

Multiple Agency Fiscal Note Summary

Bill Number: 2163 HB	Title: Homeless housing program
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Estimated Cash Receipts

Agency Name	2005-07		2007-09		2009-11	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Community, Trade, and Economic Development	0	12,318,400	0	12,768,400	0	12,768,400
Department of Revenue	0	18,142,000	0	18,930,000	0	18,930,000
Total \$	0	30,460,400	0	31,698,400	0	31,698,400

Local Gov. Courts *						
Local Gov. Other **		18,783,706		20,277,148		20,277,148
Local Gov. Total		18,783,706		20,277,148		20,277,148

Estimated Expenditures

Agency Name	2005-07			2007-09			2009-11		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Community, Trade, and Economic Development	5.5	0	12,318,400	4.9	0	12,768,400	4.9	0	12,768,400
Department of Revenue	.0	23,800	23,800	.0	23,800	23,800	.0	23,800	23,800
Total	5.5	\$23,800	\$12,342,200	4.9	\$23,800	\$12,792,200	4.9	\$23,800	\$12,792,200

Local Gov. Courts *									
Local Gov. Other **			141,757,000			141,757,000			141,757,000
Local Gov. Total			141,757,000			141,757,000			141,757,000

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Prepared by: Robin Campbell, OFM	Phone: 360-902-0575	Date Published: Final 3/ 2/2005
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

Individual State Agency Fiscal Note

Bill Number: 2163 HB	Title: Homeless housing program	Agency: 090-Office of State Treasurer
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
Fund					
Total \$					

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/18/2005
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 02/22/2005
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 02/22/2005
OFM Review: Deborah Feinstein	Phone: 360-902-0614	Date: 02/22/2005

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

HB 2163 creates the homeless housing account. Earnings from investments will be credited to the general fund.

Earnings from investments:

The amount of earnings by an account is a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period in question. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average balances, and hence differing earnings.

There will be an impact to the earnings; however, the actual earnings will be determined more by the impact to the average daily balance than the amount of increases or decreases in receipts, disbursements, and transfers. Currently, estimated earnings are indeterminable. Without projected monthly estimates of receipts, disbursements, and transfers, OST is unable to estimate the changes to the average balance of the account and the impact to earnings.

Based on the November 2004 Revenue Forecast, the net rate for estimating earnings for FY 05 is 1.70%, FY 06 is 2.72%, and FY 07 is 2.99%. Approximately \$17,000 in FY 05, \$27,200 in FY 06, and \$29,900 in FY 07 in net earnings and \$5,000 in OST management fees would be gained or lost annually for every \$1 million increase or decrease in average daily balance.

Debt Limit:

There will be an impact on the Debt Service Limitation calculation. Any change to the earnings credited to the general fund will change, by an equal amount, General State Revenues.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

HB 2163 creates the homeless housing account. Earnings from investments will be credited to the general fund.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years					
Total:					

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2163 HB	Title: Homeless housing program	Agency: 103-Community, Trade & Economic Develop
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2006	FY 2007	2005-07	2007-09	2009-11
Washington Housing Trust Account-State 532-1	984,200	984,200	1,968,400	1,968,400	1,968,400
Homeless Housing Account-State NEW-1	4,950,000	5,400,000	10,350,000	10,800,000	10,800,000
Total \$	5,934,200	6,384,200	12,318,400	12,768,400	12,768,400

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	6.0	4.9	5.5	4.9	4.9
Fund					
Washington Housing Trust Account-State 532-1	984,200	984,200	1,968,400	1,968,400	1,968,400
Homeless Housing Account-Non-Appropriated NEW-6	4,950,000	5,400,000	10,350,000	10,800,000	10,800,000
Total \$	5,934,200	6,384,200	12,318,400	12,768,400	12,768,400

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/18/2005
Agency Preparation: Tedd Kelleher	Phone: 360-725-2930	Date: 02/23/2005
Agency Approval: Stephen Buxbaum	Phone: 360-725-2912	Date: 02/24/2005
OFM Review: Robin Campbell	Phone: 360-902-0575	Date: 03/02/2005

