INTERAGENCY AGREEMENT
BETWEEN
WASHINGTON STATE UNIVERSITY
AND
THE STATE OF WASHINGTON DEPARTMENT OF COMMERCE

THIS INTERAGENCY AGREEMENT (the “Agreement”) is by and between Washington State University, an institution of higher education and agency of the state of Washington (hereafter referred to as “WSU”), and the Washington State Department of Commerce, an agency of the state of Washington located in Olympia, Washington (hereafter referred to as “Commerce”).

IT IS THE PURPOSE OF THIS AGREEMENT to memorialize the terms and conditions under which WSU will provide services to Commerce.

NOW, THEREFORE, the parties agree as follows:

I. STATEMENT OF WORK

Each party shall do all things necessary for and incidental to the performance of the duties set forth below.

A. Duties of WSU:

Section 6 of E2SHB 1277 (an act of the Washington State Legislature passed during the 2020-21 session Providing for an additional revenue source for eviction prevention and housing stability services, attached as Exhibit A) requires Commerce to contract with the William D. Ruckelshaus Center (administered by WSU Extension, and hereafter referred to as “the Center”) to conduct a stakeholder-engaged situation assessment regarding trends affecting, and policies guiding, the housing and services provided to individuals and families who are or at risk of homelessness in Washington. The Center must also facilitate meetings and discussions to develop and implement a long-term strategy to improve services and outcomes for persons at risk or experiencing homelessness and develop pathways to permanent housing solutions.

A report outlining stakeholder concerns, barriers, opportunities, and desired principles for a long-term strategy to improve the outcomes and services for persons at risk or experiencing homelessness is due December 1, 2021. A separate report to identify root causes of housing instability and homelessness within Washington state is due December 1, 2022. A third report identifying options and recommendations for a long-term strategy to improve outcomes for those at risk or experiencing homelessness is due December 1, 2023.

In meeting the terms of this contract, the Center will collaborate with, at a minimum, the Division of Governmental Studies and Services, another center administered by WSU Extension, to collectively perform the tasks assigned to WSU/the Center under Section 6 of E2SHB 1277.
B. Duties of Commerce:

1. To complete all tasks and responsibilities assigned to Commerce under E2SHB 1277 except those explicitly assigned to WSU/the Center under Section 6 of E2SHB 1277, and to regularly communicate the status of those tasks to the Center, where they affect the Center’s tasks and responsibilities.

2. To clearly communicate to the Center Commerce’s needs and expectations as project lead agency, especially regarding how the work Commerce is doing on other aspects of E2SHB 1277 may affect the work the Center is doing under Section 6, and vice versa.

3. To establish and communicate, ideally at the outset and in partnership with the Center, clear protocols for how Commerce wants the Center to interact with the state legislative and executive branches, and other involved interest groups and individuals. This includes whether there are interest groups which the Center should work with through Commerce, rather than directly.

II. PERIOD OF PERFORMANCE

Subject to its other provisions, the period of performance of this Agreement shall be for three (3) years, and shall commence on July 1, 2021, and be completed on June 30, 2024 (the “Term”), unless terminated sooner as provided herein.

III. PAYMENT

Compensation for the work provided in accordance with this Agreement has been established under the terms of RCW 39.34.130, and based on a fiscal note provided by WSU to Commerce on April 15, 2021. The parties have estimated that the annual cost of accomplishing the work will total $717,403 in fiscal year 2022, $727,403 in fiscal year 2023, and $381,838 in fiscal year 2024. Payment for satisfactory performance of the work shall not exceed this amount unless the parties mutually agree to a higher amount prior to the commencement of any work which will cause the maximum payment to be exceeded.

IV. BILLING PROCEDURES

WSU shall submit invoices to Commerce on a quarterly basis, on October 15, January 15, April 15, and July 15 through the duration of the period of performance. Commerce shall pay WSU for all approved and completed work by warrant or account transfer within thirty (30) days of invoicing. Penalties for late payments (defined as those paid beyond thirty (30) days after receipt of invoice) shall be assessed at one percent (1%) per month.

