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ENGROSSED SUBSTITUTE HOUSE BILL 1570

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State of Washington

65th Legislature

2017 Regular Session

By House Community Development, Housing & Tribal Affairs (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 02/17/17.

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 2014 c 200 s 1 are each amended to  
22 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, 2019, 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  
36 administrative costs related to its homeless housing plan, and the  
37 remainder for programs which directly accomplish the goals of the  
38 county's local homeless housing plan, except that for each city in  
39 the county which elects as authorized in RCW 43.185C.080 to operate

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

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

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

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

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

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

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

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

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

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

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

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

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

37 (3) The department and each local government are prohibited from  
38 disclosing any personally identifying information about any homeless  
39 individual when there is reason to believe or evidence indicating

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

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

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

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

29 (7)(a) Subject to the availability of amounts appropriated for  
30 this specific purpose, the department, in collaboration with the  
31 Washington state institute for public policy, must conduct a  
32 statewide homeless study every ten years to better understand the  
33 causes and characteristics of the homeless in Washington state and  
34 help decision makers promote efforts toward housing stability. The  
35 purpose of the study is to: Supplement the current point-in-time  
36 census and homeless client management information system by  
37 conducting face-to-face interviews with people who are homeless or  
38 have recently received homelessness assistance to gather an in-depth  
39 assessment of why the individual is among the chronically homeless,  
40 unaccompanied homeless youth, and unsheltered populations; review the

1 efficacy of current programs and services; and provide  
2 recommendations on the type and timing of health and human service  
3 interventions needed for these populations to gain housing stability.  
4 The department and the Washington state institute for public policy  
5 must consider, when completing the statewide homeless study, the  
6 following socioeconomic factors relating to:

7 (i) Local and statewide housing markets, including rent costs,  
8 vacancy rates, and availability of affordable housing relative to  
9 income;

10 (ii) Income, including unemployment rates, income levels and  
11 disparities, and wage workers' ability to afford rent at fair market  
12 rates; and

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

17 (b) The department and the Washington state institute for public  
18 policy must develop a study proposal defining the study scope,  
19 methodology, and costs for the legislature to review by January 1,  
20 2019.

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

23 (1) (~~Six months after the first Washington homeless census,~~)  
24 The department shall, in consultation with the interagency council on  
25 homelessness (~~and~~), the affordable housing advisory board, and the  
26 state advisory council on homelessness, prepare and publish a (~~ten~~)  
27 five-year homeless housing strategic plan which (~~shall~~) must  
28 outline statewide goals and performance measures (~~and shall be~~  
29 coordinated with the plan for homeless families with children  
30 required under RCW 43.63A.650)). The state homeless housing strategic  
31 plan must be submitted to the legislature by July 1, 2018, and every  
32 five years thereafter. The plan must include:

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

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

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

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

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

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

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

22 (3) To guide local governments in preparation of ((their first))  
23 local homeless housing plans due December ((31, 2005)) 1, 2018, the  
24 department shall issue by ((October 15, 2005, temporary)) December 1,  
25 2017, guidelines consistent with this chapter and including the best  
26 available data on each community's homeless population. ((Local  
27 governments' ten-year homeless housing plans shall not be  
28 substantially inconsistent with the goals and program recommendations  
29 of the temporary guidelines and, when amended after 2005, the state  
30 strategic plan.

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

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

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

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

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

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

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

22 ~~(b) The reduction in the number of unaccompanied homeless youth.~~  
23 ~~"Unaccompanied homeless youth" has the same meaning as in RCW~~  
24 ~~43.330.702;~~

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

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

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

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

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

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

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

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



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

3       ~~(4) Based on the performance of local homeless housing programs~~  
4 ~~in meeting their interim goals, on general population changes and on~~  
5 ~~changes in the homeless population recorded in the annual census, the~~  
6 ~~department may revise the performance measures and goals of the state~~  
7 ~~homeless housing strategic plan, set goals for years following the~~  
8 ~~initial ten-year period, and recommend changes in local governments'~~  
9 ~~plans.)~~)

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

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

38       ~~(2) The department must distinguish allotments from the account~~  
39 ~~made to carry out the activities in RCW 43.330.167, 43.330.700~~

1 through 43.330.715, 43.330.911, 43.185C.010, 43.185C.250 through  
2 43.185C.320, and 36.22.179(1)(b).

3 (3) The office of financial management must secure an independent  
4 expenditure review of state funds received under RCW 36.22.179(1)(b)  
5 on a biennial basis. The purpose of the review is to assess the  
6 consistency in achieving policy priorities within the private market  
7 rental housing segment for housing persons experiencing homelessness.  
8 The independent reviewer must notify the department and the office of  
9 financial management of its findings. The first biennial expenditure  
10 review, for the 2017-2019 fiscal biennium, is due February 1, 2020.  
11 Independent reviews conducted thereafter are due February 1st of each  
12 even-numbered year.

