

# SENATE BILL REPORT

## SB 5637

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As of February 8, 2023

**Title:** An act relating to graduated rental rate agreements under the transitional housing operating and rent program.

**Brief Description:** Providing for graduated rental rate agreements under the transitional housing operating and rent program.

**Sponsors:** Senator Fortunato.

**Brief History:**

**Committee Activity:** Housing: 2/08/23.

**Brief Summary of Bill**

- Allows a housing stability plan for Transitional Housing Operating and Rent Program participants to include a graduated rental rate agreement.

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### SENATE COMMITTEE ON HOUSING

**Staff:** Riley Bengé (786-7316)

**Background:** Transitional Housing Operating and Rent Program. The Transitional Housing Operating and Rent (THOR) Program is administered by the Department of Commerce (Commerce) to assist individuals and families who are homeless, or at risk of becoming homeless, to secure and retain safe and affordable housing. Commerce awards grants to eligible organizations, such as local governments, housing authorities, behavioral health organizations, tribes, and non-profit organizations, to provide rental assistance, case management services for program participants, and funds for operating expenses of transitional housing facilities.

Those eligible to receive assistance through the THOR program are:

- families with children who are homeless, or who are at risk of becoming homeless,

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- and who have household incomes at or below 50 percent of the median household income for their county;
- families with children who are homeless, or who are at risk of becoming homeless, and who are receiving services under the Juvenile Court Act;
  - individuals or families without children who are homeless, or at risk of becoming homeless, and who have household incomes at or below 30 percent of the median household income for their county;
  - individuals or families who are homeless, or who are at risk of becoming homeless, and who have a household with an adult member who has a mental health or chemical dependency disorder; and
  - individuals or families who are homeless, or who are at risk of becoming homeless, and who have a household with an adult member who is an offender released from confinement within the past 18 months.

All program participants must be willing to create and actively participate in a housing stability plan for achieving permanent housing and greater levels of self-sufficiency.

**Summary of Bill:** A housing stability plan is allowed to include a graduated rental rate agreement under which program participants are provided a rental rate that escalates by increments on a predetermined and fixed timeline. A graduated rental rate agreement requires a contract between the operator of the transitional housing, the tenant, and the rental property owner. The terms of a graduated rental rate agreement shall include, but are not limited to, the following:

- the owner of the rental property shall provide the tenant with a set payment schedule that clearly states all rental rates that will apply over the duration of the agreement;
- any payment schedule must include the starting rental rate, the increments by which the rental rate will increase, the duration for each incremental rental rate, and the dates on which increases in the rental rate will occur; and
- the tenant shall agree to make payments according to the agreed upon payment schedule.

The duration of any graduated rental rate agreement may not exceed 24 months, and a graduated rental rate agreement may not be extended or renewed.

An outdated citation to a federal statute is removed.

**Appropriation:** None.

**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.

**Staff Summary of Public Testimony:** PRO: This bill addresses a certain segment of homelessness like people living in their car because something happened or a series of bad things happened. The object is to have a program where people in these circumstances could get into some housing relatively inexpensively. It is to give people time to get things they need to do done, but we want people to know that the program doesn't last forever and they need to progress out of the program. It is a helping hand to give people time to take care of outstanding issues while progressing towards more permanent housing.

**Persons Testifying:** PRO: Senator Phil Fortunato, Prime Sponsor.

**Persons Signed In To Testify But Not Testifying:** No one.