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## SENATE BILL 5279

State of Washington

67th Legislature

2021 Regular Session

By Senator Robinson

- AN ACT Relating to an additional revenue source for eviction 1 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.
- BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON: 5
- 6 NEW SECTION. Sec. 1. A new section is added to chapter 36.22 7 RCW to read as follows:
  - (1) Except as provided in subsection (2) of this section, a surcharge of \$100 must be charged by the county auditor for each document recorded, which is in addition to any other charge or surcharge allowed by law. The auditor must remit the funds to the state treasurer to be deposited and used as follows:
  - (a) Five percent of funds must be deposited in the affordable housing for all account for operations, maintenance, and service 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 RCW 43.31.605(1); and 18
- 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 eviction prevention rental assistance pursuant to section 2 of this 21

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- act. In addition, funds may be used for project-based vouchers for nonprofit housing providers, foreclosure prevention services, dispute resolution center eviction prevention services, rental assistance for people experiencing homelessness, and tenant education and legal 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.
- NEW SECTION. Sec. 2. A new section is added to chapter 43.185C RCW to read as follows:

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- (1) The eviction prevention rental assistance program is created in the department to prevent evictions by providing resources to households most likely to become homeless or suffer severe health consequences, or both, after an eviction, while promoting equity by prioritizing households, including communities of color, disproportionately impacted by public health emergencies and by homelessness and housing instability. The department must 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:
- 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

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- (c) That meet any other eligibility requirements as established by the department after consultation with stakeholder groups, including persons at risk of homelessness due to unpaid rent, representatives of communities of color, homeless service providers, landlord representatives, local governments that administer homelessness assistance, a statewide association representing cities, a statewide association representing counties, and affordable housing advocates.
- (3) Eligible grantees must actively work with organizations rooted in communities of color to assist and serve marginalized populations within their communities. At least 10 percent of the grant total must be subgranted to organizations that serve and are substantially governed by marginalized populations to pay the costs associated with program outreach, assistance completing applications for assistance, and related costs. Upon request by an eligible grantee or the county or city in which it exists, the department must provide a list of organizations that serve and are substantially governed by marginalized populations, if known. If an eligible grantee is unable to subgrant with an organization that serves and is substantially governed by marginalized populations, the grantee may request an exemption from the subgrant requirement.
- (4) The department must ensure equity by developing performance measures and benchmarks that promote both equitable program access and equitable program outcomes. Performance measures and benchmarks must be developed by the department in consultation with stakeholder groups, including persons at risk of homelessness due to unpaid rent, representatives of communities of color, homeless service providers, landlord representatives, local governments that administer homelessness assistance, a statewide association representing cities, a statewide association representing counties, and affordable housing advocates. Performance measures and benchmarks must also ensure that the race and ethnicity of households served under the program are proportional to the numbers of people at risk of homelessness in each county for each of the following groups:
  - (a) Black or African American;
  - (b) American Indian and Alaska Native;
- 37 (c) Native Hawaiian or other Pacific Islander;
  - (d) Hispanic or Latinx;
- 39 (e) Asian;

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(f) Other multiracial.

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- 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 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;
- 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:
  - (i) Emergency shelter;

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- (ii) Homelessness prevention and rapid rehousing;
- 20 (iii) Permanent housing;
- 21 (iv) Permanent supportive housing;
- 22 (v) Transitional housing;
  - (vi) Services only; and
- (vii) Any other activity in which more than five hundred thousand 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;
  - (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;
- 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))

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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

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- (h) A report on the expenditures, performance, and outcomes of the eviction prevention rental assistance program under section 2 of this act.
- (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.
- 27 **Sec. 4.** RCW 43.185C.060 and 2020 c 357 s 915 are each amended to 28 read as follows:
  - (1) The home security fund account is created in the state treasury, subject to appropriation. The state's portion of the surcharge established in RCW 36.22.179 and 36.22.1791 and section 1 of this act must be deposited in the account. Expenditures from the account may be used only for homeless housing programs as described in this chapter, including the eviction prevention rental assistance 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).

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

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- (4) During the 2019-2021 fiscal biennium, expenditures from the 11 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 amended to read as follows: 14

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

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