

SENATE BILL REPORT

SB 5731

As of February 21, 2025

Title: An act relating to creating a tenant assistance program.

Brief Description: Creating a tenant assistance program.

Sponsors: Senators Goehner, Fortunato, Holy, Boehnke, Christian, Cortes and Dozier.

Brief History:

Committee Activity: Housing: 2/21/25.

Brief Summary of Bill

- Creates a Tenant Assistance Program.
- Redistributes portions of the document recording fees from July 1, 2025, through June 30, 2032, to provide grants to public housing authorities for the purpose of providing tenant assistance payments for eligible renters.

SENATE COMMITTEE ON HOUSING

Staff: Melissa Van Gorkom (786-7491)

Background: Department of Commerce. The Department of Commerce (Commerce) administers many of the state's housing and homelessness programs. These programs include providing funding and support to local governments and nonprofit organizations who provide housing, services and subsidies in local communities.

Document Recording Fees. The state and local Affordable Housing and Homeless Programs receive funding from a \$183 surcharge collected by each county auditor when certain documents are recorded. Of the \$183 surcharge, 30 percent is retained by the county and the remainder is distributed to the state Affordable Housing for All Account, Landlord Mitigation Program Account, and Home Security Fund Account.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Home Security Fund Account. Fifty-four and one tenth percent of the surcharge is distributed to the Home Security Fund Account. Up to 10 percent may be used for program administration and technical assistance. At least 90 percent is used for homelessness assistance grant programs.

Affordable Housing for All Account. Thirteen and one tenth percent of the surcharge is distributed to the Affordable Housing for All Account. Up to 10 percent may be used for program administration and technical assistance. At least 90 percent must be used for:

- grants for building operations and maintenance costs of housing projects, or units with housing projects that are in the state's Housing Trust Fund portfolio, are affordable to extremely low-income household, and require a supplement to rent income to cover ongoing operating expenses; and
- grants to support the building operations, maintenance, and supportive services costs for permanent supportive housing projects, or units within housing projects, that have received public capital funding.

The Joint Legislative Audit and Review Committee. The Joint Legislative Audit and Review Committee (JLARC) is a legislative committee consisting of nonpartisan staff that conducts research, audits, and reviews. The legislative auditor oversees the work and can make recommendations to agencies and the Legislature.

Summary of Bill: Tenant Assistance Program. A Tenant Assistance Program (TAP) is created in Commerce to provide grants to public housing authorities (PHAs) for the purpose of providing tenant assistance payments (payments) for eligible renters. The payments may not exceed the lesser of \$400 or the amount necessary to reduce an eligible renter's monthly household costs—including rent, fees, and utilities—to no more than 30 percent of household income. An eligible renter may receive payments for up to 12 consecutive months. Only one eligible renter per household may receive payments.

Eligible renters must:

- have a household income at or below 80 percent of the area median income adjusted for household size;
- spend more than 30 percent of their income on housing costs;
- be able to reduce their housing costs below 30 percent of their income with a \$400 monthly payment; and
- recertify their income on a monthly basis to the appropriate PHA.

A renter who provides false documentation must repay any payments received and is no longer eligible for participation in TAP.

A PHA must prioritize providing payments to an eligible renter who:

- has a household income at or below 60 percent of the area median income adjusted for household size; or

- receives supplemental security income.

By July 30, 2026, Commerce must submit an annual report to the Legislature on TAP. The report must include:

- the total number of renter households served by TAP;
- the total dollar amount of payments;
- average number of months a renter household received payments; and
- any recommendations for changes to TAP.

A landlord may not discriminate against renters receiving payments. TAP expires June 30, 2032.

Document Recording Fees. The document recording fees distributions are changed from July 1, 2025 through June 30, 2032 as follows:

- 39.1 percent must be deposited into the Home Security Fund;
- 8.1 percent must be deposited into the Affordable Housing For All Account; and
- 20 percent must be deposited into the TAP Account.

The TAP Account is created. Moneys in the TAP Account may only be spent after appropriation. Expenditures from the TAP Account may only be used to provide grants to PHAs for the purpose of providing payments. The TAP Account expires December 31, 2032.

Joint Legislative Audit and Review Committee. JLARC must review the efficacy of TAP and its impacts on housing stability and report its findings to the appropriate committees of the Legislature with a recommendation on whether TAP should be continued, amended, or repealed by December 1, 2031.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: The bill is to address homelessness before it happens. The goal is to provide an opportunity to give assistance for them to pay the rent. This bill focuses resources on people who are low income, fixed income, seniors and veterans and is meant to target people who need assistance without affecting everyone in the market. Even the best renters might hit a rough spot where they need some assistance and having tools like this is a more positive way to address the issue than evictions. When people are having a difficult time paying their rent, we want them to be able to keep that roof over their head. The goal of the bill is to provide a short term program with a fixed

dollar amount to provide a little help when necessary. Housing is a partnership between the housing provider, tenant, and state. The bill provides a win-win situation where the people can pay their rent and the landlord is not left without being able to cover costs, it is trying to help both sides of the equation stay in a good financial situation. Suggest using funding from the eviction program to fund this because if someone can pay the rent then they won't need the eviction services. This keeps tenants in stable housing and prioritizes low income households.

CON: Agree that there are many households that are struggling with rent increases but this would move money from homelessness prevention to pay for a landlord's excessive, unregulated rent increases. This bill does not reduce or cap the huge rent increases that are causing rent instability, instead it pays for them. Rental assistance without stabilization is a free check to corporate landlords who will raise rents and still evict people. Taking away funds from right to counsel will only increase evictions and defeat the purpose. The state cannot be on the hook for excessive rent increases. The bill is funded by an already stretched recording fee. With a current deficit in funding for homeless services, redirecting these funds will only exacerbate the crisis. Health depends on having stable housing. This bill is not aligned to mitigate the vulnerabilities of housing because it transfers funding from essential services that are supporting people and will only worsen health outcomes for our community. This bill leaves gaps elsewhere in the system that we cannot afford to have. The eligibility criteria creates unnecessary barriers that may exclude a number of renters who exceed the income threshold by a small margin or who already sacrifice their essential needs, such as food and healthcare. The arbitrary cap of \$400 excludes those who need more substantial help, leaving them without any meaningful support. By tailoring this bill to a small fraction of renters who qualify, this bill ultimately serves to maintain landlord's revenue streams rather than addressing the root cause of the affordability crisis.

Persons Testifying: PRO: Senator Keith Goehner, Prime Sponsor; Chester Baldwin, Rental Housing Assn Coalition; Gordon Haggerty; Bruce Becker.

CON: Terri Anderson, Tenants Union of Washington State; Michele Thomas, Washington Low Income Housing Alliance; Deborah Wilson, LMTA; Caroline Hardy, AMHO and Leisure Manor Tenants Association Secretary; Daniel Low, Washington Physicians for Social Responsibility; Kerri Burnside, Bellingham Tenants Union; Talauna Reed, Tenants Union of Washington State.

Persons Signed In To Testify But Not Testifying: No one.