

2SHB 2270 - S COMM AMD
By Committee on Housing

NOT CONSIDERED 03/07/2024

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that affordable
4 housing and homelessness have reached an unprecedented crisis level
5 in Washington state. These issues are not isolated to any one part of
6 our state, rather they are challenges being faced by every community
7 across the state.

8 The legislature finds that in response to these challenges, the
9 state has expanded the scope and authority of the department of
10 commerce, which has diligently worked to introduce and grow programs
11 to increase housing supply, incentivize and manage development,
12 provide rental assistance, support housing providers, and shelter
13 residents. The state recognizes and thanks the department for their
14 efforts and commitment to Washington's residents.

15 As the crisis continues, the legislature finds a need for a more
16 holistic approach to housing and homelessness issues and better
17 alignment of state policies across agencies and in partnership with
18 local jurisdictions and community-based programs.

19 Therefore, the legislature intends to establish a new state
20 department of housing that will focus solely on housing and
21 homelessness issues and bring together state programs that currently
22 span multiple agencies and partners. The legislature also intends to
23 engage a professional consultant to help facilitate the transition of
24 programs and identify gaps that may be filled by the new department.

25 NEW SECTION. **Sec. 2.** (1) The office of financial management
26 must contract with an external consultant to study the transition of
27 state housing programs to a new state agency and identify gaps in
28 current state housing programs. The study must include a review and
29 recommendations on the following issues:

30 (a) A clear mission and vision for the new department;

1 (b) The organizational structure for the new department,
2 including which agencies, administrations, commissions, or other
3 functions of state government should be included, and identification
4 of the reasons why a specific housing function or program is not
5 recommended for inclusion, if any;

6 (c) Any gaps in existing rental, transitional housing, senior
7 housing, homelessness, homeownership, and manufactured housing
8 programs provided by the state including, but not limited to:

9 (i) The feasibility of the state developing its own housing
10 portfolio and partnering with public housing authorities to operate
11 state housing stock;

12 (ii) The need for a state eviction prevention office;

13 (iii) The need for emergency housing in response to natural
14 disasters;

15 (iv) The need for an educational program for renters and
16 landlords;

17 (v) How landlords can be held accountable for repairs to rental
18 housing, including the efficacy of renters using escrow accounts as
19 allowed under RCW 59.18.115;

20 (vi) How the state may assist counties in providing mandatory
21 mitigation sites if the number of homeless people increase within
22 their jurisdiction based on the annual homeless census conducted
23 under RCW 43.185C.030; and

24 (vii) How the state may subsidize housing choice vouchers issued
25 under 42 U.S.C. Sec. 1437(f) when fair market rents calculated by the
26 United States department of housing and urban development do not keep
27 pace with rent;

28 (d) Estimated costs for the reorganization of state housing
29 programs and creation of a new housing agency including, but not
30 limited to, indirect costs, change management, training, and
31 community outreach;

32 (e) An analysis of existing state and federal funding streams for
33 state housing programs and any statutory revisions necessary to
34 ensure the sufficient flow of funds to a new agency;

35 (f) A clear process for managing the reorganization; and

36 (g) Measurable benchmarks by which the effectiveness of the new
37 department would be assessed.

38 (2) As part of the review, the external consultant must engage
39 with and seek recommendations from the following:

40 (a) The office of the governor;

- 1 (b) The department of commerce;
- 2 (c) The department of social and health services;
- 3 (d) The health care authority;
- 4 (e) The office of equity;
- 5 (f) The office of the state treasurer;
- 6 (g) The office of the attorney general;
- 7 (h) The housing finance commission;
- 8 (i) The office of civil legal aid;
- 9 (j) The administrative office of the courts;
- 10 (k) The nonprofit rental housing development industry;
- 11 (l) The nonprofit homeownership housing development industry;
- 12 (m) A labor organization representing frontline staff within
- 13 permanent supportive housing providers;
- 14 (n) An organization that represents tenants;
- 15 (o) Homeless shelter operators;
- 16 (p) Representatives of low-income persons;
- 17 (q) Representatives of special needs populations;
- 18 (r) Public housing authorities as created under chapter 35.82
- 19 RCW;
- 20 (s) The for-profit housing development industry;
- 21 (t) For-profit rental housing owners;
- 22 (u) The Washington state association of counties;
- 23 (v) The association of Washington cities;
- 24 (w) An organization that advocates for effective land use and
- 25 housing planning;
- 26 (x) Representatives of interlocal housing collaborations as
- 27 established under chapter 39.34 RCW;
- 28 (y) A real estate broker licensed in the state of Washington; and
- 29 (z) The office of the lieutenant governor.

30 (3) The contract must require the external consultant to submit a
31 report with its findings and recommendations to the governor and the
32 appropriate committees of the legislature by July 1, 2025.

33 (4) The office of financial management may not award the contract
34 in this section to an external consultant or entity that has lobbied
35 or publicly testified on matters related to the scope of the study,
36 including affordable housing, homelessness, tenant protections, and
37 social services for people at risk of homelessness. The office of
38 financial management must require the successful applicant to certify
39 that it has not lobbied or publicly testified on such matters before
40 the contract being awarded.

1 (5) The contract is exempt from the competitive procurement
2 requirements in chapter 39.26 RCW.

3 (6) This section expires September 30, 2025.

4 NEW SECTION. **Sec. 3.** If specific funding for the purposes of
5 this act, referencing this act by bill or chapter number, is not
6 provided by June 30, 2024, in the omnibus appropriations act, this
7 act is null and void."

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8 On page 1, line 2 of the title, after "housing;" strike the
9 remainder of the title and insert "creating new sections; and
10 providing an expiration date."

EFFECT: Adds an organization that advocates for effective land use and housing planning, representatives of interlocal housing collaborations as established under chapter 39.34 RCW, a real estate broker licensed in the state of Washington, and the office of the Lieutenant Governor to the list of entities the external consultant must engage with and seek recommendations from as part of the study.

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