

# SENATE BILL REPORT

## 2SHB 2270

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As of February 12, 2024

**Title:** An act relating to creating a Washington state department of housing.

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

**Sponsors:** House Committee on Appropriations (originally sponsored by 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).

**Brief History:** Passed House: 2/9/24, 58-39.

**Committee Activity:** Housing: 2/14/24.

### Brief Summary of Bill

- Directs the Office of Financial Management to contract with an external consultant to study the transition of state housing programs to a new state agency and identify gaps in current housing programs.

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## SENATE COMMITTEE ON HOUSING

**Staff:** Melissa Van Gorkom (786-7491)

**Background:** The Department of Commerce (Commerce) administers many of the state's housing and homelessness programs, including the Housing Trust Fund, the Landlord Mitigation Program, the Consolidated Homeless Grant, the Manufactured/Mobile Home Relocation Assistance Program, and tenant rental assistance programs. In general, these programs include providing funding and support to local governments and nonprofit organizations who provide housing, services and subsidies in local communities. Commerce does not generally provide direct assistance to the public or build and operate

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housing.

Other state entities also administer housing programs. For example, the 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 oversees and administers eviction defense programs.

**Summary of Bill:** The Office of Financial Management must contract with an external consultant to study the transition of state housing programs to a new state agency and identify gaps in current state housing programs. The contract is exempt from competitive procurement and may not be awarded to an external consultant or entity that has lobbied or publicly testified on matters related to the scope of the study. The contract must require the external consultant to submit a report with its findings and recommendations to the Governor and the appropriate committees of the Legislature by July 1, 2025.

The study must include a review and recommendations on:

- a clear mission, vision, and organization structure for the new department;
- any gaps in existing rental, transitional housing, senior housing, homelessness, homeownership, and manufactured housing programs provided by the state;
- estimate cost for the reorganization and creation of a new housing agency;
- existing state and federal funding streams for state housing programs and any statutory revisions necessary to ensure the sufficient flow of funds to the new agency;
- a clear process for managing the reorganization; and
- measurable benchmarks by which the effectiveness of the department would be assessed.

The external consultant must engage with and seek recommendations from:

- the Office of the Governor;
- 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 rental housing development industry;
- the nonprofit homeownership housing development industry;
- a labor organization representing frontline staff with permanent supportive housing providers;
- 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.

**Appropriation:** The bill contains a null and void clause requiring specific funding be provided in an omnibus appropriation act.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.