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**SENATE BILL 5637**

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

**By** Senator Fortunato

AN ACT Relating to graduated rental rate agreements under the transitional housing operating and rent program; and amending RCW 43.185C.210.

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

**Sec.**  RCW 43.185C.210 and 2020 c 155 s 1 are each amended to read as follows:

(1) The transitional housing operating and rent program is created in the department to assist individuals and families who are homeless or who are at risk of becoming homeless to secure and retain safe, decent, and affordable housing. The department shall provide grants to eligible organizations, as described in RCW 43.185.060, to provide assistance to program participants. The eligible organizations must use grant moneys for:

(a) Rental assistance, which includes security or utility deposits, first and last month's rent assistance, and eligible moving expenses to be determined by the department;

(b) Case management services designed to assist program participants to secure and retain immediate housing and to transition into permanent housing and greater levels of self-sufficiency;

(c) Operating expenses of transitional housing facilities that serve homeless families with children; and

(d) Administrative costs of the eligible organization, which must not exceed limits prescribed by the department.

(2) Eligible to receive assistance through the transitional housing operating and rent program are:

(a) Families with children who are homeless or who are at risk of becoming homeless and who have household incomes at or below ((~~fifty~~)) 50 percent of the median household income for their county;

(b) Families with children who are homeless or who are at risk of becoming homeless and who are receiving services under chapter 13.34 RCW;

(c) Individuals or families without children who are homeless or at risk of becoming homeless and who have household incomes at or below ((~~thirty~~)) 30 percent of the median household income for their county;

(d) Individuals or families who are homeless or who are at risk of becoming homeless and who have a household with an adult member who has a mental health or chemical dependency disorder; and

(e) Individuals or families who are homeless or who are at risk of becoming homeless and who have a household with an adult member who is an offender released from confinement within the past ((~~eighteen~~)) 18 months.

(3)(a) All program participants must be willing to create and actively participate in a housing stability plan for achieving permanent housing and greater levels of self-sufficiency.

(b)(i) A housing stability plan created under this subsection (3) may include a graduated rental rate agreement under which program participants are provided a rental rate that escalates by increments on a predetermined and fixed timeline in order to promote increased self-sufficiency and a transition away from a temporary housing arrangement over time.

(ii) A three-party contract shall be required of persons participating in a graduated rental rate agreement under this subsection (3). The parties to the contract shall be the operator of the transitional housing, the tenant, and the rental property owner. The terms of the contract shall include, but are not limited to, the following:

(A) The owner of the rental property shall provide the tenant with a set payment schedule that clearly states all rental rates that will apply over the duration of the agreement. Any payment schedule provided to the tenant must include the starting rental rate, the increments by which the rental rate will increase, the duration for each incremental rental rate, and the dates on which increases in the rental rate will occur.

(B) The tenant shall agree to make payments according to the agreed upon payment schedule.

(C) The duration of any graduated rental rate agreement under this subsection (3) may not exceed 24 months, and a graduated rental rate agreement may not be extended or renewed.

(c) The terms of any graduated rental rate agreement created under this subsection (3) shall be considered sufficient notice for the purposes of RCW 59.18.140.

(4) Data on all program participants must be entered into and tracked through the Washington homeless client management information system as described in RCW 43.185C.180. ((~~For eligible organizations serving victims of domestic violence or sexual assault, compliance with this subsection must be accomplished in accordance with 42 U.S.C. Sec. 11383(a)(8).~~))

(5) The department may develop rules, requirements, procedures, and guidelines as necessary to implement and operate the transitional housing operating and rent program.

(6) The department shall produce an annual transitional housing operating and rent program report that must be included in the department's homeless housing strategic plan as described in RCW 43.185C.040. The report must include performance measures to be determined by the department that address, at a minimum, the following issue areas:

(a) The success of the transitional housing operating and rent program in helping program participants transition into permanent affordable housing and achieve self-sufficiency or increase their levels of self‑sufficiency, which shall be defined by the department based upon the costs of living, including housing costs, needed to support: (i) One adult individual; and (ii) two adult individuals and one preschool-aged child and one school-aged child;

(b) The financial performance of the program related to efficient program administration by the department and program operation by selected eligible organizations, including an analysis of the costs per program participant served;

(c) The quality, completeness, and timeliness of the information on program participants provided to the Washington homeless client management information system database; and

(d) The satisfaction of program participants in the assistance provided through the program.

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