
SUBSTITUTE SENATE BILL 5669

State of Washington

52nd Legislature

1991 Regular Session

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Niemi and West).

Read first time March 6, 1991.

1 AN ACT Relating to housing trust fund priorities for projects
2 submitted by regional support networks; and amending RCW 43.185.010,
3 43.185.060, 43.185.080, 43.185.110, and 71.24.300.

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

5 **Sec. 1.** RCW 43.185.010 and 1986 c 298 s 1 are each amended to read
6 as follows:

7 The legislature finds that current economic conditions, federal
8 housing policies and declining resources at the federal, state, and
9 local level adversely affect the ability of low and very low-income
10 persons to obtain safe, decent, and affordable housing.

11 The legislature further finds that members of over one hundred
12 twenty thousand households live in housing units which are overcrowded,
13 lack plumbing, are otherwise threatening to health and safety, and have
14 rents and utility payments which exceed thirty percent of their income.

1 The legislature further finds that minorities, rural households,
2 and migrant farm workers require housing assistance at a rate which
3 significantly exceeds their proportion of the general population.

4 The legislature further finds that one of the most dramatic housing
5 needs is that of persons needing special housing-related services, such
6 as the mentally ill, recovering alcoholics, frail elderly persons, and
7 single parents. These services include medical assistance, counseling,
8 chore services, and child care.

9 The legislature further finds that a major duty of regional support
10 networks authorized under chapter 71.24 RCW is to plan and develop for
11 mentally ill persons systems of community support which have housing
12 and housing support at their center.

13 The legislature further finds that housing assistance programs in
14 the past have often failed to help those in greatest need.

15 The legislature declares that it is in the public interest to
16 establish a continuously renewable resource known as a housing trust
17 fund to assist low and very low-income citizens in meeting their basic
18 housing needs, and that the needs of very low-income citizens should be
19 given priority.

20 **Sec. 2.** RCW 43.185.060 and 1986 c 298 s 7 are each amended to read
21 as follows:

22 Organizations that may receive assistance from the department under
23 this chapter are local governments, local housing authorities, regional
24 support networks established under chapter 71.24 RCW, nonprofit
25 community or neighborhood-based organizations, and regional or state-
26 wide nonprofit housing assistance organizations.

27 **Sec. 3.** RCW 43.185.070 and 1988 c 286 s 1 are each amended to read
28 as follows:

1 (1) During each calendar year in which funds are available for use
2 by the department from the housing trust fund, as prescribed in RCW
3 43.185.030, the department shall announce to all known interested
4 parties, and through major media throughout the state, a grant and loan
5 application period of at least ninety days' duration. This
6 announcement shall be made as often as the director deems appropriate
7 for proper utilization of resources, but at least twice annually. The
8 department shall then promptly grant as many applications as will
9 utilize available funds less appropriate administrative costs of the
10 department, not to exceed thirty-seven thousand five hundred dollars in
11 the fiscal year ending June 30, 1988, and seventy-five thousand dollars
12 in the fiscal year ending June 30, 1989, and not to exceed five percent
13 of annual revenues to the fund thereafter.

14 (2) The department shall give first priority to applications for
15 projects and activities which utilize existing privately owned housing
16 stock including privately owned housing stock purchased by nonprofit
17 public development authorities. Such projects and activities shall be
18 evaluated under subsection (3) of this section. Second priority shall
19 be given to activities and projects which utilize existing publicly
20 owned housing stock. Such projects and activities shall be evaluated
21 under subsection (3) of this section.

22 (3) The department shall give preference for applications based on
23 the following criteria:

24 (a) The degree of leveraging of other funds that will occur;

25 (b) The degree of commitment from programs to provide necessary
26 habilitation and support services for projects focusing on special
27 needs populations such as the mentally ill, developmentally disabled,
28 recovering substance abusers, and the frail elderly;

1 (c) Recipient contributions to total project costs, including
2 allied contributions from other sources such as professional, craft and
3 trade services, and lender interest rate subsidies;

4 ~~((e))~~ (d) Local government project contributions in the form of
5 infrastructure improvements, and others;