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The Homeless Housing Act (HB 2163) would

- Require state and local governments to develop ten year plans to end homelessness;
- Provide \$12.3 million/year in additional revenue through a document recording fee of \$10 to implement the plans;
- Raise the existing document recording fee from \$10 to \$12, raising an additional \$2.46 million.
- Require an annual census of homeless persons to measure progress toward implementing the plans;
- Require plan initiatives to be measured using a common set of performance measure; and
- Make the Department of Community, Trade and Economic Development (CTED) and county governments responsible for ending homelessness by July 1, 2015.

Section 4 - Directs Community, Trade and Economic Development (CTED) to develop and administer the new homeless housing program with advice and input from the Affordable Housing Advisory Board (AHAB).

Section 5 - Directs CTED to conduct an annual Washington homeless census. Also directs CTED to create a method of importing local census information into the state operated Homeless Management Information System (HMIS).

Sections 4, 5, 13, 16 - Directs CTED to write rules for the new homeless housing program.

Section 9 – Raises the existing ten dollar surcharge for documents recording to twelve dollars.

Section 13 – Directs CTED to allocate state homeless housing account grants through a defined allocation process.

Section 16 – Directs CTED to develop a consistent statewide data gathering instrument to monitor performance of grant recipients.

Section 17 – Defines the technical assistance available to local governments.

Sections 6, 8 – Directs CTED to establish a process for local governments to annually submit for approval updated ten year plans to end homelessness. CTED would issue rules regarding performance measures reported in local government plans.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

The existing \$10 recording fee deposited to the Washington Housing Trust Account, Fund 532, is increased to \$12. An increased of \$2 is assumed to generate a total of \$2,590,000 each year. The Department of Community, Trade and Economic Development's portion is \$984,000 per year (\$2,590,000 less auditor 5% is \$2,460,500; 40% of \$2,460,500 is \$984,200).

Assuming the ten dollar document recording fee described in Section 19 of the act would generate \$13,026,300 in FY 2006, and \$14,210,500 in subsequent years based on historic revenues from a similar recording fee. Under the provisions of the bill, CTED would receive 40% of those receipts less or \$4,950,000 in FY 2006, and \$5,400,000 in subsequent years.

The increase in the existing document recording fee would raise an additional \$2.46 million.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 4 - Directs Community, Trade and Economic Development (CTED) to develop and administer the new homeless housing program with advice and input from the Affordable Housing Advisory Board (AHAB).

Assumptions – Six additional AHAB subcommittee meetings, August 2005 through January 2006, \$13,386. Per meeting costs \$2,231: meeting room, \$400; printing, \$100; three Eastern Washington representatives, airfare (\$301 x 3), lodging (\$110 x 3), meals (\$51 x 3); three Western Washington representatives, mileage (\$100 x 3), meals (\$15 x 3). Meeting would be staffed by the two FTE Program Manager/ Technical Specialists 3 needed to fulfill the other sections of the bill, and ongoing consultation with AHAB concerning the program would be done through existing quarterly meetings.

Section 5 - Directs CTED to conduct an annual Washington homeless census. Also directs CTED to create a method of importing local census information into the state operated HMIS.

Assumptions - An additional 1.0 FTE CTED Program Manager/Technical Specialist 3 would be needed to improve the existing Balance of State census and expand it into King, Snohomish, Spokane, Pierce, and Clark counties, and provide the additional report cards and quality measurements (\$810/year travel (2,000 miles), \$1800/year for ongoing goods and services). A module would need to be added to the state's existing HMIS to allow importation of census data from other HMIS systems throughout the state (one-time cost of \$30,000, 375 hours of programming/testing at \$80/hour).

