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**SENATE BILL 5224**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Senators J. Wilson, Padden, and Torres

AN ACT Relating to performance requirements of homelessness service providers; amending RCW 43.185C.040, 43.185C.045, 43.185C.050, 43.185C.080, and 43.185C.160; and creating a new section.

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

NEW SECTION. **Sec.**  The legislature finds that it concurs with the conclusions of the state auditor in its report regarding performance management of contracted homeless service providers. It is important that local governments have established performance benchmarks, a schedule of corrective actions, and accountability measures. The legislature finds that each community must maximize the public's financial investments in programs to address homelessness. Service providers must be held accountable to meet a certain level of performance.

**Sec.**  RCW 43.185C.040 and 2018 c 85 s 4 are each amended to read as follows:

(1) The department shall, in consultation with the interagency council on homelessness, the affordable housing advisory board, and the state advisory council on homelessness, prepare and publish a five-year homeless housing strategic plan which must outline statewide goals and performance measures. The state homeless housing strategic plan must be submitted to the legislature by July 1, 2019, and every five years thereafter. The plan must include:

(a) A data-driven process to identify and address unmet needs for people experiencing homelessness;

(b) Performance measures and goals for service providers contracted to reduce homelessness, including long-term and short-term goals and procedures to address ongoing poor performance;

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

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

((~~(d)~~)) (e) New or innovative funding, program, or service strategies to pursue;

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

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

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

(3) To guide local governments in preparation of local homeless housing plans due December 1, 2019, the department shall issue by December 1, 2018, guidelines consistent with this chapter and including the best available data on each community's homeless population. Program outcomes, performance measures, and goals must be created by the department in collaboration with local governments against which state and local governments' performance will be measured.

(4) The department shall develop a consistent statewide data gathering instrument and tracking tool to monitor the performance of cities and counties receiving grants in order to determine compliance with the terms and conditions set forth in the grant application or required by the department. Performance benchmarks for cities and counties must be incorporated into the grant application.

The department shall, in consultation with the interagency council on homelessness and the affordable housing advisory board, report biennially to the governor and the appropriate committees of the legislature an assessment of the state's performance in furthering the goals of the state five-year homeless housing strategic plan and the performance of each participating local government in creating and executing a local homeless housing plan which meets the requirements of this chapter. To increase the effectiveness of the report, the department must develop a process to ensure consistent presentation, analysis, and explanation in the report, including year-to-year comparisons, highlights of program successes and challenges, and information that supports recommended strategy or operational changes. The report may include performance measures such as:

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

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

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

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

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

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

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

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

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

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

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

**Sec.**  RCW 43.185C.045 and 2021 c 214 s 3 are each amended to read as follows:

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

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

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

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

(i) Emergency shelter;

(ii) Homelessness prevention and rapid rehousing;

(iii) Permanent housing;

(iv) Permanent supportive housing;

(v) Transitional housing;

(vi) Services only; and

(vii) Any other activity in which more than ((~~five hundred thousand dollars~~)) $500,000 of category funds were expended;

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

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

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

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

(h) A county-level report on the expenditures, performance, and outcomes of the eviction prevention rental assistance program under RCW 43.185C.185. The report must include, but is not limited to:

(i) The number of adults without minor children served in each county;

(ii) The number of households with adults and minor children served in each county; and

(iii) The number of unaccompanied youth and young adults who are being served in each county; ((~~and~~))

(i) A county-level report on the expenditures, performance, and outcomes of the rapid rehousing, project-based vouchers, and housing acquisition programs under RCW 36.22.176. The report must include, but is not limited to:

(i) The number of persons who are unsheltered receiving shelter through a project-based voucher in each county;

(ii) The number of units acquired or built via rapid rehousing and housing acquisition in each county; and

(iii) The number of adults without minor children, households with adults and minor children, unaccompanied youth, and young adults who are being served by the programs under RCW 36.22.176 in each county; and

(j) A county-level report on the performance of contracted providers based on established benchmarks including any corrective actions taken.

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

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

**Sec.**  RCW 43.185C.050 and 2018 c 85 s 5 are each amended to read as follows:

(1) Each local homeless housing task force shall prepare and recommend to its local government legislative authority a five-year homeless housing plan for its jurisdictional area, which shall be not inconsistent with the department's statewide guidelines issued by December 1, 2018, and thereafter the department's five-year homeless housing strategic plan, and which shall be aimed at eliminating homelessness. The local government may amend the proposed local plan and shall adopt a plan by December 1, 2019. Performance in meeting the goals of this local plan shall be assessed annually in terms of the performance measures published by the department. Local plans may include specific local performance measures, benchmarks, procedures for establishing poor performance, and the schedule of actions to be taken to address poor performance adopted by the local government legislative authority, and may include recommendations for any state legislation needed to meet the state or local plan goals.