Invoices shall be submitted to:
V. RECORDS MAINTENANCE

The parties to this Agreement shall each maintain books, records, documents and other evidence which sufficiently and properly reflect all direct and indirect costs expended by either party in the performance of the services described herein. These records shall be subject to inspection, review or audit by personnel of both parties, other personnel duly authorized by either party, the Office of the State Auditor, and federal officials so authorized by law. All books, records, documents, and other material relevant to this Agreement will be retained for six year after expiration and the Office of the State Auditor, federal auditors, and any persons duly authorized by the parties shall have full access and the right to examine any of these materials during this period.

Records and other documents, in any medium, furnished by one party to this Agreement to the other party, will remain the property of the furnishing party, unless otherwise agreed. The receiving party will not disclose or make available this material to any third parties without first giving notice to the furnishing party and giving it a reasonable opportunity to respond. Each party will utilize reasonable security procedures and protections to assure that records and documents provided by the other party are not erroneously disclosed to third parties.

VI. RIGHTS IN DATA

Unless otherwise provided, any data that originates from this Agreement shall be “works for hire” as defined by the U.S. Copyright Act of 1976 and shall be owned by WSU. Data shall include, but not be limited to, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register, and the ability to transfer these rights.

VII. INDEPENDENT CAPACITY

The employees or agents of each party who are engaged in the performance of this Agreement shall continue to be employees or agents of that party and shall not be considered for any purpose to be employees or agents of the other party.

VIII. MODIFICATION

This Agreement may be modified or amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.
IX. TERMINATION

Either party may terminate this Agreement upon 30 days prior written notification to the other party. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination. Under this section or the following section, if the parties choose to partially or completely terminate this Agreement, the parties shall either mutually agree how any property involved shall be disposed of. If they are unable to do so, they shall submit the dispute to the Dispute Panel provided for in Section XI.

X. TERMINATION FOR CAUSE

If for any cause, either party does not fulfill in a timely and proper manner its obligations under this Agreement, or if either party violates any of these terms and conditions, the aggrieved party will give the other party written notice of such failure or violation. The responsible party will be given the opportunity to correct the violation or failure within fifteen (15) working days. If failure or violation is not corrected, this Agreement may be terminated immediately by written notice of the aggrieved party to the other. See Section IX for the provisions for disposition of property upon the partial or complete termination of this Agreement.

XI. DISPUTES

In the event that a dispute arises under this Agreement that the parties can’t resolve, they shall allow the dispute to be decided by a Dispute Panel in the following manner: Each party to this Agreement shall appoint one member to the Dispute Panel. The members so appointed shall jointly appoint an additional member to the Dispute Panel. The Dispute Panel shall review the facts, contract terms and applicable statutes and rules and make a determination of the dispute. The determination of the Dispute Panel shall be final and binding on the parties hereto. There shall be no charge to the parties for these services of the Dispute Panel.

As an alternative to this process, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor’s process will control.

XII. GOVERNANCE

This Agreement is entered into pursuant to and under the authority granted by the laws of the state of Washington and any applicable federal laws. The provisions of this agreement shall be construed to conform to those laws.

In the event of an inconsistency in the terms of this Agreement, or between its terms and any applicable statute or rule, the inconsistency shall be resolved by giving precedence in the following order.
A. applicable state and federal statutes and rules;
B. statement of work; and
C. any other provisions of the Agreement, including materials incorporated by reference.

XIII. ASSIGNMENT

The work to be provided under this Agreement, and any claim arising under this Agreement is not assignable or delegable by either party in whole or in part, without the express prior written consent of the other party, which consent shall not be unreasonably withheld.

XIV. WAIVER

A failure by either party to exercise its rights under this Agreement shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement unless stated to be such in a writing signed by an authorized representative of the party and attached to the original Agreement.

XV. SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this agreement, and to this end the provisions of this Agreement are declared to be severable.

XVI. ENTIRE AGREEMENT

This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind any of the parties hereto.

XVII. CONTRACT ADMINISTRATION

A designated contract administrator for each of the parties shall administer this Agreement and be responsible for and shall be the contact person for all communications and billings regarding the performance of this Agreement.

The Contract Administrator for WSU is:

Jennifer Stephenson
CAHNRS Business Center
P.O. Box 64624
Pullman, WA 99164-6424
contracts.bc@wsu.edu
The Contract Administrator for Commerce is:

Nick Mondau
1011 Plum Street SE
Olympia, WA 98504-2525
Nick.mondau@commerce.wa.gov

XVIII. SIGNATURES

The parties affirm they have designated the persons below to have signature authority for the parties. By their signatures on this Agreement, the parties agree to all of its terms and conditions.

