
SECOND SUBSTITUTE HOUSE BILL 1570

State of Washington

65th Legislature

2018 Regular Session

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

READ FIRST TIME 01/26/18.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 (~~(+ii)~~) (II) Fund the homeless housing grant program.

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

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

4 (3) A county issuing general obligation bonds pursuant to RCW
5 36.67.010, to carry out the purposes of subsection (1) of this
6 section, may provide that such bonds be made payable from any
7 surcharge provided for in subsection (2) of this section and may
8 pledge such surcharges to the repayment of the bonds.

9 (4) The surcharges imposed in this section ((does)) do not apply
10 to: (a) Assignments or substitutions of previously recorded deeds of
11 trust((τ)); (b) documents recording a birth, marriage, divorce, or
12 death((τ)); (c) any recorded documents otherwise exempted from a
13 recording fee or additional surcharges under state law((τ)); (d)
14 marriage licenses issued by the county auditor((τ)); or (e) documents
15 recording a state, county, or city lien or satisfaction of lien((τ or
16 (f) documents recording a water sewer district lien or satisfaction
17 of a lien for delinquent utility payments)).

18 (5) For purposes of this section, "private rental housing" means
19 housing owned by a private landlord and includes housing owned by a
20 nonprofit housing entity.

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

23 (1) The department shall annually conduct a Washington homeless
24 census or count consistent with the requirements of RCW 43.185C.180.
25 The census shall make every effort to count all homeless individuals
26 living outdoors, in shelters, and in transitional housing,
27 coordinated, when reasonably feasible, with already existing homeless
28 census projects including those funded in part by the United States
29 department of housing and urban development under the McKinney-Vento
30 homeless assistance program. The department shall determine, in
31 consultation with local governments, the data to be collected. Data
32 on subpopulations and other characteristics of the homeless must, at
33 a minimum, be consistent with the United States department of housing
34 and urban development's point-in-time requirements.

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

1 (3) The department and each local government are prohibited from
2 disclosing any personally identifying information about any homeless
3 individual when there is reason to believe or evidence indicating
4 that the homeless individual is an adult or minor victim of domestic
5 violence, dating violence, sexual assault, or stalking or is the
6 parent or guardian of a child victim of domestic violence, dating
7 violence, sexual assault, or stalking; or revealing other
8 confidential information regarding HIV/AIDS status, as found in RCW
9 70.02.220. The department and each local government shall not ask any
10 homeless housing provider to disclose personally identifying
11 information about any homeless individuals when the providers
12 implementing those programs have reason to believe or evidence
13 indicating that those clients are adult or minor victims of domestic
14 violence, dating violence, sexual assault, or stalking or are the
15 parents or guardians of child victims of domestic violence, dating
16 violence, sexual assault, or stalking. Summary data for the
17 provider's facility or program may be substituted.

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

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

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

32 (7)(a) Subject to the availability of amounts appropriated for
33 this specific purpose, the department, in collaboration with the
34 Washington state institute for public policy, must conduct a
35 statewide homeless study every ten years to better understand the
36 causes and characteristics of the homeless in Washington state and
37 help decision makers promote efforts toward housing stability. The
38 purpose of the study is to: Supplement the current point-in-time
39 census and homeless client management information system by
40 conducting face-to-face interviews with people who are homeless or

1 have recently received homelessness assistance to gather an in-depth
2 assessment of why the individual is among the chronically homeless,
3 unaccompanied homeless youth, and unsheltered populations; review the
4 efficacy of current programs and services; and provide
5 recommendations on the type and timing of health and human service
6 interventions needed for these populations to gain housing stability.
7 The department and the Washington state institute for public policy
8 must consider, when completing the statewide homeless study, the
9 following socioeconomic factors relating to:

10 (i) Local and statewide housing markets, including rent costs,
11 vacancy rates, and availability of affordable housing relative to
12 income;

13 (ii) Income, including unemployment rates, income levels and
14 disparities, and wage workers' ability to afford rent at fair market
15 rates; and

16 (iii) Barriers to accessing the private rental market, including
17 the cost of screening fees and rental applications; screening factors
18 such as source of income, minimum income requirements, and criminal
19 records; and illegal discrimination as established in RCW 49.60.030.

20 (b) The department and the Washington state institute for public
21 policy must develop a study proposal defining the study scope,
22 methodology, and costs for the legislature to review by January 1,
23 2020.

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

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

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

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

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

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

9 (e) An analysis of either current drivers of homelessness or
10 improvements to housing security, or both, such as increases and
11 reductions to employment opportunities, housing scarcity and
12 affordability, health and behavioral health services, chemical
13 dependency treatment, and incarceration rates; and

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

18 (2) The department must coordinate its efforts on the state
19 homeless housing strategic plan with the office of homeless youth
20 prevention and protection programs advisory committee under RCW
21 43.330.705. The state homeless housing strategic plan must not
22 conflict with the strategies, planning, data collection, and
23 performance and outcome measures developed under RCW 43.330.705 and
24 43.330.706 to reduce the state's homeless youth population.

