

# HOUSE BILL REPORT

## HB 2818

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**As Reported by House Committee On:**  
Children & Family Services  
Appropriations

**Title:** An act relating to housing-based support services for homeless families.

**Brief Description:** Creating the homeless families services fund.

**Sponsors:** Representatives Kagi, Boldt, Darneille, Pearson, Cooper, Linville, Hudgins, Kessler, Lantz, Conway, Simpson, G., Edwards, Sullivan, Kenney, Wood, Schual-Berke, Chase, Santos, Ormsby and Dickerson.

**Brief History:**

**Committee Activity:**

Children & Family Services: 1/29/04, 2/4/04 [DPS];  
Appropriations: 2/9/04, 2/10/04 [DP2S(w/o sub CFS)].

**Brief Summary of Second Substitute Bill**

- Creates the Homeless Families Services Fund Program within the Department of Community, Trade, and Economic Development.
- Creates the Homeless Families Services Fund.
- Creates the Homeless Families Services Fund Advisory Board.

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### HOUSE COMMITTEE ON CHILDREN & FAMILY SERVICES

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Kagi, Chair; Darneille, Vice Chair; Boldt, Ranking Minority Member; Roach, Assistant Ranking Minority Member; Bailey, Dickerson, Miloscia, Pettigrew and Shabro.

**Staff:** Cynthia Forland (786-7152).

**Background:**

In July 2001, the Sound Families Initiative (Initiative) began with a \$40 million commitment from the Bill & Melinda Gates Foundation for the purpose of developing

new transitional housing and expanding support services for homeless families or families in danger of becoming homeless in King, Pierce, and Snohomish counties. The Initiative provides partial support for housing and housing-based supportive services for families in transition out of homelessness. Supportive services include on-site case management, job search and referral services, and tenant education.

The Sound Families Initiative consists of a private-public partnership, which combines the initial concept and resources of the Bill & Melinda Gates Foundation with the expertise of the seven public jurisdiction partners from the Puget Sound area. The public partners contribute their skill in underwriting complex housing projects that are funded with local, state, and federal funds, as well as their capacity for ongoing asset management of the projects, ensuring that Initiative-funded projects can be sustained.

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### **Summary of Substitute Bill:**

The Homeless Families Services Fund Program (Program) is created within the Department of Community, Trade, and Economic Development (CTED).

An account to be known as the Homeless Families Services Fund (Fund) is created in the custody of the State Treasurer. The Fund will include a one-time appropriation by the Legislature, private contributions, and all other sources. Expenditures from the Fund may only be used for the purposes of the Program, except for administrative expenses. Expenditures from the Fund are exempt from appropriations and the allotment provisions of state law. However, money used for Program administration by the CTED is subject to the allotment and budgetary controls of state law, and an appropriation is required for these expenditures.

The CTED is required to use funds from the Fund and other legislative appropriations to provide state matching funds for housing-based supportive services for homeless families over a period of at least ten years. It is provided that a homeless family is a family that is eligible for services funded through the Emergency Shelter Assistance Program carried out within the CTED. Services funded through the Fund must be coordinated with existing and available services and may not inappropriately duplicate any other state-funded services available to homeless families assisted through the Fund. The Fund may not be used to supplant existing funding.

Activities eligible for funding through the Fund include, but are not limited to, the following:

- case management;
- counseling;
- referrals to employment support and job training services and direct employment support and job training services;
- domestic violence services and programs;

- mental health treatment, services, and programs;
- substance abuse treatment, services, and programs;
- parenting skills education and training;
- transportation assistance;
- child care; and
- other supportive services identified by the CTED to be an important link for housing stability.

Organizations that may receive funds from the Fund include local Housing Authorities, nonprofit community or neighborhood-based organizations, public development authorities, federally recognized Indian tribes in the state, and regional or statewide nonprofit housing assistance organizations.