WASHINGTON STATE UNIVERSITY
(“WSU”)

Approved by:

By: [Signature]
Name: Stacy Pearson
Title: Vice President for Finance and Administration
Date: 06/24/2021

WASHINGTON STATE DEPARTMENT OF COMMERCE
(“Commerce”)

Approved by:

By: [Signature]
Name: Diane Klontz
Title: Assistant Director
Date: 06/24/2021
EXHIBIT A

CERTIFICATION OF ENROLLMENT

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1277

Chapter 214, Laws of 2021

67th Legislature
2021 Regular Session

EVICION PREVENTION—RECORDED DOCUMENT SURCHARGE

EFFECTIVE DATE: July 25, 2021

Passed by the House April 24, 2021
Yeas 57  Nays 39

Laurie Jinkins
Speaker of the House of Representatives

Passed by the Senate April 24, 2021
Yeas 26  Nays 23

Denny Heck
President of the Senate

Approved May 10, 2021 3:10 PM

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1277 as passed by the House of Representatives and the Senate on the dates hereon set forth.

Bernard Dean
Chief Clerk

FILED

May 10, 2021

Jay Inslee
Governor of the State of Washington

Secretary of State
State of Washington
AN ACT Relating to an additional revenue source for eviction prevention and housing stability services; amending RCW 43.185C.045, 43.185C.060, 43.185C.190, 36.22.178, 36.22.179, 36.22.1791, and 36.22.240; adding a new section to chapter 36.22 RCW; adding a new section to chapter 43.185C RCW; and creating a new section.

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

NEW SECTION. Sec. 1. A new section is added to chapter 36.22 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) Twenty 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;

(b) From July 1, 2021, through June 30, 2023, four percent of the funds must be deposited into the landlord mitigation program account created in RCW 43.31.615 for the purposes of RCW 43.31.605(1). Thereafter, two percent of funds must be deposited into the landlord
mitigation program account created in RCW 43.31.615 for purposes of
RCW 43.31.605(1); and
(c) The remainder of funds must be distributed to the home
security fund account, with 60 percent of funds to be used for
project-based vouchers for nonprofit housing providers or public
housing authorities, housing services, rapid rehousing, emergency
housing, or acquisition. Priority for use must be given to project-
based vouchers and related services, housing acquisition, or
emergency housing, for persons who are chronically homeless,
including families with children. At least 50 percent of persons
receiving a project-based voucher, rapid rehousing, emergency
housing, or benefiting from housing acquisition must be living
unsheltered at the time of initial engagement. In addition, funds may
be used for eviction prevention rental assistance pursuant to section
2 of this act, foreclosure prevention services, dispute resolution
center eviction prevention services, rental assistance for people
experiencing homelessness, and tenant education and legal assistance.
(2) The surcharge imposed in this section does not apply to: (a)
Assignments or substitutions of previously recorded deeds of trust;
(b) documents recording a birth, marriage, divorce, or death; (c) any
recorded documents otherwise exempted from a recording fee or
additional surcharges under state law; (d) marriage licenses issued
by the county auditor; or (e) documents recording a federal, state,
county, city, or water-sewer district, or wage lien or satisfaction
of lien.

NEW SECTION. Sec. 2. A new section is added to chapter 43.185C
RCW to read as follows:
(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:
(a) Rental assistance, including rental arrears and future rent if needed to stabilize the applicant's housing and prevent their eviction;

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

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

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

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

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

(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, a representative of homeless youth and young adults, and affordable housing advocates.

(3) A landlord may assist an eligible household in applying for assistance through the eviction prevention rental assistance program or may apply for assistance on an eligible household's behalf.

(4) (a) Eligible grantees must actively work with organizations rooted in communities of color to assist and serve marginalized populations within their communities.

(b) 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, rent assistance payments, activities that directly support the goal of improving access to rent assistance for people of color, 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.
(c) An eligible grantee may request an exemption from the department from the requirements under (b) of this subsection. The department must consult with the stakeholder group established under subsection (2)(c) of this section before granting an exemption. An eligible grantee may request an exemption only if the eligible grantee:

(i) Is unable to subgrant with an organization that serves and is substantially governed by marginalized populations; or

(ii) Provides the department with a plan to spend 10 percent of the grant total in a manner that the department determines will improve racial equity for historically underserved communities more effectively than a subgrant.

