



TINA KOTEK
GOVERNOR

April 17, 2024

The Honorable Rob Wagner
President of the Senate
S-201 State Capitol
Salem, OR 97301

The Honorable Julie Fahey
Speaker of the House
H-269 State Capitol
Salem, OR 97301

RE: Senate Bill 1530

Dear President Wagner and Speaker Fahey,

Today, I am signing Senate Bill 1530. I write to express my appreciation for this critical legislation, as well as to highlight potential issues and implementation concerns. I appreciate the partnership in moving forward a successful homelessness services and housing production package in the 2024 legislative session.

The \$65 million appropriation for emergency shelters, Project Turnkey sites, and navigation centers will be prioritized to maintain operations of shelters that were previously supported with the 2023 Legislature's \$24.1 million allocation (Senate Bill 5511) and shelters that were previously ineligible for this funding but are now at risk of closure. After addressing operational gaps to maintain statewide shelter capacity, any remaining funds will be used to provide rehousing-focused services to shelters in the state. This is a critical step in providing stability to shelters historically funded with one-time funding and key to having a statewide shelter system. It is important to note that the Legislature made one-time investments in shelter operations for the 2023-25 biennium and shelters require on-going operational funding to maintain capacity. During next year's session, I will prioritize a budget request to maintain the operations of the shelters supported with state investments.

Regarding the various direct appropriations to support affordable housing development and reduction of homelessness in the bill, I continue to believe that the best way to serve Oregonians in an equitable and transparent manner is to establish ongoing programs and allow all organizations and jurisdictions interested in providing services to seek funding through those programs. That said, given the relatively short period of time to administer the additional \$34 million for homelessness prevention, Oregon Housing and Community Services (OHCS) will administer 70% of the funding through the Oregon Eviction Diversion & Prevention Program (ORE-DAP) and Eviction Prevention Rapid Response (EPRR), per the budget report, and the remaining 30% to prevention services provided by culturally responsive organizations (Urban League, Oregon Worker Relief Fund, and IRCO). I am directing OHCS to communicate

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the one-time nature of the funding and to limit eligible uses to one-time uses. My recommended budget for the 2025-2027 biennium will be structured to be able to invest in specific outcome-oriented programs and organizations with the ability to deliver.

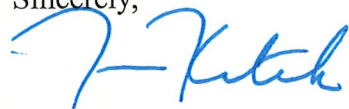
Regarding the appropriations for recovery housing listed in Section 8 of the bill, I have concerns about oversight and sustainability of these important investments. Direct allocations for recovery housing, as opposed to establishing and funding a recovery housing program at the Oregon Health Authority (OHA), limits the state's ability to require national certification, develop standard program outcomes, track and monitor those outcomes, and evaluate effectiveness. To maximize accountability and transparency within the limitations of direct appropriations, I have directed OHA to develop minimum quarterly reporting on bed capacity, occupancy, and outcomes that are found in national evaluations of recovery housing.

As I have shared elsewhere, I continue to believe that state government has a critical role in accountable and efficient stewardship of public resources for housing development, including infrastructure to support housing production. I will continue to advocate for the Legislature to invest in an infrastructure program that can reliably assess project readiness and appropriately steward limited public resources to maximize their benefit to overall housing production.

My office conducted a high-level assessment of the \$89 million in infrastructure appropriations contained in Section 9 in order to gauge shovel readiness and the nexus to housing. There is significant variation among the projects. Despite some concerns about readiness to proceed and only preliminary projections of potential new housing units in some cases, I am allowing all projects to proceed with funding. I am choosing to do this because I have received written commitment from each community that they will make housing production a priority, and we will continue to closely track these projects to confirm follow through on this commitment. This kind of review is best suited for an agency that is equipped to assess which projects are most ready to proceed and have the strongest impact on housing production. Overall, when the infrastructure funded in the bill occurs over the next couple of years, communities will have increased their ability to develop new housing units, with approximately 12,000 units projected for future production.

Thank you for your partnership as we work together to address the housing and homelessness challenges across Oregon.

Sincerely,



Governor Tina Kotek