Sections 4, 5, 13, 16 - Directs CTED to write rules for the new homeless housing program. Assume one full-time Program Manager/Technical Specialist 3 for six months to complete the rule making process. Assume two public forums, one in eastern and one in western Washington. Assume extensive analysis of information obtained in the public forums. Assume meeting room cost of \$400 each for \$800. Assume printing costs of \$200. Assume staff travel to eastern Washington meeting \$300 airfare and \$110 per diem (overnight stay); for western Washington meeting \$15 meal and \$25 mileage, and assume staff goods and services at \$900 (6 months at a rate of \$1,800/yr).

Section 9 – Raises the existing ten dollar surcharge for documents recording to twelve dollars.

Assumptions – CTED would use the existing staff to allocate these additional funds.

Section 13 – Directs CTED to allocate state homeless housing account grants through a defined allocation process.

Assumptions – Revenue becomes available to CTED in calendar year 2006, application for funds first released in February and returned by April 2006. 1.0 FTE Program Manager/Technical Specialist 3 necessary to develop funding application, administer application review process, and administer and monitor the 30 resulting competitively awarded grant contracts (\$1,800 ongoing goods and services, 7,200 miles of travel in year one (\$2,916), \$3,200 for office furniture, \$725 for a computer, and 5,000 miles (\$2,025) of travel in subsequent years). 0.5 FTE Office Assistant Senior to support the application and contract management process (\$900 in ongoing goods and services, \$1,600 for office furniture, and \$363 for a computer). To ensure that there were fundable applications from both urban and rural areas in the state, CTED would contract with a technical assistance provider to help potential applicants put together projects (\$55,000 in year one, 40 potential applicants; \$25,000 in subsequent years, 10 potential applicants).

Section 16 – Directs CTED to develop a consistent statewide data gathering instrument to monitor performance of grant recipients.

Assumptions – Data gathering instrument would be a combination of the existing Homeless Management Information System (HMIS), in combination with the additional reporting being integrated into the HMIS as a result of the recently completed homeless management outcomes improvement initiative. Costs will consist of the incremental costs of adding 30 programs to the HMIS (\$28,218/year as determined by the cost sharing formula employed by the state and local HMIS collaboration effort).

Section 17 – Defines the technical assistance available to local governments.

Assumptions - Costs covered by CTED staff and technical assistance provided in relation to the CTED grants (section 9) and development of the local ten year plans (section 13). Section 12 - Outlines the development of a statewide, strategic, ten-year plan to end homelessness including annual updates and benchmarks to be met over the ten-year timeframe. Assumptions – To analyze the results of the homeless census, work with stakeholders to develop the annually updated ten year plan to end homelessness, and prepare annual reports would require 0.5 FTE Program Manager /Technical Specialist 3 (\$810/year travel (2,000 miles), \$900/year for ongoing goods and services, one-time cost of \$1,600 for office furniture, and one-time \$363 for a portion of a computer).

Sections 6, 8 – Directs CTED to establish process for local governments to annually submit (in August) for approval updated ten year plans to end homelessness. CTED would issue rules regarding performance measures reported in local government plans.

Assumptions - First local plans would be due August 2006; CTED will develop rules from August 2005 through February 2006. CTED staff will provide technical assistance on what constitutes a good plan and assist local governments to establish and maintain active local advisory boards. Additional plan-specific technical assistance will be provided by technical assistance contractors (\$58,000 in year one, 34 counties and county consortiums needing assistance; \$25,000 in subsequent years, 10 counties needing planning assistance). CTED staff will review and approve plans by September of each year. This will also entail an analysis of the progress made locally relative to the mandatory performance outcomes specified by the state. Would require 1.0 FTE Program Manager/Technical Specialist 3 (\$1,800 ongoing goods and services, 7,200 miles of travel in year one (\$2,916), \$3,200 for office furniture, \$725 for a computer, and 5,000 miles (\$2,025) of travel in subsequent years); 0.5 FTE Office Assistant Senior to support the plan review and approval process (\$900 in ongoing goods and services, \$1,600 for office furniture, and \$362 for a portion of a computer).

