

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ESTABLISHING THE	)	RESOLUTION NO. 24-5436
METRO COUNCIL’S PRIORITIES FOR AN	)	
INTEGRATED AND EXPANDED REGIONAL	)	Introduced by Metro Council President
SUPPORTIVE HOUSING SERVICES AND		Peterson
AFFORDABLE HOUSING PROGRAM		

WHEREAS, rising costs, insufficient housing supply and stagnant wages have contributed to a persistent and pervasive housing and homelessness crisis in the Metro region; and

WHEREAS, in November 2018 Metro District voters approved Measure 26-199, also known as the Metro Affordable Housing Bond, establishing affordable housing as a matter of metropolitan concern and approving \$652.8 million in general obligation bonds to create affordable housing across Clackamas, Multnomah and Washington counties; and

WHEREAS, in May 2020 Metro District voters approved Measure 26-210, establishing homeless and housing services as a matter of metropolitan concern, and creating the regional Supportive Housing Services program (“SHS”) to fund supportive services, housing placements, temporary housing, rent assistance and other services to help households avoid and exit homelessness across Clackamas, Multnomah and Washington counties; and

WHEREAS, through the hard work of multiple jurisdictional partners, community organizations and housing providers, the Metro Affordable Housing bond is on track to create more than 4,600 affordable housing units providing homes for between 9,000 and 15,000 people and exceeding its production goals by approximately 20 percent; and

WHEREAS, despite this notable progress, the State of Oregon, Metro and an array of community members and stakeholders have recognized that the greater Portland region is still well short of needed affordable housing and permanent supportive housing units to meet current and future need; and

WHEREAS, the Metro Affordable Housing Bond will soon be fully allocated, leaving the region facing a looming cliff in funding to create affordable housing to continue meeting this need; and

WHEREAS, Measure 26-210 established new regional high-earner personal income and business income taxes, making available unprecedented revenue for supportive housing services in the region, including in counties and communities that historically had had very little local resources to address homelessness; and

WHEREAS, unless an extension is approved by voters, Measure 26-210 stipulated that these taxes will end in 2030, which would remove this resource for investments in supportive housing services; and

WHEREAS, through the hard work of Metro’s county implementation partners and service providers around the region, the regional SHS program has in its first three years of implementation helped thousands of households avoid or escape homelessness, including funding more than 6,200 housing placements, more than 15,000 eviction preventions through regional rent assistance, and the creation or sustaining of more than 1,800 temporary shelter units; and

WHEREAS, despite these initial successes, the launch of the regional SHS program occurred during a time of profound trials and upheaval in the region and nation, including the impacts of the global COVID-19 pandemic on economic opportunity, public health, addiction and public safety, which together exacerbated longstanding racial and economic inequality and lack of opportunity in the region; and

WHEREAS, these factors contributed to a tripling of unsheltered homelessness in the Portland region between 2020 and 2023 according to the annual Point-in-Time count, deepening public concern and further complicating and compounding challenges in investments to address this need; and

WHEREAS, Measure 26-210 required the regional SHS program include regional oversight and coordination, and also stipulated that the program is subject to performance and finance reviews, to ensure that local implementation plans and spending by the region's three counties meaningfully address challenges at a regional scale; and

WHEREAS, owing to a variety of factors, the high-earner personal and business income taxes that fund the regional SHS program have collected revenue in their initial years of collection beyond what was anticipated when Measure 26-210 was approved by voters, creating the potential to apply some of these funds to address urgent affordable housing needs as the Metro Affordable Housing bond funds are spent down; and

WHEREAS, addressing homelessness requires funding for dedicated supportive services, rental assistance, and ample affordable housing for people experiencing or at risk of homelessness; and

WHEREAS, the Metro Council, implementation partners, stakeholders and the public have identified a number of challenges, limitations and needed improvements for oversight, implementation and accountability during the implementation of the regional SHS program and Metro Affordable Housing Bond; and

WHEREAS, particularly with regard to the regional SHS program these concerns are discussed in a Metro Auditor report in 2024 that identified multiple, conflicting layers of oversight, implementation and accountability, as well as "uneven preparedness to use funding among the three counties", and "definitions, reports, and calculations that made it difficult to understand how the program has progressed"; and the Auditor recommended "stronger oversight... to ensure counties are making progress"; and

WHEREAS, the Metro Council takes seriously its duty to provide accountability and to be good stewards of taxes it collects at the direction of voters to address community priorities; and

WHEREAS, in January 2024 the Metro Council directed the Metro Chief Operating Officer to begin a multipronged process of stakeholder and community input to develop recommendations for the future of regional affordable housing and homeless services funding, particularly in light of the looming financial cliff for regional affordable housing funding; and

WHEREAS, during this process the Metro Chief Operating Officer heard widespread agreement among stakeholders, partners and the public that resources for affordable housing and supportive housing services will be needed well into the future, particularly for people with very low incomes and those at greatest risk of homelessness; and

WHEREAS, during this process the Metro Chief Operating Officer also heard widespread calls for improving accountability, regional alignment and stronger corrective mechanisms in the region's oversight and delivery of supportive housing services and affordable housing investments; and

