

## Substance Use and Recovery Services Plan Recommendation

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**Recommendation** – Legislative policy recommendation for replicating and enhancing “good work”, tax incentives for recovery housing services, and housing vouchers for those homes.

*Bill requirement: Section 1(3)(c), (d), (e)*

**Synopsis** – The suggestion was made for helping private locations with state or funding support such as capital funding to help establish recovery residences. HCA shared that a potential capital loan program that may be coming up later in the year or next year specifically for recovery residences. New recovery residence operating funds will be open for competitive application by mid-May, more details to come as this opportunity becomes available. There are a few factors that can hinder growth in this area including the overall cost of housing. The cost of real estate is working against the community. Some people are getting out of recovery housing and selling their houses to capitalize on the current market.

- ❖ The Legislature works with a lot of housing programs. A property tax break for landlords to incentivize leasing their rental homes to housing operators.
- ❖ Incentivizing HUD owned homes to turn into recovery residences and matching homes with recovery residence operators.
- ❖ Low-Income Housing Institute invest in those who already own or want to invest in, or start programming, they can help manage different programs. <https://lihi.org/>
- ❖ Local jurisdictions sometimes sell properties to use for low-income housing. If this can happen in an organized manner to increase the number of recovery residences, these homes would need to be matched with recovery residence operators.
- ❖ Rural communities could work together in partnerships with HCA staff to assess local needs and seek funding to expand recovery residence capacity.
- ❖ Currently there are a limited number of categories for property tax exemption. An operator can qualify for a property tax break for emergency transitional housing, where the operator can apply and the landlord benefits from exemption. To qualify, an operator must enforce a cap on resident stay which is currently 2 years. This recommendation would be to add a specific category to the exemption list to include accredited recovery residences.
  - [WAC 458-16-165:](#)
  - [RCW 84.36.043: Nonprofit organization property used in providing emergency or transitional housing to low-income homeless persons or victims of domestic violence. \(wa.gov\)](#)

- [WAC 458-16-320](#):

**Plan of Action:**

- ❖ A new voucher program would be ideal for experienced and accredited housing operators to hold bedspace for individuals who are awaiting **appropriate treatment** or who have returned to use and need a place to stay while negotiating a return to stable housing.
  - Temporary secure housing would fill the large gap in the continuum of care **for individuals seeking appropriate treatment**—many are **overlooked and are left without treatment**.
  - A **weekly** voucher should be made available to hold a bed in a staffed and accredited recovery residence for those who are awaiting treatment or return to use. Vouchers should be used to support these dedicated spaces whether the beds are filled or not (Some Drug Courts currently fund spaces for participants whether the beds are filled or not.)
  - **Creating a more rapid response by providing** respite spaces to be made available in a recovery residence for those who return to use, don't qualify for detox, or seeking treatment and need a safe place to stay **by creating a new or existing arrangement for operators for short term stays with quick turnaround times**.
- ❖ Different types of facilities receive property tax breaks. Recovery **residences** could be added to the list in the RCWs. Exemptions are currently only allowed for transitional homes that house people for two years or less. A change in the current law would provide a property tax exemption for residences that do not limit residents' length of stay. The exemption could be claimed by a homeowner whether they operate a recovery residence themselves or rent to an accredited operator.
- ❖ Continuing and expanding the COM/HCA housing grants provided out of 5476.
- ❖ Subcontracted training that providers can go through, by HCA, from people that meet national standards (WAQRR) then they would be eligible and accredited.

**Financial Impact:**

<b>Dollars</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
<b>5476 Funding</b>	\$200,000/Housing Vouchers 525,000/Housing Grants	\$200,000/Housing Vouchers 525,000/Housing Grants	\$200,000/Housing Vouchers 525,000/Housing Grants
<b>Grant Funding</b>	Grants (Commerce currently is offering \$1,000,000 in housing expansion grants for fiscal year 2022-23.		
<b>Total Funds</b>			
<b>Staff (FTE)</b>	0	0	0

**Consideration of youth, rural areas, and tribes:**

Youth:

Additional programs will be brought up specifically for youth in this realm later.

Rural Areas:

5476 can support communities to provide regional specific recommendations to develop a response that works for them. Incentivizing with policies but to also enforce the same policies in rural areas. Giving priority to tribes and rural areas for the continuation of grants.

Tribes:

Tribes are having conversations with WAQRR. Oxford has a few housings on tribal lands and off the reservation specific to tribes. Tribes will retain their rights to select their providers that they work with. Giving priority to tribes and rural areas for the continuation of grants.

**Collaboration/Existing Programs:**

5476 provided 7 grants of \$75,000 to recovery *residences* in 2021-22 and will make \$1,000,000 in grants in 2022-23.

**Feasibility Assessment/Submission to SURSA Committee: (Y/N) & Explanation)**

*Indicating if this recommendation is feasible and supportive of the authority and/or the submission to the SURSA Committee.*

**SURSA Committee Feedback:**

DRAFT