(5) 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, a representative of homeless youth and young adults, 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;
(c) Native Hawaiian or other Pacific Islander;
(d) Hispanic or Latinx;
(e) Asian;
(f) Other multiracial.

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

(7)(a) The department must award funds under this section to eligible grantees in a manner that is proportional to the amount of revenue collected under section 1 of this act from the county being served by the grantee.
(b) The department must provide counties with the right of first refusal to receive grant funds distributed under this subsection. If a county refuses the funds or does not respond within a time frame established by the department, the department must identify an alternative grantee. The alternative grantee must distribute the funds in a manner that is in compliance with this chapter.

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;

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

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

A county-level report on the expenditures, performance, and outcomes of the eviction prevention rental assistance program under section 2 of this act. 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

A county-level report on the expenditures, performance, and outcomes of the rapid rehousing, project-based vouchers, and housing acquisition programs under section 1 of this act. 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 section 1 of this act in each county.

(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. 4. RCW 43.185C.060 and 2020 c 357 s 915 are each amended to 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.

(2) (a) By December 15, 2021, the department, in consultation with stakeholder groups specified in section 2(2)(c) of this act, must create a set of performance metrics for each county receiving funding under section 1 of this act. The metrics must target actions within a county's control that will prevent and reduce homelessness, such as increasing the number of permanent supportive housing units and increasing or maintaining an adequate number of noncongregate shelter beds.

(b)(i) Beginning July 1, 2023, and by July 1st every two years thereafter, the department must award funds for project-based vouchers for nonprofit housing providers and related services, rapid rehousing, and housing acquisition under section 1 of this act to eligible grantees in a manner that 15 percent of funding is distributed as a performance-based allocation based on performance metrics created under (a) of this subsection, in addition to any base allocation of funding for the county.

(ii) Any county that demonstrates that it has met or exceeded the majority of the target actions to prevent and reduce homelessness over the previous two years must receive the remaining 15 percent performance-based allocation. Any county that fails to meet or exceed the majority of target actions to prevent and reduce homelessness must enter into a corrective action plan with the department.
receive its performance-based allocation, a county must agree to undertake the corrective actions outlined in the corrective action plan and any reporting and monitoring deemed necessary by the department. Any county that fails to meet or exceed the majority of targets for two consecutive years after entering into a corrective action plan may be subject to a reduction in the performance-based portion of the funds received in (b)(i) of this subsection, at the discretion of the department in consultation with stakeholder groups specified in section 2(2)(c) of this act. Performance-based allocations unspent due to lack of compliance with a corrective action plan created under this subsection (2)(b) may be distributed to other counties that have met or exceeded their target actions.

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

((4)) (4) 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 consistency in achieving policy priorities within the private market rental housing segment for housing persons experiencing homelessness. The independent reviewer must notify the department and the office of financial management of its findings. The first biennial expenditure review, for the 2017-2019 fiscal biennium, is due February 1, 2020. Independent reviews conducted thereafter are due February 1st of each even-numbered year.

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

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

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.
NEW SECTION. Sec. 6. (1)(a) The legislature finds that affordable housing, housing instability, and homelessness are persistent and increasing problems throughout the state. Despite significant increases in financial resources by the federal, state, and local governments to address these problems, homelessness and the risk of becoming homeless has worsened in Washington since the legislature authorized the first homeless housing document recording surcharge in 2005. The number of unsheltered homeless encampments in greenbelts, under bridges, and on our streets is a visible reminder that the current system is not working.

(b) The legislature finds that the COVID-19 pandemic has exacerbated and shed new light on the state's homelessness problems and forced communities and providers to reexamine the types and delivery of housing and services to individuals and families who are homeless or at risk of homelessness. As a result of the changing conditions COVID-19 created, the federal government has provided an infusion of funding for housing and services for homelessness populations in its COVID-19 relief bills to pursue different strategies to improve outcomes. Moreover, there are various proposals to increase state funding to address housing insecurity and homelessness, including this act to impose an additional document recording fee to fund an eviction prevention rental assistance program and other services to persons at risk or experiencing homelessness.