The CTED is required to collect information from recipients of grants from the Fund to evaluate and improve the overall effectiveness of the Program. Areas of evaluation must include, but need not be limited to, the following:

- increases in housing stability for assisted homeless families;
- increases in economic self-sufficiency of assisted homeless families;
- increases in independent living skills of assisted homeless families; and
- decreases in the use of state-funded services or the costs of state-funded services and income support for assisted homeless families.

The Homeless Families Services Fund Advisory Board (Advisory Board) is established to advise the CTED in the design and administration of the Fund. The Director of the CTED (Director) is required to provide staff and administrative support to the Advisory Board.

The Advisory Board must consist of 10 members to be appointed by the Governor, as follows:

- a representative of the Department of Social and Health Services (DSHS);
- a representative of the Regional Support Networks (RSNs);
- a representative of a local Housing Authority that provides federal Section 8 vouchers to homeless families, and which primarily serves a rural population;
- a representative of a local Housing Authority that provides federal Section 8 vouchers to homeless families, and which primarily serves an urban population;
- an individual with expertise in the design or evaluation of service delivery to homeless families;
- an individual with expertise in the provision of supportive services to homeless families who primarily serves a rural population;
- an individual with expertise in the provision of supportive services to homeless families who primarily serves an urban population;
- an individual with expertise in the development and operation of low-income housing, including housing set-aside for homeless families; and
- two individuals with expertise in private philanthropy.

Members of the Advisory Board will serve terms of four years and may be appointed for successive terms of four years. The Governor may stagger the terms of the initial members of the Advisory Board so that approximately one-fourth of the members' terms expire each year. The Advisory Board must select a chair from among its members. Members of the Advisory Board must be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.

Duties of the Advisory Board must include the following:

- recommending criteria for determination of grant allocations from the Fund, which include, but need not be limited to, the following:
  - guidelines for the amounts of allocations of grants from the Fund, taking into consideration the variation in housing market and services costs throughout the state;
  - guidelines for the minimum amount of matching funds that an applicant to the Fund must secure in order to qualify for a grant from the Fund;
  - criteria that an applicant to the Fund must meet in order to demonstrate that the proposed housing and services are financially viable and meet quality standards;
  - necessary qualifications and capacity of an applicant to the Fund; and
  - guidelines for geographic distribution of funds from the Fund in order to foster development of supportive housing statewide;
- reviewing applications to the Fund and making recommendations to the Director on the allocation of grants from the Fund;
- recommending performance and outcome measures for recipients of grants from the Fund;
- recommending an evaluation method for the Program;
- investigating administrative options for the Fund, including administration by a community foundation or other nonprofit organization that would manage state funds along with private contributions to the Fund on behalf of the CTED, which could include contracting with recipients of grants from the Fund, dispersing funds to recipients of grants from the Fund, monitoring performance of recipients of grants from the Fund, and evaluating the overall effectiveness of the Program; and
- working with housing authorities, community-based service and housing providers, or other applicants to the Fund to identify additional sources of revenue for the Fund.

The CTED is required to report to the appropriate policy and fiscal committees of the Legislature by December 1, 2004, with a preliminary plan for implementation of the Program. The CTED and the Advisory Board thereafter are required to report on an annual basis to the appropriate policy and fiscal committees of the Legislature regarding the status of applications to, and grant allocations from, the Fund and performance of the Program.

The DSHS is required to coordinate with the CTED in supporting the work of the Program. As part of its coordination efforts, the DSHS is required to work with

organizations receiving grants from the Fund to identify and coordinate the provision of services offered by the DSHS that meet the goals of the Program.

The Fund is added to the list of accounts and funds identified in state law as permitted to receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period.

**Substitute Bill Compared to Original Bill:**

Membership of the Advisory Board is increased to 10 members in order to include two individuals with expertise in the provision of supportive services to homeless families, one of whom primarily serves a rural population and one of whom primarily serves an urban population.