6 ~~((d))~~ (e) Projects that encourage ownership, management, and
7 other project-related responsibility opportunities;

8 ~~((e))~~ (f) Projects that demonstrate a strong probability of
9 serving the original target group or income level for a period of at
10 least fifteen years;

11 ~~((f))~~ (g) The applicant has the demonstrated ability, stability
12 and resources to implement the project;

13 ~~((g))~~ (h) Projects which demonstrate serving the greatest need;
14 ~~((and~~

15 ~~(h))~~ (i) Projects serving special needs populations which are
16 under statutory mandate to develop community housing; and

17 (j) Projects that provide housing for persons and families with the
18 lowest incomes.

19 (4) The department shall only approve applications for projects for
20 mentally ill persons that are consistent with a regional support
21 network six-year capital and operating plan.

22 **Sec. 4.** RCW 43.185.080 and 1986 c 298 s 9 are each amended to read
23 as follows:

24 (1) The department may use moneys from the housing trust fund to
25 provide preconstruction technical assistance to eligible recipients
26 seeking to construct, rehabilitate, or finance housing-related services
27 for very low and low-income persons or mentally ill persons as defined
28 in chapter 71.24 RCW. The department shall emphasize providing
29 planning or preconstruction technical assistance services to regional

1 support networks as defined in chapter 71.24 RCW, rural areas, and
2 small cities and towns. The department may contract with nonprofit
3 organizations to provide this technical assistance. The department may
4 contract for any of the following services:

5 (a) Financial planning and packaging for housing projects,
6 including alternative ownership programs, such as limited equity
7 partnerships and syndications;

8 (b) Project design, architectural planning, and siting;

9 (c) Compliance with planning requirements;

10 (d) Securing matching resources for project development;

11 (e) Maximizing local government contributions to project
12 development in the form of land donations, infrastructure improvements,
13 waivers of development fees, locally and state-managed funds, zoning
14 variances, or creative local planning;

15 (f) Coordination with local planning, economic development, and
16 environmental, social service, and recreational activities, including
17 integrating housing support project requests with regional support
18 network plans developed under chapter 71.24 RCW;

19 (g) Construction and materials management; and

20 (h) Project maintenance and management.

21 (2) The department shall publish requests for proposals which
22 specify contract performance standards, award criteria, and contractor
23 requirements. In evaluating proposals, the department shall consider
24 the ability of the contractor to provide technical assistance to low
25 and very low-income persons and to persons with special housing needs.

26 **Sec. 5.** RCW 43.185.110 and 1987 c 513 s 3 are each amended to read
27 as follows:

28 The director shall prepare an annual report that includes housing
29 support projects funded for the mentally ill and shall send copies to

1 the chairs of the house of representatives committees on housing and
2 health care, the chairs of the senate committees on commerce and labor
3 and health and long-term care, and one copy to the staff of each
4 committee that summarizes the housing trust fund's income, grants and
5 operating expenses, implementation of its program, and any problems
6 arising in the administration thereof. The director shall promptly
7 appoint a low-income housing assistance advisory committee composed of
8 a representative from each of the following groups: Apartment owners,
9 realtors, mortgage lending or servicing institutions, private nonprofit
10 housing assistance programs, tenant associations, and public housing
11 assistance programs. The advisory group shall advise the director on
12 housing needs in this state, operational aspects of the grant and loan
13 program or revenue collection programs established by this chapter, and
14 implementation of the policy and goals of this chapter.

15 **Sec. 6.** RCW 71.24.300 and 1989 c 205 s 5 are each amended to read
16 as follows:

17 A county authority or a group of county authorities whose combined
18 population is no less than forty thousand may enter into a joint
19 operating agreement to form a regional support network. The roles and
20 responsibilities of county authorities shall be determined by the terms
21 of that agreement and the provisions of law. The state mental health
22 authority may not determine the roles and responsibilities of county
23 authorities as to each other under regional support networks by rule,
24 except to assure that all duties required of regional support networks
25 are assigned and that a single authority has final responsibility for
26 all available resources and performance under the regional support
27 network's contract with the secretary.