Additional Funding Needed to End Homelessness in Ten Years:

Based on information collected through the Emergency Shelter Assistance Program (ESAP), it costs \$23,809,000 (\$5 million of which is state funding) per year to provide 1,232,000 bednights of emergency shelter (\$19 per bednight) and associated homelessness prevention and case management services. At a given point in time, the current system is sheltering 4,763 people, leaving 11,700 unsheltered.

Expanding the emergency shelter to serve the 11,700 currently unsheltered in would cost an additional \$52 million per year in state fiscal year (SFY) 2007. This formula does into take into account that about 23 percent (2,700) of the unsheltered are “chronic” homeless, meaning that after the traditional 90 day limit of emergency shelter they are likely to exit shelter into homelessness. If \$52 million were added to Washington emergency shelter and associated services in SFY 2007 (year two of the plan) 100 percent of the homeless would be housed July 1 2006 through September 30, 2006. On October 1 the chronic homeless would reach the shelter time limit, and most of the 2,700 would exit into homelessness, until July 1 2007 when they would be eligible to stay in emergency shelter again.

Assuming a steady population of homeless persons, to fulfill the year four (SFY 2009) performance measure of housing 25 percent of the homeless in permanent housing would require long term housing subsidies, and supportive services. The state average cost of a decent one-bedroom apartment is \$605/month (\$750/month in King County, \$510 per month in Yakima County).

Assuming an average \$558/month housing and supportive services subsidy, supplemented in most cases by existing mainstream services such as SSI and Section 8, it would cost \$4.5 million in SFY 2009 to serve 25 percent (681 individuals) of the chronic homeless (in addition to the \$52 million/year of short term shelter added in SFY 2007) [558 rent times 12 months is \$6,696 times 681 individuals is \$4.5 m).

To reach the year ten (SFY 2015) goal of housing the short-term homeless (13,763 people) and chronic homeless (2,700) would cost \$47 million in emergency shelter and \$18 million in long-term housing subsidies and supportive services, for a total of \$65 million/year from SFY 2015 forward.

In reality, some of this additional funding would be used to support transitional housing, short-term rent assistance, and other strategies to address homelessness. This simplified calculation assumes that housing stock would be adequate to

fulfill these goals through a combination of existing housing stock, new subsidized housing being created by existing capital funding programs, and new housing that would be created due to the new operating subsidies. An important assumption of this calculation is that existing mainstream social services - such as Temporary Aid to Needy Families (TANF), Supplemental Security Income (SSI), Food Stamps and housing programs (Section 8, McKinney, Housing Trust Fund) - at least continue to serve the same proportion of the population that they serve today. For example, the proposed cut in the Section 8 program of \$95 million/year in Washington State (12,465 households) in 2009 would dramatically increase the need for additional state and local subsidies to end homelessness by year ten of the plan.

Based on the calculation of the total funding needed to fulfill the performance measures in the bill, in SFY 2007 (year 2) an additional \$39 million in private, foundation, federal, and local funding would need to be leveraged into the effort.

In SFY 2009 (year 4) an additional \$42 million/year would be needed, and by year ten of the plan (SFY 2015) an additional \$52 million/year would be needed from other sources to fulfill the goal of ending homelessness in ten years.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	6.0	4.9	5.5	4.9	4.9
A-Salaries and Wages	268,991	229,998	498,989	459,996	459,996
B-Employee Benefits	67,248	57,500	124,748	115,000	115,000
C-Personal Service Contracts	143,000	50,000	193,000	100,000	100,000
E-Goods and Services	45,413	36,318	81,731	72,636	72,636
G-Travel	18,000	5,670	23,670	11,340	11,340
J-Capital Outlays	13,738		13,738		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	5,240,288	5,887,128	11,127,416	11,774,256	11,774,256
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	137,522	117,586	255,108	235,172	235,172
Total:	\$5,934,200	\$6,384,200	\$12,318,400	\$12,768,400	\$12,768,400