(c) The legislature also finds that there are many causes of homelessness and housing instability, including: (i) A shortage of affordable housing; (ii) local land use planning and property management policies that discourage the development of private sector housing stock to serve low and extremely low-income households; (iii) unemployment and lack of education and job skills to acquire an adequate wage job; (iv) mental health, developmental, and physical disabilities; (v) chemical and alcohol dependency; and (vi) family instability and conflict. The legislature intends to provide for an examination of the economic, social, and health causes of current and expected patterns of housing instability and homelessness, and to secure a common understanding of the contribution each has to the current crisis. The legislature intends for this examination to result in a widely accepted strategy for identifying how best to address homelessness in ways that: (A) Address the root causes of the problem; (B) clearly assign responsibilities of state and local
government to address those causes; (C) support local control and provision of services at the local level to address specific community needs, recognizing each community must play a part in the solution; (D) respect property owner rights and encourage private sector involvement in solutions and service; and (E) develop pathways to permanent housing solutions and associated services to break the cycle of housing insecurity and homelessness.

(2)(a) The department of commerce must contract with the William D. Ruckelshaus center to conduct an examination of trends affecting, and policies guiding, the housing and services provided to individuals and families who are or at risk of homelessness in Washington. The center must also facilitate meetings and discussions to develop and implement a long-term strategy to improve services and outcomes for persons at risk or experiencing homelessness and develop pathways to permanent housing solutions.

(b) In fulfilling the requirements of this section, the center must work and consult with (i) willing participants representing tribal and local governments, local providers of housing and services for homeless populations, advocates and stakeholders representing the interests of homeless populations, mental health and substance abuse professionals, representatives of the business community and other organizations, and other representatives the center determines is a necessary participant to examine these issues; (ii) a group of legislators consisting of one member from each of the two largest caucuses in the senate and in the house of representatives appointed by the president of the senate and the speaker of the house of representatives, respectively; and (iii) three representatives of the executive branch appointed by the governor.

(c)(i) The center must conduct fact-finding and stakeholder discussions with participants identified in (b) of this subsection. These discussions must identify stakeholder concerns, barriers, opportunities, and desired principles for a long-term strategy to improve the outcomes and services for persons at risk or experiencing homelessness and develop pathways to permanent housing solutions.

(ii) The center must conduct fact-finding and stakeholder discussions with participants identified in (b) of this subsection to identify root causes of housing instability and homelessness within Washington state. This fact-finding should address root causes demographically within subpopulations of persons at risk or experiencing homelessness such as veterans and persons suffering from
mental health or substance abuse issues. The fact-finding should also address root causes that may differ geographically or regionally. The fact-finding must identify existing statutory and regulatory issues that impede efforts to address root causes of housing instability and homelessness within Washington state.

(iii) The center must issue two reports of its fact-finding efforts and stakeholder discussions to the governor and the appropriate committees of the house of representatives and the senate. One report on the subjects covered in (c)(i) of this subsection is due December 1, 2021, and one on the subjects covered in (c)(ii) of this subsection is due December 1, 2022.

(d) The center must facilitate discussions between the stakeholders identified in this subsection (2) for the purposes of identifying options and recommendations to develop and implement a long-term strategy to improve the outcomes and service for persons at risk or experiencing homelessness and develop pathways to permanent housing solutions, including the manner and amount in which the state funds homelessness housing and services and performance measures that must be achieved to receive state funding. A report on this effort is due to the governor and the appropriate committees of the house of representatives and the senate by December 1, 2023.

Sec. 7. RCW 36.22.178 and 2019 c 136 s 1 are each amended to read as follows:

The surcharge provided for in this section shall be named the affordable housing for all surcharge.

(1) Except as provided in subsection (3) of this section, a surcharge of thirteen dollars per instrument shall be charged by the county auditor for each document recorded, which will be in addition to any other charge authorized by law. The county may retain up to five percent of these funds collected solely for the collection, administration, and local distribution of these funds. Of the remaining funds, forty percent of the revenue generated through this surcharge will be transmitted monthly to the state treasurer who will deposit: (a) The portion of the funds attributable to ten dollars of the surcharge into the affordable housing for all account created in RCW 43.185C.190. The department of commerce must use these funds to provide housing and shelter for extremely low-income households, including but not limited to housing for victims of human trafficking and their families and grants for building operation and maintenance.
costs of housing projects or units within housing projects that are
affordable to extremely low-income households with incomes at or
below thirty percent of the area median income, and that require a
supplement to rent income to cover ongoing operating expenses; and
(b) the portion of the funds attributable to three dollars of the
surcharge into the landlord mitigation program account created in RCW
43.31.615.