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

15 Home security fund account funds (~~(appropriated)~~) allotted to  
16 carry out the activities of RCW 43.330.700 through 43.330.715,  
17 43.330.911, 43.185C.010, 43.185C.250 through 43.185C.320, and  
18 43.330.167 are not subject to the set aside under RCW  
19 36.22.179(1)(b).

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

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

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

34 In lieu of creating a new task force, a local government may  
35 designate an existing governmental or nonprofit body which  
36 substantially conforms to this section and which includes at least  
37 one homeless or formerly homeless individual to serve as its homeless  
38 representative. As an alternative to a separate plan, two or more

1 local governments may work in concert to develop and execute a joint  
2 homeless housing plan, or to contract with another entity to do so  
3 according to the requirements of this chapter. While a local  
4 government has the authority to subcontract with other entities, the  
5 local government continues to maintain the ultimate responsibility  
6 for the homeless housing program within its borders.

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

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

- 18 (a) Emergency shelters;
- 19 (b) Short-term housing needs;
- 20 (c) Temporary encampments;
- 21 (d) Supportive housing for chronically homeless persons; and
- 22 (e) Long-term housing.

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

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

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

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

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

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

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

6 (i) Emergency shelter;

7 (ii) Homelessness prevention and rapid rehousing;

8 (iii) Permanent housing;

9 (iv) Permanent supportive housing;

10 (v) Transitional housing;

11 (vi) Services only; and

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

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

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

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

26 (g) A report on the expenditures, performance, and outcomes of  
27 the independent youth housing program meeting the requirements of RCW  
28 43.63A.311.

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

32 (3) Any local government receiving state funds for homelessness  
33 assistance or state or local homelessness document recording fees  
34 under RCW 36.22.178, 36.22.179, or 36.22.1791 must provide an annual  
35 report on the current condition of homelessness in its jurisdiction,  
36 its performance in meeting the goals in its local homeless housing  
37 plan, and any significant changes made to the plan. The annual report  
38 must be posted on the department's web site. Along with each local  
39 government annual report, the department must produce and post  
40 information on the local government's homelessness spending from all

1 sources by project during the prior state fiscal year in a format  
2 similar to the department's report under subsection (1)(c) of this  
3 section. If a local government fails to report or provides an  
4 inadequate or incomplete report, the department must take corrective  
5 action, which may include withholding state funding for homelessness  
6 assistance to the local government to enable the department to use  
7 such funds to contract with other public or nonprofit entities to  
8 provide homelessness assistance within the jurisdiction.

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

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

13       (a) Any local government that has the authority to issue housing  
14 vouchers, directly or through a contractor, using document recording  
15 surcharge funds collected pursuant to RCW 36.22.178, 36.22.179, or  
16 36.22.1791 must:

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

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

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

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

25       (E) Communicate and interact with landlord and tenant  
26 associations located within its jurisdiction to facilitate  
27 development, maintenance, and distribution of the list to private  
28 rental housing landlords. The department must make reasonable efforts  
29 to ensure that local providers conduct outreach to private rental  
30 housing landlords each calendar quarter regarding opportunities to  
31 provide rental housing to the homeless and the availability of funds;

32       (ii) Using cost-effective methods of communication, convene, on a  
33 semiannual or more frequent basis, landlords represented on the  
34 interested landlord list and agencies providing services to  
35 individuals and households receiving housing vouchers to identify  
36 successes, barriers, and process improvements. The local government  
37 is not required to reimburse any participants for expenses related to  
38 attendance;

1 (iii) Produce data, limited to document recording fee uses and  
2 expenditures, on a (~~calendar~~) fiscal year basis in consultation  
3 with landlords represented on the interested landlord list and  
4 agencies providing services to individuals and households receiving  
5 housing vouchers, that include the following: Total amount expended  
6 from document recording fees; amount expended on, number of  
7 households that received, and number of housing vouchers issued in  
8 each of the private, public, and nonprofit markets; amount expended  
9 on, number of households that received, and number of housing  
10 placement payments provided in each of the private, public, and  
11 nonprofit markets; amount expended on and number of eviction  
12 prevention services provided in the private market; amount expended  
13 on and number of other tenant-based rent assistance services provided  
14 in the private market; and amount expended on and number of services  
15 provided to unaccompanied homeless youth. If these data elements are  
16 not readily available, the reporting government may request the  
17 department to use the sampling methodology established pursuant to  
18 (c)(iii) of this subsection to obtain the data; and

19 (iv) Annually submit the (~~calendar~~) fiscal year data to the  
20 department (~~by October 1st, with preliminary data submitted by~~  
21 ~~October 1, 2012, and full calendar year data submitted beginning~~  
22 ~~October 1, 2013~~)).

