

## Overview of the Homeless Housing and Assistance Surcharge

### ***What is the Homeless Housing and Assistance Surcharge (Homeless Surcharge)?***

- The homeless surcharge (often referred to as the “document recording fees”) is a modest, one-time filing fee assessed when real estate related documents are filed with county auditors. This surcharge applies to all documents recorded with county auditors except for the following, which are excluded: (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 state, county, or city lien or satisfaction of lien.

### ***What is the Impact of Homeless Surcharge Funded Services?***

- Each year, the Homeless Surcharge funded programs provide housing to more than 98,000 people experiencing homelessness throughout the state. Homelessness in our state decreased by 27.4% between 2006 and 2013, and a total of 17.7% between 2006 and 2016. Since 2013, homelessness has increased due to a number of emerging socioeconomic drivers, including rapidly increasing rental rates, a severe affordable housing shortage, and stagnant wage growth for people living on low incomes during the post-recession recovery. However, the rate of the increase in homelessness between 2013 and 2016 has been significantly lower than projected. Nearly 8,000 fewer people experienced homelessness in 2016 than expected based on changes in population growth, unemployment, and the cost of rent.

### ***How Much Revenue Does the Homeless Surcharge Generate?***

- The homeless surcharge, at the current \$40, is forecasted to generate \$112,759,289 during the 2017 – 2019 biennium, before \$30 sunsets in June of 2019. Counties retain 60% of the revenue to fund local homelessness programs, and 40% of the revenue is allocated to the Washington State Department of Commerce to fund state-level homelessness programs through the Consolidated Homelessness Grant.

### ***What Impact Will the 2019 Homeless Surcharge Sunset Have on Homelessness in WA?***

- The homeless surcharge includes a permanent \$8 fee (RCW 36.22.1791) and an additional \$40 fee (RCW 36.22.179) totaling \$48. There is also a \$10 “affordable housing for all” surcharge (RCW 36.22.178), which funds affordable housing and shelter. In total, there is currently \$58 in surcharges for homelessness and affordable housing. In June 2019, \$30 of the homeless surcharge is scheduled to sunset, which would reduce the homeless surcharge total to \$18. This 62.5% reduction will decrease the total homeless surcharge revenue to \$42,284,733 during the 2019 – 2021 biennium and would result in 34,000 additional people experiencing homeless during the first two years of this reduction.

*Updated 1.25.17*

## 62.5% of the Homeless Housing and Assistance Surcharge is Scheduled to Expire June 2019

See *highlighted row below*

| RCW                           | Year | Bill    | Amount                               | Total Fee | Description  |
|-------------------------------|------|---------|--------------------------------------|-----------|--|
| RCW 36.22.178                 | 2002 | HB 2060 | \$10 fee                             | \$10      | Affordable Housing for All surcharge created<br>\$10 fee to be used to provide housing and shelter, operations and maintenance for affordable housing programs serving extremely low-income people and related programs.<br><br>Funds are split with 40% going to the state and 60% to local government. |
| RCW 36.22.179 and RCW 43.185C | 2005 | HB 2163 | \$10 fee                             | \$20      | Homeless Housing and Assistance Act passes<br>\$10 fee to support activities related to creating and implementing state and local plans to end homelessness with goal of reducing homelessness by 50% by 2015.<br><br>Funds are split with 40% going to the state and 60% to local government.           |
| RCW 36.22.1791                | 2007 | HB 1359 | \$8 fee                              | \$28      | Addition of \$8 fee<br>\$8 fee to support ongoing work to prevent and end homelessness and implement plans.<br><br>Funds are split with 10% going to the state and 90% going to local government.  |
| RCW 36.22.179                 | 2009 | HB 2331 | Amends HB 2163 from \$10 to \$30 fee | \$48      | Homeless Housing and Assistance Act surcharge increased to \$30, with expiration date of 6/2013  |
| RCW 36.22.179                 | 2012 | HB 2048 | Additional \$10 fee                  | \$58      | Homeless Housing and Assistance Act surcharge increased by \$10, to total \$40, with \$10 sunset for review on 6/2015 and \$20 sunset on 6/2017.   |
| RCW 36.22.179                 | 2014 | SB 5875 | Extended sunset date                 | \$58      | <b>\$30 of the Homeless Housing and Assistance Act surcharge will sunset on 6/2019.</b>  |