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2006	FY 2007	2005-07	2007-09	2009-11
100-Various Agency Administration	41,600	0.5	0.4	0.5	0.4	0.4
Office Assistant Senior	29,616	1.8	1.0	1.4	1.0	1.0
Program Manager /Technical	57,252	3.7	3.5	3.6	3.5	3.5
Specialist 3						
Total FTE's		6.0	4.9	5.5	4.9	4.9

III. C - Expenditures By Program (optional)

Program	FY 2006	FY 2007	2005-07	2007-09	2009-11
Agency Administration (100)	137,522	117,586	255,108	235,172	235,172
Housing (400)	5,796,678	6,266,614	12,063,292	12,533,228	12,533,228
Total \$	5,934,200	6,384,200	12,318,400	12,768,400	12,768,400

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Section 15 (2)(b) – CTED to create a rental assistance program by rule.

Section 16 – CTED to define additional mandatory program performance measures by rule for both state and local initiatives funded by the homeless housing act.

Section 20 – CTED has the authority to issue rules related to the grant process.

Section 22 – CTED shall issue rules ensuring the state’s interest would be protected in projects funded by the Homeless Housing Act.

Department of Revenue Fiscal Note

Bill Number: 2163 HB	Title: Homeless housing program	Agency: 140-Department of Revenue
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2006	FY 2007	2005-07	2007-09	2009-11
NEW-State 00 - 00 -	8,677,000	9,465,000	18,142,000	18,930,000	18,930,000
Total \$	8,677,000	9,465,000	18,142,000	18,930,000	18,930,000

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
Fund					
GF-STATE-State 001-1	11,900	11,900	23,800	23,800	23,800
Total \$	11,900	11,900	23,800	23,800	23,800

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/18/2005
Agency Preparation: Margaret Knudson	Phone: 360-570-6082	Date: 02/24/2005
Agency Approval: Don Gutmann	Phone: 360-570-6073	Date: 02/24/2005
OFM Review: Doug Jenkins	Phone: 360-902-0563	Date: 02/24/2005

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The purpose of this bill is to prevent and end homelessness in Washington. It creates a Homeless Housing Program within the Department of Community, Trade and Economic Development.

Section 1 is the intent section.

Sections 2 through 8, 12 through 25, and 27 have no impact on taxes or the Department of Revenue.

Section 9 amends RCW 36.22.178 and increases the surcharge to be charged for each document recorded from \$10 to \$12, in addition to any other charge authorized by law. The section describes how the funds generated from this surcharge are to be disbursed. This surcharge does not apply to assignments or substitutions of previously recorded deeds of trust.

Section 10 - new section for chapter 36.22 RCW - in addition to the surcharge authorized in RCW 36.22.178, an additional surcharge of \$10 is to be charged for each document recorded, in addition to any other charged allowed by law. The section describes how the funds generated from this surcharge are to be disbursed. This surcharge does not apply to assignments or substitutions of previously recorded deeds of trust.

Section 11 - new section for chapter 36.22 RCW - in addition to surcharges in RCW 36.22.178 and section 10, an additional surcharge of \$5 may be authorized by the county legislative authority for each recorded document. The section describes how the funds generated from this surcharge are to be disbursed. This surcharge does not apply to assignments or substitutions of previously recorded deeds of trust.

Section 26 provides an effective date of August 1, 2005.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

ASSUMPTIONS/DATA SOURCES

The number of documents recorded in 2004 in 25 counties representing 87 percent of the state population was extrapolated to estimate a statewide number of 2,555,900 documents recorded each year. Data from county auditors show that about 22.2 percent of documents recorded are exempt from the surcharge. These include some Department of Social and Health Services liens, Uniform Commerce Code terminations, military discharges, etc. The estimated number of documents recorded that would be subject to the new surcharge is 1,988,500. The additional \$2 surcharge would generate \$4 million; the \$10 surcharge \$19.9 million; and the \$5 surcharge \$9.9 million, for a total of \$33.8 million. The \$5 surcharge is an optional charge that the legislative authority of the county may authorize. For this note, it is assumed that all counties will do so.