28 (1) Regional support networks shall within three months of
29 recognition submit an overall six-year operating and capital plan,

1 timeline, and budget and submit progress reports and an updated two-
2 year plan biennially thereafter, to assume within available resources
3 all of the following duties by July 1, 1995, instead of those presently
4 assigned to counties under RCW 71.24.045(1):

5 (a) Administer and provide for the availability of all resource
6 management services, residential services, and community support
7 services.

8 (b) Administer and provide for the availability of all
9 investigation, transportation, court-related, and other services
10 provided by the state or counties pursuant to chapter 71.05 RCW.

11 (c) By July 1, 1993, provide within the boundaries of each regional
12 support network evaluation and treatment services for at least eighty-
13 five percent of persons detained or committed for periods up to
14 seventeen days according to chapter 71.05 RCW. Regional support
15 networks with populations of less than one hundred fifty thousand may
16 contract to purchase evaluation and treatment services from other
17 networks. For regional support networks that are created after June
18 30, 1991, the requirements of (c) of this subsection must be met by
19 July 1, 1995.

20 (d) By July 1, 1993, administer a portion of funds appropriated by
21 the legislature to house mentally ill persons in state institutions
22 from counties within the boundaries of any regional support network,
23 with the exception of mentally ill offenders, and provide for the care
24 of all persons needing evaluation and treatment services for periods up
25 to seventeen days according to chapter 71.05 RCW in appropriate
26 residential services, which may include state institutions. The
27 regional support networks shall reimburse the state for use of state
28 institutions at a rate equal to that assumed by the legislature when
29 appropriating funds for such care at state institutions during the
30 biennium when reimbursement occurs. The duty of a state hospital to

1 accept persons for evaluation and treatment under chapter 71.05 RCW is
2 limited by the responsibilities assigned to regional support networks
3 under this section. For regional support networks that are created
4 after June 30, 1991, the requirements of (d) of this subsection must be
5 met by July 1, 1995.

6 (e) Administer and provide for the availability of all other mental
7 health services, which shall include patient counseling, day treatment,
8 consultation, education services, and mental health services to
9 children as provided in this chapter.

10 (f) Establish standards and procedures for reviewing individual
11 service plans and determining when that person may be discharged from
12 resource management services.

13 (2) Regional support networks shall assume all duties assigned to
14 county authorities by this chapter and chapter 71.05 RCW.

15 (3) A regional support network may request that any state-owned
16 land, building, facility, or other capital asset which was ever
17 purchased, deeded, given, or placed in trust for the care of the
18 mentally ill and which is within the boundaries of a regional support
19 network be made available to support the operations of the regional
20 support network. State agencies managing such capital assets shall
21 give first priority to requests for their use pursuant to this chapter.

22 (4) Each regional support network shall appoint a mental health
23 advisory board which shall review and provide comments on plans and
24 policies developed under this chapter. The composition of the board
25 shall be broadly representative of the demographic character of the
26 region and the mentally ill persons served therein. Length of terms of
27 board members shall be determined by the regional support network.

28 (5) Regional support networks shall assume all duties specified in
29 their plans and joint operating agreements through biennial contractual
30 agreements with the secretary.

1 (6) Counties or groups of counties participating in a regional
2 support network are not subject to RCW 71.24.045(7). The office of
3 financial management shall consider information gathered in studies
4 required in this chapter and information about the experience of other
5 states to propose a mental health services administrative cost lid to
6 the 1991 legislature which shall include administrative costs of
7 licensed service providers, the state psychiatric hospitals and the
8 department.

9 (7) The first regional support network contract may include a pilot
10 project to: Establish standards and procedures for (a) making
11 referrals for comprehensive medical examinations and treatment programs
12 for those whose mental illness is caused or exacerbated by organic
13 disease, and (b) training staff in recognizing the relationship between
14 mental illness and organic disease.

15 (8) Regional support networks may receive technical assistance from
16 the housing trust fund and may identify and submit projects for housing
17 and housing support services to the housing trust fund established
18 under chapter 43.185 RCW. Projects identified or submitted under this
19 section must be fully integrated with the regional support network six-
20 year operating and capital plan, timeline, and budget required by
21 subsection (1) of this section.