23 (b) Any local government receiving more than three million five  
24 hundred thousand dollars during the previous (~~calendar~~) fiscal year  
25 from document recording surcharge funds collected pursuant to RCW  
26 36.22.178, 36.22.179, and 36.22.1791, must apply to the Washington  
27 state quality award program, or similar Baldrige assessment  
28 organization, for an independent assessment of its quality  
29 management, accountability, and performance system. The first  
30 assessment may be a lite assessment. After submitting an application,  
31 a local government is required to reapply at least every two years.

32 (c) The department must:

33 (i) Require contractors that provide housing vouchers to  
34 distribute the interested landlord list created by the appropriate  
35 local government to individuals and households receiving the housing  
36 vouchers;

37 (ii) Convene a stakeholder group by March 1, 2017, consisting of  
38 landlords, homeless housing advocates, real estate industry  
39 representatives, cities, counties, and the department to meet to  
40 discuss long-term funding strategies for homeless housing programs

1 that do not include a surcharge on document recording fees. The  
2 stakeholder group must provide a report of its findings to the  
3 legislature by December 1, 2017;

4 (iii) Develop a sampling methodology to obtain data required  
5 under this section when a local government or contractor does not  
6 have such information readily available. The process for developing  
7 the sampling methodology must include providing notification to and  
8 the opportunity for public comment by local governments issuing  
9 housing vouchers, landlord association representatives, and agencies  
10 providing services to individuals and households receiving housing  
11 vouchers;

12 (iv) Develop a report, limited to document recording fee uses and  
13 expenditures, on a (~~calendar~~) fiscal year basis that may include  
14 consultation with local governments, landlord association  
15 representatives, and agencies providing services to individuals and  
16 households receiving housing vouchers, that includes the following:  
17 Total amount expended from document recording fees; amount expended  
18 on, number of households that received, and number of housing  
19 vouchers issued in each of the private, public, and nonprofit  
20 markets; amount expended on, number of households that received, and  
21 number of housing placement payments provided in each of the private,  
22 public, and nonprofit markets; amount expended on and number of  
23 eviction prevention services provided in the private market; the  
24 total amount of funds set aside for private rental housing payments  
25 as required in RCW 36.22.179(1)(b); and amount expended on and number  
26 of other tenant-based rent assistance services provided in the  
27 private market. The information in the report must include data  
28 submitted by local governments and data on all additional document  
29 recording fee activities for which the department contracted that  
30 were not otherwise reported. The data, samples, and sampling  
31 methodology used to develop the report must be made available upon  
32 request and for the audits required in this section;

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

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

1 (d) The office of financial management must secure an independent  
2 audit of the department's data and expenditures of state funds  
3 received under RCW 36.22.179(1)(b) on an annual basis. The  
4 independent audit must review a random sample of local governments,  
5 contractors, and housing providers that is geographically and  
6 demographically diverse. The independent auditor must meet with the  
7 department and a landlord representative to review the preliminary  
8 audit and provide the department and the landlord representative with  
9 the opportunity to include written comments regarding the findings  
10 that must be included with the audit. The first audit of the  
11 department's data and expenditures will be for calendar year 2014 and  
12 is due July 1, 2015. Each audit thereafter will be due July 1st  
13 following the department's submission of the report to the  
14 legislature. If the independent audit finds that the department has  
15 failed to set aside at least forty-five percent of the funds received  
16 under RCW 36.22.179(1)(b) after June 12, 2014, for private rental  
17 housing payments, the independent auditor must notify the department  
18 and the office of financial management of its finding. In addition,  
19 the independent auditor must make recommendations to the office of  
20 financial management and the legislature on alternative means of  
21 distributing the funds to meet the requirements of RCW  
22 36.22.179(1)(b).

23 (e) The office of financial management must contract with an  
24 independent auditor to conduct a performance audit of the programs  
25 funded by document recording surcharge funds collected pursuant to  
26 RCW 36.22.178, 36.22.179, and 36.22.1791. The audit must provide  
27 findings to determine if the funds are being used effectively,  
28 efficiently, and for their intended purpose. The audit must review  
29 the department's performance in meeting all statutory requirements  
30 related to document recording surcharge funds including, but not  
31 limited to, the data the department collects, the timeliness and  
32 quality of required reports, and whether the data and required  
33 reports provide adequate information and accountability for the use  
34 of the document recording surcharge funds. The audit must include  
35 recommendations for policy and operational improvements to the use of  
36 document recording surcharges by counties and the department. The  
37 performance audit must be submitted to the legislature by December 1,  
38 2016.

39 (2) For purposes of this section:



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

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

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

15 (d) "Private rental housing" means housing owned by a private  
16 landlord and ~~((does not))~~ includes housing owned by a nonprofit  
17 housing entity ~~((or government entity))~~.

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

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

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