As the bill is to take effect August 1, 2005, the amount possibly generated in FY 2006 would be \$31 million. Of the amount of surcharges collected, certain percentages stay with local governments and certain percentages are forwarded to the state. The amount forwarded to the state in FY 2006 is estimated to be \$8.7 million and \$9.5 million in FY 2007.

The number of documents recorded is sensitive to the interest rates, as 70 percent of the documents are presented by title companies. According to recording managers, as mortgage rates go up, the number of recordings go down as shown by the numbers of the 25 reporting counties: 2,897,542 recorded documents in 2003 and 2,233,191 in 2004. Though mortgage rates are expected to continue to increase, the fiscal impact is held constant as the number of recordings is expected to stabilize.

The fiscal impacts shown below are estimates of amounts held at the local level and amounts forwarded to the state. Portions are sent to the state treasurer for deposit into the Washington Housing Trust Account, other amounts remitted to the Department of Community, Trade and Economic Development as directed in the bill. These amounts will be addressed in their respective notes.

CURRENTLY REPORTING TAXPAYERS (Impact for taxpayers who are known or estimated to be currently paying the tax in question)

There would be an additional charge of \$17 for each document recorded were this bill to pass. Though title companies represent about 70 percent of documents presented to the county auditors for recording, the surcharges would likely be passed on to their clients.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2006 - \$ 8,677
FY 2007 - \$ 9,465
FY 2008 - \$ 9,465
FY 2009 - \$ 9,465
FY 2010 - \$ 9,465
FY 2011 - \$ 9,465

Local Government, if applicable (cash basis, \$000):

FY 2006 - \$ 22,311
FY 2007 - \$ 24,339
FY 2008 - \$ 24,339
FY 2009 - \$ 24,339
FY 2010 - \$ 24,339
FY 2011 - \$ 24,339

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The Department will incur costs of approximately \$23,800 during the 2005-2007 Biennium. FY 06 costs include:

1. \$11,900 for filing fees to record documents with counties.

In addition, the Department will incur estimated costs of \$11,900 during FY 07 and \$23,800 during each of the 2007-2009 and 2009-2011 Biennia. These ongoing costs are as described in one above.

The Department will absorb these costs. However, should this bill and other similar bills pass, the net impact may result in costs above the level the Department can reasonably absorb. In that event, the Department will need additional resources to implement the legislation.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years					
E-	11,900	11,900	23,800	23,800	23,800
Total \$	\$11,900	\$11,900	\$23,800	\$23,800	\$23,800

Part IV: Capital Budget Impact

NONE.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

No new rule making required.

LOCAL GOVERNMENT FISCAL NOTE

Revised

Department of Community, Trade and Economic Development

Bill Number: 2163 HB	Title: Homeless housing program
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☐ Cities:
- ☒ Counties:
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☒ Legislation provides local option: Cities may participate in developing their separate plans, but are not required to do so. Counties may also add their own additional \$5 surcharge per document.
- ☒ Key variables cannot be estimated with certainty at this time: See discussion

Estimated revenue impacts to:

Jurisdiction	FY 2006	FY 2007	2005-07	2007-09	2009-11
City					
County	8,645,132	10,138,574	18,783,706	20,277,148	20,277,148
Special District					
TOTAL \$	8,645,132	10,138,574	18,783,706	20,277,148	20,277,148
GRAND TOTAL \$					59,338,002

Estimated expenditure impacts to:

Jurisdiction	FY 2006	FY 2007	2005-07	2007-09	2009-11
City					
County	70,878,500	70,878,500	141,757,000	141,757,000	141,757,000
Special District					
TOTAL \$	70,878,500	70,878,500	141,757,000	141,757,000	141,757,000
GRAND TOTAL \$					425,271,000