(2) All of the remaining funds generated by this surcharge will
be retained by the county and be deposited into a fund that must be
used by the county and its cities and towns for eligible housing
activities as described in this subsection that serve very low-income
households with incomes at or below fifty percent of the area median
income. The portion of the surcharge retained by a county shall be
allocated to eligible housing activities that serve extremely low and
very low-income households in the county and the cities within a
county according to an interlocal agreement between the county and
the cities within the county consistent with countywide and local
housing needs and policies. A priority must be given to eligible
housing activities that serve extremely low-income households with
incomes at or below thirty percent of the area median income.

Eligible housing activities to be funded by these county funds are
limited to:

(a) Acquisition, construction, or rehabilitation of housing
projects or units within housing projects that are affordable to very
low-income households with incomes at or below fifty percent of the
area median income, including units for homeownership, rental units,
seasonal and permanent farmworker housing units, units reserved for
victims of human trafficking and their families, and single room
occupancy units;

(b) Supporting building operation and maintenance costs of
housing projects or units within housing projects eligible to receive
housing trust funds, that are affordable to very low-income
households with incomes at or below fifty percent of the area median
income, and that require a supplement to rent income to cover ongoing
operating expenses;

(c) Rental assistance vouchers for housing units that are
affordable to very low-income households with incomes at or below
fifty percent of the area median income, including rental housing
vouchers for victims of human trafficking and their families, to be
administered by a local public housing authority or other local
organization that has an existing rental assistance voucher program, consistent with or similar to the United States department of housing and urban development's section 8 rental assistance voucher program standards; and

(d) Operating costs for emergency shelters and licensed overnight youth shelters.

(3) The surcharge imposed in this section does not apply to assignments or substitutions of previously recorded deeds of trust or to documents recording a federal lien, or water-sewer district lien, wage lien, or satisfaction of lien.

Sec. 8. RCW 36.22.179 and 2019 c 136 s 2 are each amended to read as follows:

(1) In addition to the surcharge authorized in RCW 36.22.178, and except as provided in subsection (3) of this section, an additional surcharge of sixty-two dollars shall be charged by the county auditor for each document recorded, which will be in addition to any other charge allowed by law. Except as provided in subsection (4) of this section, the funds collected pursuant to this section are to be distributed and used as follows:

(a) The auditor shall retain two percent for collection of the fee, and of the remainder shall remit sixty percent to the county to be deposited into a fund that must be used by the county and its cities and towns to accomplish the purposes of chapter 484, Laws of 2005, six percent of which may be used by the county for the collection and local distribution of these funds and administrative costs related to its homeless housing plan, and the remainder for programs which directly accomplish the goals of the county's local homeless housing plan, except that for each city in the county which elects as authorized in RCW 43.185C.080 to operate its own local homeless housing program, a percentage of the surcharge assessed under this section equal to the percentage of the city's local portion of the real estate excise tax collected by the county shall be transmitted at least quarterly to the city treasurer, without any deduction for county administrative costs, for use by the city for program costs which directly contribute to the goals of the city's local homeless housing plan; of the funds received by the city, it may use six percent for administrative costs for its homeless housing program.
(b) The auditor shall remit the remaining funds to the state treasurer for deposit in the home security fund account to be used as follows:

(i) The department may use twelve and one-half percent of this amount for administration of the program established in RCW 43.185C.020, including the costs of creating the statewide homeless housing strategic plan, measuring performance, providing technical assistance to local governments, and managing the homeless housing grant program.

(ii) The remaining eighty-seven and one-half percent of this amount must be used as follows:

(A) At least forty-five percent must be set aside for the use of private rental housing payments; and

(B) All remaining funds are to be used by the department to:

(I) Provide housing and shelter for homeless people including, but not limited to: Grants to operate, repair, and staff shelters; grants to operate transitional housing; partial payments for rental assistance; consolidated emergency assistance; overnight youth shelters; grants and vouchers designated for victims of human trafficking and their families; and emergency shelter assistance; and

(II) Fund the homeless housing grant program.