25 (3) To guide local governments in preparation of ((their first))
26 local homeless housing plans due December ((31, 2005)) 1, 2019, the
27 department shall issue by ((October 15, 2005, temporary)) December 1,
28 2018, guidelines consistent with this chapter and including the best
29 available data on each community's homeless population. ((Local
30 governments' ten-year homeless housing plans shall not be
31 substantially inconsistent with the goals and program recommendations
32 of the temporary guidelines and, when amended after 2005, the state
33 strategic plan.

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

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

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

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

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

17 ~~(b) The department must implement at least three performance~~
18 ~~metrics, in addition to the point-in-time measurement, that measure~~
19 ~~the impact of surcharge funding on reducing homelessness by July 1,~~
20 ~~2018.~~

21 ~~(c) The joint legislative audit and review committee must review~~
22 ~~how the surcharge fees are expended to address homelessness,~~
23 ~~including a review of the related program performance measures and~~
24 ~~targets. The joint legislative audit and review committee must report~~
25 ~~its review findings by December 1, 2022, and update the review every~~
26 ~~five years thereafter.))~~

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

32 ((The department shall, in consultation with the interagency
33 council on homelessness and the affordable housing advisory board,
34 report biennially to the governor and the appropriate committees of
35 the legislature an assessment of the state's performance in
36 furthering the goals of the state ten-year homeless housing strategic
37 plan and the performance of each participating local government in
38 creating and executing a local homeless housing plan which meets the
39 requirements of this chapter. To increase the effectiveness of the
40 report, the department must develop a process to ensure consistent

1 presentation, analysis, and explanation in the report, including
2 year-to-year comparisons, highlights of program successes and
3 challenges, and information that supports recommended strategy or
4 operational changes. The annual report may include performance
5 measures such as:

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

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

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

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

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

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

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

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

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

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

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

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

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

38 (1) The home security fund account is created in the ((state
39 treasury, subject to appropriation. The state's portion of the

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

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

29 (3) The office of financial management must secure an independent
30 expenditure review of state funds received under RCW 36.22.179(1)(b)
31 on a biennial basis. The purpose of the review is to assess the
32 consistency in achieving policy priorities within the private market
33 rental housing segment for housing persons experiencing homelessness.
34 The independent reviewer must notify the department and the office of
35 financial management of its findings. The first biennial expenditure
36 review, for the 2017-2019 fiscal biennium, is due February 1, 2020.
37 Independent reviews conducted thereafter are due February 1st of each
38 even-numbered year.

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

3 Home security fund account funds (~~appropriated~~) allotted to
4 carry out the activities of RCW 43.330.700 through 43.330.715,
5 43.330.911, 43.185C.010, 43.185C.250 through 43.185C.320, and
6 43.330.167 are not subject to the set aside under RCW
7 36.22.179(1)(b).

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

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

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

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

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

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

- 5 (a) Emergency shelters;
- 6 (b) Short-term housing needs;
- 7 (c) Temporary encampments;
- 8 (d) Supportive housing for chronically homeless persons; and
- 9 (e) Long-term housing.

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

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

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

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

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

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

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

- 32 (i) Emergency shelter;
- 33 (ii) Homelessness prevention and rapid rehousing;
- 34 (iii) Permanent housing;
- 35 (iv) Permanent supportive housing;
- 36 (v) Transitional housing;
- 37 (vi) Services only; and
- 38 (vii) Any other activity in which more than five hundred thousand
39 dollars of category funds were expended;

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

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

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

13 (g) A report on the expenditures, performance, and outcomes of
14 the independent youth housing program meeting the requirements of RCW
15 43.63A.311.

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

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

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

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

1 (a) Any local government that has the authority to issue housing
2 vouchers, directly or through a contractor, using document recording
3 surcharge funds collected pursuant to RCW 36.22.178, 36.22.179, or
4 36.22.1791 must:

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

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

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

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

13 (E) Communicate and interact with landlord and tenant
14 associations located within its jurisdiction to facilitate
15 development, maintenance, and distribution of the list to private
16 rental housing landlords. The department must make reasonable efforts
17 to ensure that local providers conduct outreach to private rental
18 housing landlords each calendar quarter regarding opportunities to
19 provide rental housing to the homeless and the availability of funds;

20 (ii) Using cost-effective methods of communication, convene, on a
21 semiannual or more frequent basis, landlords represented on the
22 interested landlord list and agencies providing services to
23 individuals and households receiving housing vouchers to identify
24 successes, barriers, and process improvements. The local government
25 is not required to reimburse any participants for expenses related to
26 attendance;

27 (iii) Produce data, limited to document recording fee uses and
28 expenditures, on a (~~calendar~~) fiscal year basis in consultation
29 with landlords represented on the interested landlord list and
30 agencies providing services to individuals and households receiving
31 housing vouchers, that include the following: Total amount expended
32 from document recording fees; amount expended on, number of
33 households that received, and number of housing vouchers issued in
34 each of the private, public, and nonprofit markets; amount expended
35 on, number of households that received, and number of housing
36 placement payments provided in each of the private, public, and
37 nonprofit markets; amount expended on and number of eviction
38 prevention services provided in the private market; amount expended
39 on and number of other tenant-based rent assistance services provided
40 in the private market; and amount expended on and number of services