Part III: Preparation and Approval

Fiscal Note Analyst: Linda Bradford	Phone: 360-725-5035	Date: 03/02/2005
Leg. Committee Contact:	Phone:	Date: 02/18/2005
Agency Approval: Louise Deng Davis	Phone: (360) 725-5034	Date: 03/02/2005
OFM Review: Robin Campbell	Phone: 360-902-0575	Date: 03/02/2005

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

This bill would constitute the "Ending Homelessness Act." It would create within the Dept. of Community Trade, and Economic Development (CTED) the Homeless Housing Program to develop and coordinate a statewide strategic 10 year plan, and to create resources targeted to providing all homeless individuals and families with decent permanent housing. It further states that CTED and all WA county governments share the responsibility for ending homelessness in the state of WA within ten years.

CTED is charged, with assistance from the counties and cities, to develop an accurate homelessness census (accurate to the day after ten years). CTED would also be required to implement an online, real-time information and referral system to enable a local government to identify available housing for a homeless person. CTED would also be charged with assisting local governments through technical assistance and well as financial assistance to accomplish the ends of this bill.

Sec. 6 (2) would require that by the end of year two, all individuals in the homeless population will be offered at least temporary housing, and by the end of year ten, all will be housed permanently.

Sec. 7 would require each local government to create a local homeless housing advisory council--or, as an alternative, designate an existing body which substantially conforms to the section and which includes at least one homeless or formerly homeless individual to serve as its homeless representative.

Sec. 8 would require each local government to prepare and present a ten-year homeless housing plan for its jurisdictional area which would be based on the department's statewide ten-year plan. Each plan would be required to be updated annually and include the mandatory homeless housing program performance measures as provided in Sec. 6.

Sec. 9 of this bill would require the county to add an additional \$2 per document to the \$10 surcharge already in place (RCW 36.22.178) with 5% returned to the auditor to offset costs of collection and processing. Of the remaining balance, 40% would be transmitted monthly to the state treasurer, and the balance would be retained by the county and deposited into a fund that must be used by the county and its cities and towns for housing projects or units within housing projects that are affordable to very low-income persons with incomes at or below 50% of the area median income.

Sec. 10 would require the county to charge an additional \$10 per document surcharge, 60% of which would be used by the county for administrative costs and programs which directly accomplish the goals of the local government's strategic plan to end homelessness. A provision is made for cities that chose to take on their own share for the homeless strategic plan.

Sec. 11 would allow (but not require) the legislative authority of a county to charge an additional \$5 surcharge per document at the county level with not less than twenty % of the collections devoted to rental assistance vouchers, and of those vouchers, 70% would be used for tenants of privately owned dwellings. The balance (80% of total collections under this section) would be used solely for provisions of Sec. 10 of this bill.

Sec. 12 would create the Homeless Housing Account in the custody of the state treasurer.

Sec. 26 would make this act effective August 1, 2005.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

The actual costs to counties for administering their portion of the Homeless Housing Program are unknown--as well as the costs of future housing provision for the homeless (with estimates varying from \$50-\$80 million per year). Some other cost element estimates however are addressed:

Because of the requirements, expenditures would fall most heavily on counties. It is estimated that the expenditure impact of this bill just for county administration of the program would be \$878,500 per year for counties only. This does not include actual expenditures to provide homeless housing, which would be taken from revenues listed below. Nor does it include the cost to auditors for collecting and processing the surcharges. According to the Thurston Co. Auditor, because the county is already collecting and processing the original surcharge, there should be no additional costs.