WHEREAS, the Metro Council received the Chief Operating Officer Recommendation for the Future of Regional Housing Funding ("COO Recommendation") on July 9, 2024, attached hereto as Exhibit A; and

WHEREAS, the Metro Council accepts the spirit and intentions of the COO Recommendation, recognizes the time and commitment of many individuals, community organizations and jurisdictional partners in the process that informed it, and shares many of the concerns and hopes described therein; and

WHEREAS, the Metro Council has continued engagement with county leadership and key stakeholders since receiving the COO Recommendation, and has heard continuing calls for reforms to make regional affordable housing and services funding and investments more accountable, effective and sustainable; and

WHEREAS, homelessness and affordable housing need are inherently regional, intertwined issues whose causes, impacts and experiences are not contained within city and county boundaries, are best addressed through a truly regional and integrated program; and

WHEREAS, an integrated regional program to address homelessness and affordable housing need is best equipped to apply system-level thinking for proactive approaches that are more effective and less costly in the long run; and

WHEREAS, an integrated regional program to address homelessness and affordable housing need is best equipped to bring together multiple government, business, community, advocacy and philanthropic partners to collaborate on solutions, level the playing field between needs and jurisdictions, and provide accountability and transparency in a learning environment; and

WHEREAS, an integrated regional program is best equipped create and sustain adequate funding for homelessness and affordable housing investments with lasting impacts on intergenerational well-being; and

WHEREAS, the Metro Council has discussed its priorities for developing an integrated and expanded regional supportive housing services and affordable housing investment program in the context of stakeholder, public and partner input reflected in the COO Recommendation and in the months since its release; and

WHEREAS, the Metro Council is committed to meeting its State mandate to assess regional housing need and to coordinate and support the work of the region's cities and counties in fulfilling state-mandated housing production targets; and

WHEREAS, in seeking long-term funding for an integrated regional supportive housing services and affordable housing program, the Metro Council wishes to strike an appropriate balance between the longevity and rate of regional taxpayers' contributions to addressing these needs, and the necessity of securing greater contributions from State and Federal partners;

WHEREAS, the greater Portland region must work together across jurisdictional boundaries, and as governments and non-governmental organizations, to advocate for greater State and Federal funding to address a full range of housing and services needs; and

WHEREAS, the Metro Council fundamentally recognizes that fulfilling the region's duties and commitments to address homelessness and affordable housing need will require a transition to a more fully integrated regional supportive housing services and affordable housing investment program that is built to address need well into the future; and

WHEREAS, the Metro Council wishes to build on the collaborative successes of Metro Affordable Housing Bond and Supportive Housing Services programs and the many individuals and organizations working to advance investments from these programs, while also addressing challenges and lessons learned in their implementation, and

WHEREAS, the Metro Council seeks to act with responsiveness, accountability and collaboration to ensure that homelessness in the greater Portland region is as rare, brief and nonrecurring as possible, and that the region continues to create affordable housing to meet communities' needs well into the future; now therefore,

BE IT RESOLVED:

1. The Metro Council establishes the following principles for an integrated and expanded regional supportive housing services and affordable housing program.
  - a. That the program be founded on a truly regional plan that builds toward regional outcomes – including ensuring homelessness is rare, brief and nonrecurring, and that affordable housing need continues to be met, with a clear commitment to prioritize the populations described as Populations A and B in the current Supportive Housing Services program, including families and individuals experiencing chronic homelessness or who are at greatest risk of experiencing homelessness.
  - b. That the program include flexibility and predictability to address a full range of supportive housing services and affordable housing needs, for the long term.
  - c. That the program connect to and leverage the full regional context of systems, funding, partnerships and solutions working to address homelessness and affordable housing need.
  - d. That the program consider homelessness and affordable housing need in broader regional context, including but not limited to regional livability, racial equity, economic development, the environment and climate resilient communities.
  - e. That the program ensure accountability in oversight, transparency in investments, and effective communication with the public.
  - f. That the program support a culture of continuous learning and is responsive to challenges that need to be addressed.

- g. That the program be explicit about how the people of the region can expect to be served, wherever and however they experience the homelessness and affordable housing crisis – for example, a person experiencing homelessness or housing instability, a concerned community member, a housing or service provider, a business owner, or a visitor to the region.
        - h. That the program solicits and incorporates technical and practical input from a broad variety of stakeholders that manage and/or are impacted by homelessness and affordable housing needs, to include but not be limited to service providers, financial and business interests, people with relevant lived experience, and community and neighborhood leaders throughout the region.
2. The Metro Council directs staff to prepare for Council discussion in December 2024 a package of policy proposals to establish an integrated and expanded regional supportive housing services and affordable housing program. This package should include:
  - a. Expanding allowable uses of supportive housing services personal and business income taxes to include affordable housing and permanent supportive housing units, with expectations for how these funds will be used by counties and other partners, as well as continuing investments in supportive housing services.
  - b. Extending the expiration of supportive housing services taxes beyond 2030, long enough to ensure predictable funding for supportive housing services to meet continued need, and to support ongoing investments to address the region’s affordable housing shortfall.
  - c. Creating a program by which the region’s cities will receive funding for investments in supportive housing services and/or affordable housing, expanding allowable uses as necessary with a focus on those experiencing or at most risk of chronic homelessness.
  - d. The establishment of a new regional housing and homelessness oversight structure that improves coordination and collaboration in investments to address homelessness and affordable housing needs across the region.
  - e. Enacting a SHS personal income tax rate decrease that ensures adequate resources for services and affordable housing, while building support for the broader integration and extension of these investments. This tax rate decrease may be phased.
  - f. A conservative funding allocation approach to budgeting revenues generated through SHS personal and business income taxes, with the intent to reduce the impacts of revenue volatility on programs and create predictability for implementing partners, while providing stable resources to meaningfully address the looming regional funding cliff for affordable housing, and to fund investments by cities described in Action 2(c) above.

