

## HB 3644 A -A2 STAFF MEASURE SUMMARY

### Joint Committee On Ways and Means

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**Meeting Dates:** 6/10, 6/17

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#### **WHAT THE MEASURE DOES:**

The measure establishes a statewide shelter program under the Housing and Community Services Department (OHCS) to reduce unsheltered homelessness and transition individuals into housing stability. The measure tasks OHCS with dividing the state into regions, appointing regional coordinators, and providing ongoing funding through five- to six-year agreements, with at least 70 percent allocated to low-barrier shelters. The measure requires that regional coordinators submit detailed assessments, regional plans, and annual reports, which OHCS will review for compliance. The measure also requires OHCS to adopt administrative rules, establish a grievance system, and report annually to the legislature on program outcomes. The measure appropriates \$217.9 million from the General Fund to support the program's implementation.

#### Detailed Summary:

##### **Definitions**

- Defines "planning partners" as shelter providers, local jurisdictions, housing authorities, community action agencies, continuums of care, day center service providers, rehousing services providers, county mental health providers and coordinated care organizations.
- Defines "regional assessment" as an assessment of current conditions, resources and outcomes relating to homelessness for the region.
- Defines "regional coordinator" as a local government or nonprofit public benefit corporation that develops a regional assessment and plan and an annual report, and receives and distributes program funds for the region.
- Defines "regional plan" as a plan that details the services and outcomes for the region that will be supported with program funds.
- Defines "shelter" as a facility designed to provide temporary living arrangements on an emergency or transitional basis as may be further defined by the Housing and Community Services Department by rule.
- Defines "shelter provider" as any person or local government that operates or funds shelters.
- Defines "recovery-based shelter" as a shelter that provides optional recovery systems that are client-driven and support social integration.

##### **Statewide Shelter Program: Establishment, Objectives, and Requirements**

- Directs the Housing and Community Services Department (OHCS) to establish a statewide shelter program to reduce unsheltered homelessness and transition people from experiencing homelessness into housing stability.
- Requires OHSC, for the purposes of the program, to:
  - focus on the outcomes of reducing unsheltered homelessness, transitioning people experiencing homelessness to housing stability, and housing retention for people rehoused through the program;
  - foster equity in outcomes for those disproportionately impacted by structural inequities in homelessness and the homelessness response system;
  - require regional coordination in planning, funding, and services;
  - provide flexibility to allow regional coordinators and shelter providers to meet the needs of each community;

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- facilitate consistent, predictable, and trackable systems and services that allow the state, regional coordinators, and shelter providers to plan for needs and reduce administrative burdens; and
- ensure accountability for regional coordinators and shelter providers for minimum expectations and outcomes.
- Requires shelters to be primarily available throughout the day and night, seven days a week, and during all seasons and weather; prioritize immediate access to shelter or transitional, temporary, permanent, or other housing to provide stability and retention of housing; conduct operations and services using evidence-based practices, cultural responsiveness, nondiscrimination, and harm reduction; and use coordinated entry and homeless management information systems to ensure integration with federal systems and data collection.
- Requires OHCS to adopt rules for the purposes of administering the program. Specifies that rules need to establish guidelines and funding agreements applicable to regional plans and funded shelters; shelter types and services that may be eligible to receive funding from the regional coordinators; minimum habitability and service requirements for each eligible shelter type; policies regarding low-barrier and nonexclusionary shelter programs; policies regarding exit and separation from shelter services; the funding formula; and the requirements of agreements between regional coordinators and shelter providers.
- Prohibits regional coordinators, regional plans, and shelter providers from setting different or additional requirements for services or use of funds without review and approval by OHCS.

### Program Implementation

- Directs OHCS to consult with local planning partners to divide the state into regions, each no smaller than a single county, to implement the statewide shelter program.
- Directs OHCS to select a regional coordinator for each region of the state in consultation with local planning partners.
- Directs OHCS to enter into a five-year to six-year agreement with regional coordinators. Permits OHCS to renew said agreement for subsequent five-year to six-year terms on a noncompetitive basis.
- Directs OHCS to provide ongoing funding to operate the program to the regional coordinator during an agreement term.
- Permits OHCS to terminate agreements with regional coordinators during a term for good cause.
- Directs regional coordinators to ensure that at least 70 percent the funding is provided for shelters providing low-barrier practices with the balance available for recovery-based shelter.
- Requires OHCS to establish a funding formula that considers regional needs and past performance.
- Directs OHCS to establish a formal grievance system to review, track, and mediate disputes between shelter providers and regional coordinators.
- Directs OHCS to adopt rules for the administration of the Statewide Shelter Program by January 1, 2026 and select regional coordinators by May 1, 2026.
- Appropriates \$217,918,652 General Fund to OHCS to establish the Statewide Shelter Program, adopt rules, and select regional coordinators.

### Regional Assessments, Regional Plans, and Annual Plans

- Directs regional coordinators to complete and submit a regional assessment, a regional plan, and an annual plan.
- Requires regional assessments to be submitted to OHCS once within the first year of the agreement term and include counts and the current conditions of individuals experiencing sheltered and unsheltered homelessness; the amount of federal, state, and local funds spent on homelessness services by service type; identification of current shelters and their services and capacity; identification of planning partners for the regional plan; community-identified needs and priorities related to shelter and shelter services; and any additional information required by OHCS.
- Requires regional plans to be submitted to OHCS and updated every two years and include proposed actions to be taken by the regional coordinator and planning partners to further the values and purposes of the program; proposed homelessness services and outcomes to be implemented by the regional coordinator,

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planning partners, and shelter providers to address findings in the regional assessment; a proposed budget to fund the maintenance or expansion of eligible shelters and services through shelter providers within the region and to administer program moneys; and any additional information required by OHCS.

- Requires that regional plans:
  - prioritize system capacity that provides shelter availability throughout the day and night, seven days a week, and during all seasons and weather;
  - prioritize ongoing stability for existing shelters receiving state funding;
  - support culturally specific and rural shelter providers and planning partners to meet the unique needs of communities; and
  - integrate and support tribal sovereignty.
- Allows regional plans to include diverse housing-focused shelter options such as congregate and noncongregate shelters that meet habitability requirements established by the department; or safe temporary emergency placement sites that meet health and OHCS safety requirements for vehicular camping or siting basic freestanding structures that are structurally sound, are weatherproof and have a locking door.
- Requires annual reports to be submitted to OHCS after the first year of the first agreement term and report on the progress made under the regional plan.
- Directs OHCS to review each submitted regional assessment, plan, and report for compliance with program requirements and alignment with the state homelessness response.
- Permits OHCS to approve, approve with conditions, or request changes and resubmission of a proposed regional assessment.
- Allows OHCS to withhold program funding to a regional coordinator until the approval of the regional assessment, plan, or annual report.

### Reports to the Legislative Assembly

- Directs OHCS to report annually to the legislature by November 15 on the status and outcomes of the program.

Declares emergency, effective on passage.

### ISSUES DISCUSSED:

- Funding for shelter and homelessness services is included in HB 5011, the budget bill for the Housing and Community Services Department.

### EFFECT OF AMENDMENT:

-A2 The amendment deletes the appropriation to the Housing and Community Services Department and repeals the requirements related to shelter planning, funding, and reporting on January 2, 2034.

### BACKGROUND:

During July - December 2024, the Governor's Office and Representative Pam Marsh jointly led the Sustainable Shelter Work Group. The workgroup organized its efforts into three specialized subgroups, each focusing on distinct areas. The [December 23, 2024 Work Group Report](#) summarizes the findings of the work group.