

B-Engrossed House Bill 3644

Ordered by the House June 19
Including House Amendments dated March 20 and June 19

Sponsored by Representative MARSH; Representatives ANDERSEN, GAMBA, Senator NERON (at the request of Governor Tina Kotek)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: This Act requires the OHCS to create a statewide shelter program. (Flesch Readability Score: 72.6).

Requires the Housing and Community Services Department to establish a statewide shelter program through which regional coordinators are selected to administer funding to shelter providers. **Sunsets January 2, 2034.**

Requires the department to adopt rules on or before January 1, 2026, and to select regional coordinators on or before May 1, 2026.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

Relating to a statewide shelter program; and declaring an emergency.

Whereas Governor Tina Kotek's emergency response to unsheltered homelessness, in partnership with the Legislative Assembly, has funded increased shelter, rehousing and homelessness prevention services; and

Whereas Oregon is projected to support over 4,800 shelter beds, rehouse 3,300 households and prevent another 24,000 households from experiencing homelessness by June 30, 2025; and

Whereas the state has significantly expanded its role in Oregon's shelter system over the past five years; and

Whereas this expansion has maintained critical funding for local governments and services providers; and

Whereas many of these efforts have been one-time or emergency in nature; and

Whereas in July of 2024, Governor Kotek and Representative Pam Marsh convened a sustainable shelter work group tasked with developing recommendations for a permanent state shelter program; and

Whereas the work group published a set of recommendations for program implementation; and

Whereas it is necessary to create a statutory framework under which the Housing and Community Services Department may implement the work group recommendations through the development of program rules and administration of funds to regional providers; now, therefore,

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) As used in this section and section 2 of this 2025 Act:

(a) "Planning partners" includes 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.

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (b) “Program” means the statewide shelter program established under this section and
2 section 2 of this 2025 Act.

3 (c) “Regional assessment” means an assessment of current conditions, resources and
4 outcomes relating to homelessness for the region.

5 (d) “Regional coordinator” means a local government or nonprofit public benefit corpo-
6 ration that develops a regional assessment and plan and an annual report, and receives and
7 distributes program funds for the region.

8 (e) “Regional plan” means a plan that details the services and outcomes for the region
9 that will be supported with program funds.

10 (f) “Shelter” means a facility designed to provide temporary living arrangements on an
11 emergency or transitional basis as may be further defined by the Housing and Community
12 Services Department by rule.

13 (g) “Shelter provider” means any person or local government that operates or funds
14 shelters.

15 (2) The Housing and Community Services Department shall establish a statewide shelter
16 program for the purposes of reducing unsheltered homelessness and transitioning people
17 from experiencing homelessness into housing stability.

18 (3) In implementing the program, the department shall:

19 (a) Focus on the outcomes of reducing unsheltered homelessness, transitioning people
20 experiencing homelessness to housing stability and housing retention for people rehoused
21 through the program;

22 (b) Foster equity in outcomes for those disproportionately impacted by structural ineq-
23 uities in homelessness and the homelessness response system;

24 (c) Require regional coordination in planning, funding and services;

25 (d) Provide flexibility to allow regional coordinators and shelter providers to meet the
26 needs of each community;

27 (e) Facilitate consistent, predictable and trackable systems and services that allow the
28 state, regional coordinators and shelter providers to plan for needs and reduce administra-
29 tive burdens; and

30 (f) Ensure accountability for regional coordinators and shelter providers for minimum
31 expectations and outcomes.

32 (4) Shelters receiving program funds must:

33 (a) Primarily be available throughout the day and night, seven days a week, and during
34 all seasons and weather;

35 (b) Prioritize immediate access to shelter or transitional, temporary, permanent or other
36 housing to provide stability and retention of housing;

37 (c) Conduct operations and services using evidence-based practices, cultural responsiveness,
38 nondiscrimination and harm reduction; and

39 (d) Use coordinated entry and homeless management information systems to ensure in-
40 tegration with federal systems and data collection.

41 (5) The department shall adopt rules to administer the program, which must include
42 rules establishing:

43 (a) Guidelines and funding agreements applicable to regional plans and funded shelters;

44 (b) Shelter types and services that may be eligible to receive funding from the regional
45 coordinators;

- (c) Minimum habitability and service requirements for each eligible shelter type;
 - (d) Policies regarding low-barrier and nonexclusionary shelter programs;
 - (e) Policies regarding exit and separation from shelter services;
 - (f) The requirements of agreements between regional coordinators and shelter providers;
- and

(g) A funding formula as described in section 2 (8) of this 2025 Act.