1 provided to unaccompanied homeless youth. If these data elements are
2 not readily available, the reporting government may request the
3 department to use the sampling methodology established pursuant to
4 (c)(iii) of this subsection to obtain the data; and

5 (iv) Annually submit the (~~calendar~~) fiscal year data to the
6 department (~~by October 1st, with preliminary data submitted by~~
7 ~~October 1, 2012, and full calendar year data submitted beginning~~
8 ~~October 1, 2013~~)).

9 (b) Any local government receiving more than three million five
10 hundred thousand dollars during the previous (~~calendar~~) fiscal year
11 from document recording surcharge funds collected pursuant to RCW
12 36.22.178, 36.22.179, and 36.22.1791, must apply to the Washington
13 state quality award program, or similar Baldrige assessment
14 organization, for an independent assessment of its quality
15 management, accountability, and performance system. The first
16 assessment may be a lite assessment. After submitting an application,
17 a local government is required to reapply at least every two years.

18 (c) The department must:

19 (i) Require contractors that provide housing vouchers to
20 distribute the interested landlord list created by the appropriate
21 local government to individuals and households receiving the housing
22 vouchers;

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

30 (iii) Develop a sampling methodology to obtain data required
31 under this section when a local government or contractor does not
32 have such information readily available. The process for developing
33 the sampling methodology must include providing notification to and
34 the opportunity for public comment by local governments issuing
35 housing vouchers, landlord association representatives, and agencies
36 providing services to individuals and households receiving housing
37 vouchers;

38 (iv) Develop a report, limited to document recording fee uses and
39 expenditures, on a (~~calendar~~) fiscal year basis that may include
40 consultation with local governments, landlord association

1 representatives, and agencies providing services to individuals and
2 households receiving housing vouchers, that includes the following:
3 Total amount expended from document recording fees; amount expended
4 on, number of households that received, and number of housing
5 vouchers issued in each of the private, public, and nonprofit
6 markets; amount expended on, number of households that received, and
7 number of housing placement payments provided in each of the private,
8 public, and nonprofit markets; amount expended on and number of
9 eviction prevention services provided in the private market; the
10 total amount of funds set aside for private rental housing payments
11 as required in RCW 36.22.179(1)(b); and amount expended on and number
12 of other tenant-based rent assistance services provided in the
13 private market. The information in the report must include data
14 submitted by local governments and data on all additional document
15 recording fee activities for which the department contracted that
16 were not otherwise reported. The data, samples, and sampling
17 methodology used to develop the report must be made available upon
18 request and for the audits required in this section;

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

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

27 (d) The office of financial management must secure an independent
28 audit of the department's data and expenditures of state funds
29 received under RCW 36.22.179(1)(b) on an annual basis. The
30 independent audit must review a random sample of local governments,
31 contractors, and housing providers that is geographically and
32 demographically diverse. The independent auditor must meet with the
33 department and a landlord representative to review the preliminary
34 audit and provide the department and the landlord representative with
35 the opportunity to include written comments regarding the findings
36 that must be included with the audit. The first audit of the
37 department's data and expenditures will be for calendar year 2014 and
38 is due July 1, 2015. Each audit thereafter will be due July 1st
39 following the department's submission of the report to the
40 legislature. If the independent audit finds that the department has

1 failed to set aside at least forty-five percent of the funds received
2 under RCW 36.22.179(1)(b) after June 12, 2014, for private rental
3 housing payments, the independent auditor must notify the department
4 and the office of financial management of its finding. In addition,
5 the independent auditor must make recommendations to the office of
6 financial management and the legislature on alternative means of
7 distributing the funds to meet the requirements of RCW
8 36.22.179(1)(b).

9 (e) The office of financial management must contract with an
10 independent auditor to conduct a performance audit of the programs
11 funded by document recording surcharge funds collected pursuant to
12 RCW 36.22.178, 36.22.179, and 36.22.1791. The audit must provide
13 findings to determine if the funds are being used effectively,
14 efficiently, and for their intended purpose. The audit must review
15 the department's performance in meeting all statutory requirements
16 related to document recording surcharge funds including, but not
17 limited to, the data the department collects, the timeliness and
18 quality of required reports, and whether the data and required
19 reports provide adequate information and accountability for the use
20 of the document recording surcharge funds. The audit must include
21 recommendations for policy and operational improvements to the use of
22 document recording surcharges by counties and the department. The
23 performance audit must be submitted to the legislature by December 1,
24 2016.

25 (2) For purposes of this section:

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

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

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

1 (d) "Private rental housing" means housing owned by a private
2 landlord and (~~does not~~) includes housing owned by a nonprofit
3 housing entity (~~or government entity~~).

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

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

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