(2) A county issuing general obligation bonds pursuant to RCW 36.67.010, to carry out the purposes of subsection (1)(a) of this section, may provide that such bonds be made payable from any surcharge provided for in subsection (1)(a) of this section and may pledge such surcharges to the repayment of the bonds.

(3) The surcharge imposed in this section does not apply to (a) assignments or substitutions of previously recorded deeds of trust, (b) documents recording a birth, marriage, divorce, or death, (c) any recorded documents otherwise exempted from a recording fee or additional surcharges under state law, (d) marriage licenses issued by the county auditor, or (e) documents recording a federal, state, county, city, or water-sewer district, or wage lien or satisfaction of lien.

(4) Ten dollars of the surcharge imposed under subsection (1) of this section must be distributed to the counties to carry out the purposes of subsection (1)(a) of this section.

(5) For purposes of this section, "private rental housing" means housing owned by a private landlord and includes housing owned by a nonprofit housing entity.
Sec. 9. RCW 36.22.1791 and 2019 c 136 s 3 are each amended to read as follows:

(1) In addition to the surcharges authorized in RCW 36.22.178 and 36.22.179, and except as provided in subsection (2) of this section, the county auditor shall charge an additional surcharge of eight dollars for each document recorded, which is in addition to any other charge allowed by law. The funds collected under this section are to be distributed and used as follows:

(a) The auditor shall remit ninety percent to the county to be deposited into a fund six percent of which may be used by the county for administrative costs related to its homeless housing plan, and the remainder for programs that directly accomplish the goals of the county's local homeless housing plan, except that for each city in the county that elects, as authorized in RCW 43.185C.080, to operate its own local homeless housing program, a percentage of the surcharge assessed under this section equal to the percentage of the city's local portion of the real estate excise tax collected by the county must be transmitted at least quarterly to the city treasurer for use by the city for program costs that directly contribute to the goals of the city's local homeless housing plan.

(b) The auditor shall remit the remaining funds to the state treasurer for deposit in the home security fund account. The department may use the funds for administering the program established in RCW 43.185C.020, including the costs of creating and updating the statewide homeless housing strategic plan, measuring performance, providing technical assistance to local governments, and managing the homeless housing grant program. Remaining funds may also be used to:

(i) Provide housing and shelter for homeless people including, but not limited to: Grants to operate, repair, and staff shelters; grants to operate transitional housing; partial payments for rental assistance; consolidated emergency assistance; overnight youth shelters; grants and vouchers designated for victims of human trafficking and their families; and emergency shelter assistance; and

(ii) Fund the homeless housing grant program.

(2) The surcharge imposed in this section does not apply to assignments or substitutions of previously recorded deeds of trust or to documents recording a federal or water-sewer district or wage lien or satisfaction of lien.
Sec. 10. RCW 36.22.240 and 2019 c 348 s 11 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, a surcharge of two dollars and fifty cents shall be charged by the county auditor for each document recorded, which will be in addition to any other charge or surcharge allowed by law. The auditor shall remit the funds to the state treasurer to be deposited and used as follows:

(a) Through June 30, 2024, funds must be deposited into the growth management planning and environmental review fund created in RCW 36.70A.490 to be used first for grants for costs associated with RCW 36.70A.600 and for costs associated with RCW 36.70A.610, and thereafter for any allowable use of the fund.

(b) Beginning July 1, 2024, sufficient funds must be deposited into the growth management planning and environmental review fund created in RCW 36.70A.490 for costs associated with RCW 36.70A.610, and the remainder deposited into the home security fund account created in RCW 43.185C.060 to be used for maintenance and operation costs of: (i) Permanent supportive housing and (ii) affordable housing for very low-income and extremely low-income households. Funds may only be expended in cities that have taken action under RCW 36.70A.600.

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

(3) For purposes of this section, the terms "permanent supportive housing," "affordable housing," "very low-income households," and "extremely low-income households" have the same meaning as provided in RCW 36.70A.030.

Passed by the House April 24, 2021.
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Certificate Of Completion

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