(6) Regional coordinators, regional plans and shelter providers may not establish requirements for services or use of funds different from, or in addition to, the requirements established by the department without review and approval by the department.

(7) Not later than November 15 of each year, the department shall submit, in the manner required under ORS 192.245, a report to the interim committees of the Legislative Assembly related to housing on the status and outcomes of the program.

SECTION 2. (1) The Housing and Community Services Department, after consultation with local planning partners, shall divide the state into regions, each no smaller than a single county, through which the statewide shelter program established under section 1 of this 2025 Act is implemented.

(2) The department, after consultation with local planning partners, shall establish and administer a process by which the department selects a regional coordinator for each region of the state.

(3) Upon selecting a regional coordinator, the department shall enter into an agreement with a five-year to six-year term and which the department may agree to renew on a non-competitive basis. During an agreement term, the department shall provide ongoing funding to operate the program to the regional coordinator. The department may only terminate the agreement during its term for good cause.

(4) Each regional coordinator is responsible for completing and submitting to the department:

(a) A regional assessment, once within the first year of the agreement term, which must include, within the region:

(A) Counts and the current conditions of individuals experiencing sheltered and unsheltered homelessness;

(B) The amount of federal, state and local funds spent on homelessness services by service type;

(C) Identification of current shelters and their services and capacity;

(D) Identification of planning partners for the regional plan;

(E) Community identified needs and priorities related to shelter and shelter services; and

(F) Other information or data collection as required by the department.

(b) A regional plan, updated every two years, that includes:

(A) Proposed actions to be taken by the regional coordinator and planning partners to further the values and purposes of the program;

(B) Proposed homelessness services and outcomes to be implemented by the regional coordinator, planning partners and shelter providers to address findings in the regional assessment;

(C) 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

(D) Other information or data collection as required by the department.

(c) An annual report, after the first year of the first agreement term, reporting on the progress made under the regional plan.

(5) Regional plans:

(a) Must prioritize:

(A) System capacity that provides shelter availability throughout the day and night, seven days a week, and during all seasons and weather.

(B) Ongoing stability for existing shelters receiving state funding.

(b) Must support culturally specific and rural shelter providers and planning partners to meet the unique needs of communities.

(c) Must integrate and support tribal sovereignty.

(d) May include, as appropriate, diverse housing-focused shelter options, including:

(A) Congregate and noncongregate shelters that meet habitability requirements established by the department; or

(B) Safe temporary emergency placement sites that meet health and safety requirements established by the department for the purposes of vehicular camping or siting basic freestanding structures that are structurally sound, are weatherproof and have a locking door.

(6)(a) A regional coordinator shall ensure that at least 70 percent of regional shelter funding is provided for shelters providing low-barrier practices with the balance available for recovery-based shelter.

(b) As used in this subsection:

(A) "Low-barrier" has the meaning given that term by rule by the department.

(B) "Recovery-based shelter" means shelter that provides optional recovery systems that are client-driven and support social integration, support services and respect for individuals, and as may be further defined by the department by rule.

(7) The department shall review each submitted regional assessment, plan and report for compliance with program requirements and alignment with the state homelessness response. The department may approve, approve with conditions or request changes and resubmission of a proposed regional assessment. The department, in its discretion, may withhold program funding to a regional coordinator until the approval of the regional assessment, plan or annual report.

(8) In providing funding to the regions through the program, the department shall establish a funding formula that considers:

(a) Needs of the region; and

(b) Past performance of the region.

(9) The department shall establish a formal grievance system to review, track and mediate disputes between shelter providers and regional coordinators. The grievance system may not issue orders or otherwise adjudicate disputes.

SECTION 3. The Housing and Community Services Department shall:

(1) On or before January 1, 2026, adopt rules to administer sections 1 and 2 of this 2025 Act.

(2) On or before May 1, 2026, select regional coordinators.

SECTION 4. Sections 1 and 2 of this 2025 Act are repealed on January 2, 2034.

SECTION 5. This 2025 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect

1 **on its passage.**

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