

REGIONAL HOUSING AND HOMELESS SERVICES FUNDING: POTENTIAL COUNCIL PRIORITIZATION

Date: Sept. 24, 2024
Department: Metro Council President,
Office of the Chief Operating Officer
Work Session Date: Oct. 3, 2024

Presenters: Council President Lynn
Peterson (she/her), Chief Operating
Officer Marissa Madrigal (she/her/ella)

Length: 60 minutes

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ISSUE STATEMENT

The Metro Council is asked to provide direction to shape the development of reforms to regional affordable housing and supportive services investment and oversight, including a potential ballot measure for later consideration.

ACTION REQUESTED

Provide direction on the elements of potential near-term legislation to establish Council's priorities and desired outcomes for housing and supportive services, as well as a timeline for engagement and future action.

IDENTIFIED POLICY OUTCOMES

At a work session on January 11, 2024, the Metro Council directed COO Madrigal and staff to advance five primary outcomes in the development of a recommendation for future housing and SHS funding and implementation. These outcomes included:

- **Urgency:** Identifying and addressing real, persistent housing instability and its effects on communities in the region
- **Stability:** Supporting the stability of existing housing and homelessness funding and programs in the region, including the 2018 Metro Affordable Housing Bond and the 2020 Supportive Housing Services measure (SHS)
- **Pragmatism:** Recognizing and being responsive to public attitudes, priorities and experiences with these issues and the region's work to address them
- **Equity:** Advancing Metro's racial equity goals through engagement, decision-making and assessment of potential investments and structures
- **Accountability and transparency:** Learning from past measures and community/stakeholder feedback to improve implementation and tracking impacts

POLICY QUESTION(S)

- How well does the proposed legislation and engagement/action timeline address Council's priorities and desired outcomes?

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

On July 9, 2024, Metro COO Madrigal released recommendations (“COO Recommendation”) to the Metro Council, to address a number of challenges and needs in how the region addresses housing affordability and homelessness. These included, but were not limited to, a looming gap in regional affordable housing funding, the 2030 sunset of the Supportive Housing Services (SHS) taxes, and widespread input that the region must improve how it strategizes, funds, implements, tracks and oversees housing and SHS investments. The COO Recommendation followed six months of engagement with a stakeholder advisory table, jurisdictional partners, housing and service providers, and community members.

Since the release of the COO Recommendation and subsequent Metro Council work sessions, Council President Peterson has engaged in repeated conversations with county and city leadership, as well as key organizational advocates in regional housing/homelessness and business. These conversations have explored potential areas of agreement, as well as understanding concerns and needs for the future.

At work session on Sept. 24, Councilors reviewed stakeholder and community input on oversight, accountability and governance. Councilors discussed priorities that included, but were not limited to:

- Establish a clearer shared vision and commitment of what the region aims to achieve in housing and supportive services investments (also known as a “North Star”)
- Ensure that partners, providers and people with lived experience are heard and engaged in prioritization, strategy and oversight
- Act on widespread community desires for stronger accountability and forward-looking regional oversight structures, as part of any proposal to extend the SHS sunset and expand its flexibility to include affordable housing investments
- Build on the unique ability of city governments to address local needs, and address their concerns as part of any reforms

POLICY OPTIONS TO CONSIDER

The Metro Council has several options for advancing its priorities for the future of housing and SHS investments and governance. These include but are not limited to the following.

In the next several weeks:

- Adopt a resolution to establish intentions and a timeline for engagement and future action on a reform package and/or potential ballot measure referral. A draft will be discussed at this work session.
- Provide direction to continue engagement with key partners to advance Council priorities, either via resolution or informational direction. Such engagement could include proposing amendments to Metro’s intergovernmental agreements with Clackamas, Multnomah and Washington counties.

- Direct staff to develop a potential ballot measure to advance Council and community priorities, including an extension of the SHS tax sunset and expansion of allowable uses, which would require approval of the region's voters, as well as other desired changes to governance and revenue.

In early 2025:

- Formally adopt, via resolution and/or ordinance, a package of reforms to regional housing and supportive services investment, potentially including restructured oversight and governance, changes to SHS tax rate and/or threshold, and so on.
- Provide further direction on amending or renegotiating intergovernmental agreements.
- Consider referring a ballot measure to the region's voters to extend the SHS sunset, expand allowable uses and advance other key reforms desired by Council.

BACKGROUND

The COO Recommendation includes a range of broad and specific actions to continue sustainable funding for affordable housing and supportive housing services, and to improve accountability and impact of these investments to continue addressing the homelessness and housing crisis in the greater Portland region.

Among other details, the COO Recommendation proposed that Council ask voters to expand the uses of SHS funding to allow for investments in deeply affordable housing; extend the current 2030 sunset of the SHS taxes; create a reformed, independent regional governance structure and clearer accountability mechanisms; and adjust the SHS personal income tax to ensure it remains focused on higher-earning households and to reduce tax burdens. Most of these recommendations are supported by a wide range of stakeholders, practitioners and the general public.

At a work session on July 25, Metro Council President Peterson led the Council in a discussion of the COO Recommendation. In particular, the Council discussed desired outcomes for improved partnership and accountability between Metro and county implementation partners, and several potential oversight committee models to explore. Council also discussed potential options for increasing or indexing the SHS personal income tax threshold.

On August 1, Council received two informational presentations on aspects of the COO Recommendation: the purpose and potential of key performance indicators (KPIs), or key performance metrics as described in the COO Recommendation's discussion of oversight and accountability; and potential revenue implications of different tax policy options.

Council continued its discussion of priorities at work session on Sept. 24.

The resolution outline that will be discussed at this work session has been developed by Council President Peterson and staff with the intent of advancing Council's priorities, in the context of ongoing discussions with county, city and community leaders, as well as the stakeholder and community input that informed the COO Recommendation.

ATTACHMENTS

- Is legislation required for Council action? **x Yes** No
- If yes, is draft legislation attached? " Yes **x No**