ASSUMPTIONS:

In discussion with staff from CTED, there were a few critical pieces of information obtained:

- 1) Because of the current heavy requirements for Comprehensive plan updates and other plan elements, most jurisdictions are extremely pressed for planner time to complete those mandated tasks in a timely fashion. Therefore any additional planning work would necessarily require a contractor or additional staff. It was further assumed that because of the intensive startup and ongoing requirements that it would take at least 0.5 planner per year to coordinate, plan, organize, prepare and disseminate publications and emails, negotiate, evaluate and report -- in addition to conducting and responding to at least one public meeting per years.
- 2) CTED has already begun work on a database for the homeless, called the HMIS, whereby they gather census (point -in-time) information on the homeless throughout the state. With some additional assistance from CTED, tailoring their data base to assist in the "Continuum of Care," local jurisdictions may be able to save a large part of their data base costs, so neither will these costs be addressed in the "Expected Expenditure Impact."
- 3) A half time planner position would average approximately \$45,000 per year including benefits and overhead. A consultant would be assumed to be roughly the same cost.
- 4) A major factor in any type of planning effort would be attendant advertising, reports, publications, data processing, and clerical staff, which could easily come to \$200 per month.

A final assumption would be that whether temporary or permanent housing, it would be a conservative minimum of \$70,000,000 per year to house the entire homeless population. Figures obtained from other sources below could put the costs into the billions. However, for this note, the \$70,000,000 will be used. This would be in addition to the county administration costs.

OTHER INFORMATION:

There are four "Entitlement" counties -- Spokane, Tacoma/Pierce, Seattle/King, and Everett/Snohomish. These counties have received federal and other funding for homelessness planning, and would therefore have minimal if any additional expenditures to meet the requirements of this bill.

From information obtained from local governments, assuming the use of their own facilities for meetings, an average public meeting would cost around \$200.

CALCULATIONS:

Since it is assumed that the entitlement counties would not need additional funding for their programs, the costs are calculated for the other 35 counties.

Planning staff for 0.5 FTE per county for 35 counties @ \$45,000 ea = \$787,500 per year. Attendant costs @ \$200 per month for 35 counties = \$84,000 per year. Meetings @ \$200 per year for 35 counties = \$7,000 per year. Total costs are estimated at \$878,500 per year.

ADDITIONAL INFORMATION FOR POINT OF REFERENCE:

According to the WA State Coalition for the Homeless, in 2003, there were 51,380 homeless individuals served on a continuous basis throughout the state. There were 35,943 households, and 78,000 were turned away for lack of facilities. The cost of housing homeless, with services, averages approximately \$1,000 per month per household.

SOURCES:

WA State Assn. of Counties
Homeless Programs in King and Pierce Counties
City of Vancouver
CTED
Thurston Co. Auditor
LGFN Fiscal Note for HB 1810 2005 session

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

Types and amounts of collections are described in the summary. Please see the attached spreadsheet for calculations. These numbers are derived from CTED's original calculations. Please see their fiscal note.

These figures do not include the optional \$5 surcharge per document at the county level, since this would be considered local option, and it is not known which counties would implement this fee.

HB 2163 Proposed Surcharge Collections* beginning August 1, 2005***

Sec. 9 collections	original \$10 per document collection **	additional \$2 surcharge (Sec. 9)	5% auditors' fee on addnl' surcharge	remaining balance	40% for state treasurer	balance for county housing fund	FY '06 auditors' fees (Sec. 9)***	FY '06 county housing fund (Sec. 9)***	Total Revenues for FY '06
FY '06	13,026,316	2,605,263	130,263	2,475,000	990,000	1,485,000	119,408	1,361,250	1,480,658
FY '07+	14,199,684	2,839,937	141,997	2,697,940	1,079,176	1,618,764	na	na	

Sec. 10 collections	additional \$10 per document	county share 60%	CTED share 40%	FY '06 county housing fund (Sec. 10)***
FY '06	13,026,316	7,815,790	5,210,526	7,164,474
FY '07+	14,199,684	8,519,810	5,679,874	na

Sec. 9 + Sec. 10 Revenues for FY '06	Sec. 9 + Sec. 10 Revenues for FY '07
8,645,132	10,138,574

* estimated revenue figures from CTED

** current law, not counted as revenues for 2163 HB

*** figures are for 11 months of FY '06 from August 1, 2005 - June 30, 2006