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**HOUSE BILL 1277**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** Representatives Ormsby and Macri

1 AN ACT Relating to an additional revenue source for eviction  
2 prevention and housing stability services; amending RCW 43.185C.045,  
3 43.185C.060, and 43.185C.190; adding a new section to chapter 36.22  
4 RCW; and adding a new section to chapter 43.185C RCW.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 36.22  
7 RCW to read as follows:

8 (1) Except as provided in subsection (2) of this section, a  
9 surcharge of \$100 must be charged by the county auditor for each  
10 document recorded, which is in addition to any other charge or  
11 surcharge allowed by law. The auditor must remit the funds to the  
12 state treasurer to be deposited and used as follows:

13 (a) Five percent of funds must be deposited in the affordable  
14 housing for all account for operations, maintenance, and service  
15 costs for permanent supportive housing as defined in RCW 36.70A.030;

16 (b) Two percent of funds must be deposited into the landlord  
17 mitigation program account created in RCW 43.31.615 for purposes of  
18 RCW 43.31.605(1); and

19 (c) The remainder of funds must be distributed to the home  
20 security fund account, with the majority of funds to be used for  
21 eviction prevention rental assistance pursuant to section 2 of this

1 act. In addition, funds may be used for project-based vouchers for  
2 nonprofit housing providers, foreclosure prevention services, dispute  
3 resolution center eviction prevention services, rental assistance for  
4 people experiencing homelessness, and tenant education and legal  
5 assistance.

6 (2) The surcharge imposed in this section does not apply to: (a)  
7 Assignments or substitutions of previously recorded deeds of trust;  
8 (b) documents recording a birth, marriage, divorce, or death; (c) any  
9 recorded documents otherwise exempted from a recording fee or  
10 additional surcharges under state law; (d) marriage licenses issued  
11 by the county auditor; or (e) documents recording a federal, state,  
12 county, or city lien or satisfaction of lien.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.185C  
14 RCW to read as follows:

15 (1) The eviction prevention rental assistance program is created  
16 in the department to prevent evictions by providing resources to  
17 households most likely to become homeless or suffer severe health  
18 consequences, or both, after an eviction, while promoting equity by  
19 prioritizing households, including communities of color,  
20 disproportionately impacted by public health emergencies and by  
21 homelessness and housing instability. The department must provide  
22 grants to eligible organizations, as described in RCW 43.185.060, to  
23 provide assistance to program participants. The eligible  
24 organizations must use grant moneys for:

25 (a) Rental assistance, including rental arrears and future rent  
26 if needed to stabilize the applicant's housing and prevent their  
27 eviction;

28 (b) Utility assistance for households if needed to prevent an  
29 eviction; and

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

32 (2) Households eligible to receive assistance through the  
33 eviction prevention rental assistance program are those:

34 (a) With incomes at or below 80 percent of the county area median  
35 income;

36 (b) Who are families with children, living in doubled up  
37 situations, young adults, senior citizens, and others at risk of  
38 homelessness or significant physical or behavioral health  
39 complications from homelessness; and

1 (c) That meet any other eligibility requirements as established  
2 by the department after consultation with stakeholder groups,  
3 including persons at risk of homelessness due to unpaid rent,  
4 representatives of communities of color, homeless service providers,  
5 landlord representatives, local governments that administer  
6 homelessness assistance, a statewide association representing cities,  
7 a statewide association representing counties, and affordable housing  
8 advocates.

9 (3) Eligible grantees must actively work with organizations  
10 rooted in communities of color to assist and serve marginalized  
11 populations within their communities. At least 10 percent of the  
12 grant total must be subgranted to organizations that serve and are  
13 substantially governed by marginalized populations to pay the costs  
14 associated with program outreach, assistance completing applications  
15 for assistance, and related costs. Upon request by an eligible  
16 grantee or the county or city in which it exists, the department must  
17 provide a list of organizations that serve and are substantially  
18 governed by marginalized populations, if known. If an eligible  
19 grantee is unable to subgrant with an organization that serves and is  
20 substantially governed by marginalized populations, the grantee may  
21 request an exemption from the subgrant requirement.