- g. A transparent process for ensuring that regional outcomes are advanced, that successes are acknowledged, and that timely improvements are made when progress is insufficient.
3. The Metro Council establishes the following specific desires for oversight, subject to further clarification and discussion as part of the above package:
- a. A single Housing and Homelessness Policy Advisory Committee should oversee an integrated and expanded regional supportive housing services and affordable housing program. This committee will be chaired by a Metro Councilor with representation from elected county and city officials, state agencies, community and business leaders, providers and community members from across the region.
  - b. The Housing and Homelessness Policy Advisory Committee will approve, and submit to the Metro Council for adoption, policies, plans and programmatic allocations to meet its responsibilities below.
  - c. The Housing and Homelessness Policy Advisory Committee will have the following responsibilities:
    - i. developing, approving and recommending to the Metro Council a Regional Housing and Homelessness Action Plan, with characteristics described in action 3(d) below;
    - ii. reviewing local implementation plans for alignment with the regional action plan;
    - iii. recommending approval of local plans before regional funds are disbursed;
    - iv. identifying key performance metrics or indicators to track progress and aligning these with the regional action plan. The Metro Council will establish interim key performance indicators based on work completed to date by the Tri-County Planning Body;
    - v. advancing an outcomes-based, proactive budgeting process;
    - vi. coordinating the integration of regional housing need analyses and local housing production targets mandated by the State of Oregon, including the identification of barriers and potential solutions to fulfilling these mandates and to creating affordable housing;
    - vii. advancing and implementing regional standards for data, procurement, contracting and other issues as identified through engagement and deliberation; and
    - viii. other responsibilities as necessary to address regional homelessness and affordable housing need over the life of the program.

- d. The Regional Housing and Homelessness Action Plan must reflect the following characteristics:
  - i. coordination and incorporation of the full regional context of inputs to and impacts of homelessness and affordable housing need, as well as available funding and programs already at work in the region;
  - ii. incorporation of regionalization efforts and successes to date in the current regional SHS program and Metro Affordable Housing Bond;
  - iii. identification, prioritization and alignment of supportive housing services and affordable housing investment strategies, within a focused time period, to serve communities with the deepest housing needs; and
  - iv. updates on a regular cycle, to adapt to changing needs and successes over the full life of the program; and
  - v. other characteristics and requirements as directed by the Metro Council or recommended by the Housing and Homelessness Policy Advisory Committee.
- e. To inform and support its work and recommendations, the Housing and Homelessness Policy Advisory Committee will:
  - i. be advised by a technical advisory committee of people with knowledge and experience in the many facets of regional homelessness and housing need;
  - ii. incorporate meaningful processes and/or structures for input from housing service providers and people with lived experience of homelessness;
  - iii. be advised, through its technical advisory committee, by a transitional subcommittee of current non-elected members of the Supportive Housing Services Tri-County Planning Body, for up to two years, to aid in the transition of existing regionalization efforts to the new structure;
  - iv. be supported in committee work, technical analysis and policy development by Metro staff; and
  - v. be supplemented by regular independent financial reviews.
- f. The role of the current Supportive Housing Services Oversight Committee and Tri-County Planning Body will be transitioned to the Housing and Homelessness Policy Advisory Committee. Staff will provide recommendations for this transition as well as recommended next steps for the current Metro Affordable Housing Bond Oversight Committee.
- g. This oversight and governance structure will be composed in a way that creates flexibility for the Metro Council and the Housing and Homelessness Policy Advisory Committee to adapt to changing conditions, needs and lessons learned over the life of the program.

4. The Metro Council recognizes that some elements of an expanded and integrated regional supportive housing services and affordable housing program, as described above, may need approval by the region's voters. As part of the proposals described above, the Metro Council directs staff recommend the composition and timing of a potential ballot measure that is likely to attain the support of a majority of the region's voters and that will advance community and stakeholder desires.
  
5. The Metro Council directs staff to continue working with federal, state, tribal, local, and nongovernmental partners to identify resources and advance strategies that address the broader regional challenge of insufficient housing supply at all levels of affordability, and the social and economic conditions that contribute to homelessness in the greater Portland region.

ADOPTED by the Metro Council this 17th day of October, 2024.



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Lynn Peterson, Council President

Approved as to Form:



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Carrie MacLaren, Metro Attorney