The duties of the Advisory Board are expanded to include investigating administrative options for the Fund, including administration by a community foundation or other nonprofit organization that would manage state funds along with private contributions to the Fund on behalf of the CTED, which could include contracting with recipients of grants from the Fund, dispersing funds to recipients of grants from the Fund, monitoring performance of recipients of grants from the Fund, and evaluating the overall effectiveness of the Program.

It is specified that services funded through the Fund must not inappropriately duplicate any other state-funded services available to homeless families assisted through the Fund.

The CTED is required to collect information from recipients of grants from the Fund to evaluate and improve the overall effectiveness of the Program, rather than work with recipients of grants from the Fund to monitor the effectiveness of the Program. The areas of evaluation of the Fund are expanded to include decreases in the use of state-funded services for assisted homeless families.

The appropriation to the Fund is reduced from \$15 million to \$5 million.

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**Appropriation:** The sum of \$5,000,000.

**Fiscal Note:** Requested on January 21, 2004.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** (Original bill) There is a need for sustainable resources in order to leverage other, private funds to support homeless families in the state. This bill was inspired by the Sound Families Initiative. This bill would encourage more public-private partnership programs, such as the Sound Families Initiative. This is a relatively wealthy

part of the country, but the needs relating to homeless families are daunting. The best option is offering support services connected to housing. The proposed Fund should be contracted out and held independently. The Fund should be completely transparent. The management and distribution of the Fund should involve minimal bureaucracy. There is a need for a bridge from the streets or shelters to self-sufficiency. Housing, alone, is not the answer. This Program would provide a one-time allocation of state funds to be combined with private funds and Section 8 funding. The Fund should be administered through a nonprofit. This Program offers a solution for today and prevention for the future.

(Neutral) There are no resources within the CTED to absorb this Program. The limitations on the use of funds from the Fund may limit the accessibility of the most appropriate services for families.

**Testimony Against:** None.

**Persons Testifying:** (Original bill) Representative Kagi, prime sponsor; Greg Shaw, Gates Foundation; Corky Senecal, Washington State Coalition for the Homeless; Maureen Kostyack, City of Seattle; Tom McBride on behalf of Stephen Buxbaum, Washington State Community, Trade and Economic Development; and Chris Lowell, Association of Washington Housing Authorities.

**Persons Signed In To Testify But Not Testifying:** (In support) Remy Trupin, United Way of King County; Paul Benz, Lutheran Public Policy Office; Jeff Robinson, Intercommunity Mercy Housing; and Linda Olsen, Eastside Domestic Violence Program.

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Children & Family Services. Signed by 25 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Sehlin, Ranking Minority Member; Pearson, Assistant Ranking Minority Member; Alexander, Boldt, Buck, Clements, Cody, Conway, Cox, Dunshee, Grant, Hunter, Kagi, Kenney, Kessler, Linville, McDonald, McIntire, Miloscia, Ruderman, Schual-Berke, Sump and Talcott.

**Minority Report:** Do not pass. Signed by 2 members: Representatives Anderson and Chandler.

**Staff:** Holly Lynde (786-7153).

**Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Children & Family Services:**

The appropriation of \$5,000,000 from the state general fund to the Homeless Families Services Fund is removed. The duties established in the bill do not go into effect unless and until sufficient funds are specifically provided for implementation of the program.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date of Second Substitute Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** The Sound Families Initiative was very successful at leveraging resources for transitional housing for homeless families. Other foundations are interested in this model. This state investment would be leveraged five to six times over with private resources and section 8 rental assistance vouchers. Supportive housing, housing linked with services, has better outcomes than either component alone. Participants move into private housing, get jobs, have reduced reliance on TANF, and the stability of their lives improves. We need a better way to fund the services side of this successful model. We should go statewide with this innovative model. These one-time funds would support 400 units over 15 years, and 4,000 families could be served.

**Testimony Against:** None.

**Persons Testifying:** Seth Dawson, Washington State Coalition for the Homeless and the Washington State Association for Community Action; and Maureen Kostyack, City of Seattle and the Washington Low Income Housing Alliance.

**Persons Signed In To Testify But Not Testifying:** None.