22 (4) The department must ensure equity by developing performance  
23 measures and benchmarks that promote both equitable program access  
24 and equitable program outcomes. Performance measures and benchmarks  
25 must be developed by the department in consultation with stakeholder  
26 groups, including persons at risk of homelessness due to unpaid rent,  
27 representatives of communities of color, homeless service providers,  
28 landlord representatives, local governments that administer  
29 homelessness assistance, a statewide association representing cities,  
30 a statewide association representing counties, and affordable housing  
31 advocates. Performance measures and benchmarks must also ensure that  
32 the race and ethnicity of households served under the program are  
33 proportional to the numbers of people at risk of homelessness in each  
34 county for each of the following groups:

- 35 (a) Black or African American;
- 36 (b) American Indian and Alaska Native;
- 37 (c) Native Hawaiian or other Pacific Islander;
- 38 (d) Hispanic or Latinx;
- 39 (e) Asian;
- 40 (f) Other multiracial.

1 (5) The department may develop additional rules, requirements,  
2 procedures, and guidelines as necessary to implement and operate the  
3 eviction prevention rental assistance program.

4 **Sec. 3.** RCW 43.185C.045 and 2018 c 85 s 9 are each amended to  
5 read as follows:

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

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

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

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

18 (i) Emergency shelter;

19 (ii) Homelessness prevention and rapid rehousing;

20 (iii) Permanent housing;

21 (iv) Permanent supportive housing;

22 (v) Transitional housing;

23 (vi) Services only; and

24 (vii) Any other activity in which more than five hundred thousand  
25 dollars of category funds were expended;

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

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

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

1 (g) A report on the expenditures, performance, and outcomes of  
2 the independent youth housing program meeting the requirements of RCW  
3 43.63A.311; and

4 (h) A report on the expenditures, performance, and outcomes of  
5 the eviction prevention rental assistance program under section 2 of  
6 this act.

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

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

27 **Sec. 4.** RCW 43.185C.060 and 2020 c 357 s 915 are each amended to  
28 read as follows:

29 (1) The home security fund account is created in the state  
30 treasury, subject to appropriation. The state's portion of the  
31 surcharge established in RCW 36.22.179 and 36.22.1791 and section 1  
32 of this act must be deposited in the account. Expenditures from the  
33 account may be used only for homeless housing programs as described  
34 in this chapter, including the eviction prevention rental assistance  
35 program established in section 2 of this act.

36 (2) The department must distinguish allotments from the account  
37 made to carry out the activities in RCW 43.330.167, 43.330.700  
38 through 43.330.715, 43.330.911, 43.185C.010, 43.185C.250 through  
39 43.185C.320, and 36.22.179(1)(b).

1 (3) The office of financial management must secure an independent  
2 expenditure review of state funds received under RCW 36.22.179(1)(b)  
3 on a biennial basis. The purpose of the review is to assess the  
4 consistency in achieving policy priorities within the private market  
5 rental housing segment for housing persons experiencing homelessness.  
6 The independent reviewer must notify the department and the office of  
7 financial management of its findings. The first biennial expenditure  
8 review, for the 2017-2019 fiscal biennium, is due February 1, 2020.  
9 Independent reviews conducted thereafter are due February 1st of each  
10 even-numbered year.

11 (4) During the 2019-2021 fiscal biennium, expenditures from the  
12 account may also be used for shelter capacity grants.

13 **Sec. 5.** RCW 43.185C.190 and 2011 1st sp.s. c 50 s 955 are each  
14 amended to read as follows:

15 The affordable housing for all account is created in the state  
16 treasury, subject to appropriation. The state's portion of the  
17 surcharges established in RCW 36.22.178 and section 1 of this act  
18 shall be deposited in the account. Expenditures from the account may  
19 only be used for affordable housing programs (~~(. During the 2011-2013~~  
20 ~~fiscal biennium, moneys in the account may be transferred to the home~~  
21 ~~security fund)), including operations, maintenance, and services as  
22 described in section 1(1)(a) of this act.~~

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