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## Housing Committee

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### HB 2270

**Brief Description:** Creating a Washington state department of housing.

**Sponsors:** Representatives Morgan, Macri, Peterson, Gregerson, Ryu, Reeves, Callan, Bateman, Ormsby, Street, Cortes, Ramel, Kloba, Wylie, Fey, Leavitt, Donaghy, Thai, Goodman, Mena, Taylor, Duerr, Riccelli, Berry, Reed, Santos, Entenman, Ortiz-Self, Simmons, Bergquist, Stonier, Fosse, Timmons, Chapman, Stearns, Nance, Chopp, Shavers, Slatter, Doglio, Pollet, Tharinger, Walen, Bronoske, Orwall, Fitzgibbon, Davis, Alvarado and Paul.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Directs the Office of Financial Management to contract for a study to help facilitate the transition of state housing programs to a new state agency and identify gaps in current state housing programs.</li></ul>
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**Hearing Date:** 1/23/24

**Staff:** Serena Dolly (786-7150).

**Background:**

The Department of Commerce (Commerce) administers many of the state's housing and homelessness programs. These programs include funding for rental subsidies and the construction, operations, and maintenance of housing. Programs administered by Commerce include the Housing Trust Fund, the Landlord Mitigation Program, the Consolidated Homeless Grant, the Manufactured/Mobile Home Relocation Assistance Program, and tenant rental assistance programs. Commerce does not generally provide direct assistance to the public nor does it build and operate housing. Instead, Commerce provides state and federal funding to local governments and nonprofit organizations who in turn provide the housing, services, and subsidies in local communities.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

Other state entities also administer housing programs. For example, the Washington State Housing Finance Commission administers low-income housing tax credits and offers affordable home loans and down-payment assistance programs, and the Office of Civil Legal Aid is responsible for overseeing and administering eviction defense programs.

### **Summary of Bill:**

The Office of Financial Management must contract with an external consultant to study and help facilitate the transition of state housing programs to a new state agency and identify gaps in current state housing programs. The study must include a review and recommendations on the following issues:

- a clear mission and vision for the new department;
- the organizational structure for the new department, including which agencies, administrations, commissions, or other functions of state government should be included, and identification of the reasons why a specific housing function or program is not recommended for inclusion, if any;
- any gaps in existing rental, transitional housing, senior housing, homelessness, homeownership, and manufactured housing programs provided by the state;
- estimated costs for the reorganization, including information technology and capital, and potential funding sources;
- a clear process for managing the reorganization; and
- measurable benchmarks by which the effectiveness of the new department would be assessed.

As part of the review, the external consultant must engage with and seek recommendations from the following:

- the Office of the Governor;
- the Department of Commerce;
- the Department of Social and Health Services;
- the Health Care Authority;
- the Office of Equity;
- the Office of the State Treasurer;
- the Office of the Attorney General;
- the Housing Finance Commission;
- the Office of Civil Legal Aid;
- the Administrative Office of the Courts;
- the nonprofit housing development industry
- an organization that represents tenants;
- homeless shelter operators;
- representatives of low-income persons;
- representatives of special needs populations;
- public housing authorities;
- the for-profit housing development industry;

- for-profit rental housing owners;
- the Washington State Association of Counties; and
- the Association of Washington Cities.

The contract must require the external consultant to submit a report with its findings and recommendations to the Governor and the Legislature by December 1, 2024.

**Appropriation:** None.

**Fiscal Note:** Requested on January 18, 2024.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.