

Submitter: Travis Wells

On Behalf Of:

Committee: House Committee On Housing and Homelessness

Measure, Appointment or Topic: HB3644

February 24, 2025

To the Honorable Members of the 83rd Oregon Legislative Assembly,

Subject: Testimony in Opposition to House Bill 3644 – Statewide Shelter Program

Dear Representatives and Senators,

I write as a concerned citizen from Albany, Oregon, to oppose House Bill 3644, which mandates the Oregon Housing and Community Services Department (OHCS) to create a statewide shelter program with a \$217,918,652 appropriation. While reducing homelessness is a worthy goal, historical data on homelessness initiatives and government fraud reveal serious flaws in this proposal—inefficiency, waste, and lack of accountability—that compel me to urge its rejection.

Oregon’s homelessness spending has surged since 2019, yet results lag. HUD data show a 12% rise in the state’s homeless population (15,876 to 17,948) from 2019 to 2023, despite \$1.1 billion in emergency funds since 2022. HB 3644 touts 4,800 shelter beds and 3,300 rehoused households by mid-2025, but these are projections, not guarantees. California’s Proposition HHH, a \$1.2 billion effort since 2016, promised 10,000 units but delivered just 1,142 by 2023, with costs soaring to \$600,000 per unit due to mismanagement. Oregon risks a similar fate—big promises, scant outcomes.

Government fraud further undermines trust in this plan. In 2020, Oregon lost \$600 million to fraudulent unemployment claims, exposing weak oversight. Nationally, the GAO found \$191 billion in COVID-19 relief likely misspent by 2023, often via unvetted grantees. HB 3644’s regional coordinators—handling over \$217 million—mirror this setup, with vague funding formulas and discretionary OHCS powers (Section 2(7)–(8)) inviting abuse. HUD’s 1990s shelter grants saw millions diverted to ineligible parties, a precedent this bill ignores.

The centralized approach also clashes with Albany’s needs. Forcing 70% of funds into “low-barrier” shelters (Section 2(6)) echoes Portland’s failed shift since 2015, where unsheltered homelessness rose 25% by 2022 (HUD data) as addiction and mental health went unaddressed. Rural areas like ours need flexibility, not urban mandates that drain resources from recovery-focused solutions.

Accountability is another gap. The bill’s “emergency” status and \$217 million price tag—amid a \$2 billion 2025–2027 shortfall (Oregon Office of Economic Analysis, 2024)—lack fiscal rigor. No firm benchmarks exist beyond vague “outcomes” (Section 1(3)), and regional reports (Section 2(4)) carry no teeth. FEMA’s homelessness grants wasted 30% on administration from 2008–2012; HB 3644 sets no overhead limits, risking taxpayer dollars on bureaucracy over beds.

Instead of a costly new program prone to fraud, Oregon should audit current efforts, empower local solutions, and tackle root causes—addiction, mental illness, housing

costs. HB 3644's rushed rollout entrenches a system history warns against. I urge a no vote, favoring transparency and proven strategies over untested expansion. Oregonians deserve better.

Sincerely,
Concerned Citizen