

HOUSE BILL REPORT

HB 1747

*As Reported By House Committee on:
Housing
Appropriations*

Title: An act relating to community stabilization activities.

Brief Description: Creating the homelessness prevention program.

Sponsor(s): Representatives Jones, Bowman, Basich, Hargrove, Sheldon, Holland, Riley, Nelson, Valle and Wineberry.

Brief History:

Reported by House Committee on:
Housing, February 26, 1991, DPA;
Appropriations, March 10, 1991, DPS.

**HOUSE COMMITTEE ON
HOUSING**

Majority Report: *Do pass as amended.* Signed by 8 members: Representatives Nelson, Chair; Franklin, Vice Chair; Mitchell, Ranking Minority Member; Winsley, Assistant Ranking Minority Member; Ballard; Leonard; Ogden; and Wineberry.

Staff: Kenny Pittman (786-7392).

Background: The homeless population has increased throughout the state. A recent survey conducted by the University of Washington, for the state Department of Community Development, found that a large percentage of the homeless were homeless as a result of a sudden job loss or other economic adversity. This group of homeless only needed temporary housing assistance until a new job was found or the economic crisis was addressed.

In 1990, the Legislature provided \$200,000 to the Department of Community Development to develop a Homelessness Prevention Pilot Program. The purpose of the program is to demonstrate the effectiveness of timely intervention and coordinated community support in preventing homelessness.

The Department of Community Development made grants totalling \$360,000 to community organizations in Seattle, Spokane, Aberdeen and Moses Lake. The funds are to be used

to intervene with families who are in danger of eviction or foreclosure due to temporary financial problems beyond their control by providing temporary financial assistance and support services which will prevent eviction or foreclosure.

Summary of Amended Bill: The Homelessness Prevention Program is created in the Department of Community Development (DCD). The Department of Community Development is directed to select at least five eligible organizations to implement homelessness prevention programs at the local level. Grants and technical assistance will be made available to eligible organizations to implement local homelessness prevention programs. Eligible organizations are defined as local governments, nonprofit organizations, and public housing authorities.

The assistance through the state's program must be used to provide: (a) interest-free loans of temporary rental or mortgage assistance to families with children in immediate danger of losing their housing as a result of insufficient income to pay housing costs; or (b) technical assistance to eligible organizations to develop and implement local strategies to prevent homelessness.

In selecting eligible organizations for participation in the homelessness prevention program, DCD shall give priority consideration to areas that are economically distressed as a result of displaced timber workers. In the review of applications for local programs, DCD must consider the organization's: (a) ability, stability, and resources to implement the local program; and (b) efforts to coordinate necessary support programs for families with children.

Organizations selected to participate in the Homelessness Prevention Program are required to establish priorities of eligibility for temporary mortgage or rental assistance and determine eligibility to participate regarding the income of families with children. The determination of eligibility must include a determination that the family is subject to an eviction due to nonpayment of rent or foreclosure for nonpayment of mortgage installments. This determination must be based on illness, unemployment, underemployment, or any other failure of resources beyond the person's control.

The recipient eligible organization must also verify the loss of income and determine that the family does not have adequate resources to make the required housing payment. No family can continue to receive assistance through the local homelessness prevention program if other federal, state, or local rental or mortgage assistance becomes available.

The Department of Community Development is required to adopt rules to implement the Homelessness Prevention Program. The rules must, include but are not limited to: (1) the maximum length of available assistance to families with children; (2) the eligibility and application process for eligible organizations ; (3) the criteria to award grants and technical assistance to eligible organizations; and (4) the criteria eligible organizations must use when entering into contracts with families with children to make mortgage or rental assistance payments on their behalf.

Amended Bill Compared to Original Bill: The ability to make loans for the purpose of assisting with payments on machinery and equipment needed for the family's livelihood is removed.

Fiscal Note: Available.

Appropriation: Yes.

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

Testimony For: This type of program is needed. The four pilot programs are working. We need to build on these successful efforts to keep families from becoming homeless. The need for this type of program in timber distressed areas is obvious. The ability to provide assistance to keep someone from becoming homeless just makes sense - both in economic and in human terms.

Testimony Against: This program will cost money which will have to be raised through increased taxes. The average person will have to pay the bill for this program.

Witnesses: Representative Evan Jones (in favor of bill); Representative Rose Bowman (in favor of bill); Doug Long, Clallam/Jefferson Community Action Agency (in favor of bill); Mike Ryherd, Low-Income Housing Congress (in favor of bill); Arnold Fox, Apartment Owners Association (in favor of the bill); and Paul W. Locke (against the bill).

**HOUSE COMMITTEE ON
APPROPRIATIONS**

Majority Report: That Substitute House Bill No. 1747 be substituted therefor, and the substitute bill do pass. Signed by 25 members: Representatives Locke, Chair; Inslee, Vice Chair; Spanel, Vice Chair; Silver, Ranking Minority Member; Morton, Assistant Ranking Minority Member; Appelwick; Belcher; Bowman; Braddock; Brekke; Dorn;

Ebersole; Ferguson; Hine; Lisk; McLean; Nealey; Peery; Pruitt; Rust; H. Sommers; Sprenkle; Valle; Wang; and Wineberry.

Minority Report: *Do not pass.* Signed by 1 member: Representative Fuhrman.

Staff: Susan Nakagawa (786-7145).

Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Housing:

Language is added clarifying that the department is to give priority to timber-dependent communities. In selecting eligible organizations for implementing the program, the department is directed to consider the rate of timber unemployment. The appropriation is deleted.

Fiscal Note: Available.

Appropriation: Removed.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which the bill is passed.

Testimony For: Homelessness prevention through short-term financial assistance will provide temporary relief for dislocated timber workers. Preventing homelessness is the least expensive way of addressing the problem. A General Fund appropriation is necessary due to limited Housing Trust Fund availability.

Testimony Against: None.

Witnesses: Representative Evan Jones (prime sponsor); and Mike Reyerd, Low Income Housing Congress.