(2) Eligible activities under the local plans include:

(a) Rental and furnishing of dwelling units for the use of homeless persons;

(b) Costs of developing affordable housing for homeless persons, and services for formerly homeless individuals and families residing in transitional housing or permanent housing and still at risk of homelessness;

(c) Operating subsidies for transitional housing or permanent housing serving formerly homeless families or individuals;

(d) Services to prevent homelessness, such as emergency eviction prevention programs including temporary rental subsidies to prevent homelessness;

(e) Temporary services to assist persons leaving state institutions and other state programs to prevent them from becoming or remaining homeless;

(f) Outreach services for homeless individuals and families;

(g) Development and management of local homeless plans including homeless census data collection; identification of goals, performance measures, strategies, and costs and evaluation of progress towards established goals;

(h) Rental vouchers payable to landlords for persons who are homeless or below ((~~thirty~~)) 30 percent of the median income or in immediate danger of becoming homeless; and

(i) Other activities to reduce and prevent homelessness as identified for funding in the local plan.

**Sec.**  RCW 43.185C.080 and 2005 c 484 s 12 are each amended to read as follows:

(1) Only a local government is eligible to receive a homeless housing grant from the ((~~homeless housing~~)) home security fund account. Any city may assert responsibility for homeless housing within its borders if it so chooses, by forwarding a resolution to the legislative authority of the county stating its intention and its commitment to operate a separate homeless housing program. The city shall then receive a percentage of the surcharge assessed under RCW 36.22.179 equal to the percentage of the city's local portion of the real estate excise tax collected by the county. A participating city may also then apply separately for homeless housing program grants. A city choosing to operate a separate homeless housing program shall be responsible for complying with all of the same requirements as counties and shall adopt a local homeless housing plan meeting the requirements of this chapter for county local plans. However, the city may by resolution of its legislative authority accept the county's homeless housing task force as its own and based on that task force's recommendations adopt a homeless housing plan specific to the city.

(2) Local governments applying for homeless housing funds may subcontract with any other local government, housing authority, community action agency or other nonprofit organization for the execution of programs contributing to the overall goal of ending homelessness within a defined service area.

(a) All subcontracts shall be consistent with the local homeless housing plan adopted by the legislative authority of the local government, time limited, and filed with the department and shall have specific performance terms. Performance benchmarks must be incorporated into an action plan developed by service providers before finalization of contracts. The action plan may also include the following:

(i) A schedule of remedial actions with deadlines and milestones necessary to make improvements;

(ii) A management plan that assigns responsibilities for carrying out remedial actions; and

(iii) Escalating options including revising programs, reallocating funds, suspending payments, cutting funding, and terminating contracts.

(b) While a local government has the authority to subcontract with other entities, the local government continues to maintain the ultimate responsibility for the homeless housing program within its borders.

(3) A county may decline to participate in the program authorized in this chapter by forwarding to the department a resolution adopted by the county legislative authority stating the intention not to participate. A copy of the resolution shall also be transmitted to the county auditor and treasurer. If such a resolution is adopted, all of the funds otherwise due to the county under RCW 43.185C.060 shall be remitted monthly to the state treasurer for deposit in the ((~~homeless housing~~)) home security fund account, without any reduction by the county for collecting or administering the funds. Upon receipt of the resolution, the department shall promptly begin to identify and contract with one or more entities eligible under this section to create and execute a local homeless housing plan for the county meeting the requirements of this chapter. The department shall expend all of the funds received from the county under this subsection to carry out the purposes of chapter 484, Laws of 2005 in the county, provided that the department may retain six percent of these funds to offset the cost of managing the county's program.

(4) A resolution by the county declining to participate in the program shall have no effect on the ability of each city in the county to assert its right to manage its own program under this chapter, and the county shall monthly transmit to the city the funds due under this chapter.

**Sec.**  RCW 43.185C.160 and 2018 c 85 s 7 are each amended to read as follows:

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

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

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

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

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

(a) Emergency shelters;

(b) Short-term housing needs;

(c) Temporary encampments;

(d) Supportive housing for chronically homeless persons; and

(e) Long-term housing.

Guidelines must include, when appropriate, standards for health and safety and notifying the public of proposed facilities to house the homeless. Guidelines may include performance measures, benchmarks, procedures for establishing poor performance, and the schedule of actions to be taken to address poor performance.

(3) Each county, including counties exempted from creating a new task force under subsection (1) of this section, shall report to the department such information as may be needed to ensure compliance with this chapter, including the annual report required in RCW 43.185C.045.

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