179 and 36.22.1791 must be  
4 deposited in the account. Expenditures from the account may be used  
5 only for homeless housing programs as described in this chapter. If  
6 an independent audit finds that the department has failed to set  
7 aside at least forty five percent of funds received under RCW  
8 36.22.179(1)(b) after June 12, 2014, for the use of private rental  
9 housing payments, the department must submit a corrective action plan  
10 to the office of financial management within thirty days of receipt  
11 of the independent audit. The office of financial management must  
12 monitor the department's corrective action plan and expenditures from  
13 this account for the remainder of the fiscal year. If the department  
14 is not in compliance with RCW 36.22.179(1)(b) in any month of the  
15 fiscal year following submission of the corrective action plan, the  
16 office of financial management must reduce the department's  
17 allotments from this account and hold in reserve status a portion of  
18 the department's appropriation equal to the expenditures made during  
19 the month not in compliance with RCW 36.22.179(1)(b).)) custody of  
20 the state treasurer. All receipts from the surcharge established in  
21 RCW 36.22.179 and 36.22.1791 must be deposited into the account.  
22 Expenditures from the account may be used only for homeless housing  
23 programs as described in this chapter. Only the director or the  
24 director's designee may authorize expenditures from the account. The  
25 account is subject to allotment procedures under chapter 43.88 RCW,  
26 but an appropriation is not required for expenditures.

27        (2) The department must distinguish allotments from the account  
28 made to carry out the activities in RCW 43.330.167, 43.330.700  
29 through 43.330.715, 43.330.911, 43.185C.010, 43.185C.250 through  
30 43.185C.320, and 36.22.179(1)(b).

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

33        Home security fund account funds ((appropriated)) alloted to  
34 carry out the activities of RCW 43.330.700 through 43.330.715,  
35 43.330.911, 43.185C.010, 43.185C.250 through 43.185C.320, and  
36 43.330.167 are not subject to the set aside under RCW  
37 36.22.179(1)(b).

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

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

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

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

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

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

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

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

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

32 (a) Any local government that has the authority to issue housing  
33 vouchers, directly or through a contractor, using document recording  
34 surcharge funds collected pursuant to RCW 36.22.178, 36.22.179, or  
35 36.22.1791 must:

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

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

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

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

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

1 management and the legislature on alternative means of distributing  
2 the funds to meet the requirements of RCW 36.22.179(1)(b).

3 (e) The office of financial management must contract with an  
4 independent auditor to conduct a performance audit of the programs  
5 funded by document recording surcharge funds collected pursuant to  
6 RCW 36.22.178, 36.22.179, and 36.22.1791. The audit must provide  
7 findings to determine if the funds are being used effectively,  
8 efficiently, and for their intended purpose. The audit must review  
9 the department's performance in meeting all statutory requirements  
10 related to document recording surcharge funds including, but not  
11 limited to, the data the department collects, the timeliness and  
12 quality of required reports, and whether the data and required  
13 reports provide adequate information and accountability for the use  
14 of the document recording surcharge funds. The audit must include  
15 recommendations for policy and operational improvements to the use of  
16 document recording surcharges by counties and the department. The  
17 performance audit must be submitted to the legislature by December 1,  
18 2016.

19 (2) For purposes of this section:

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

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

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

34 (d) "Landlord liaison program" means programs that provide  
35 financial and other support to landlords who are willing to rent to  
36 tenants using rental assistance to mitigate damages that are not  
37 attributable to normal wear and tear that may be caused by tenants.

38 (e) "Private rental housing" means housing owned by a private  
39 landlord and (~~does not~~) includes housing owned by a nonprofit  
40 housing entity (~~or government entity~~).

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

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

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