



Office of the Auditor

SUMMARY

The Housing Department made progress implementing most of the recommendations from our January 2024 audit, *Supportive Housing Services: Shared Oversight reduces transparency and accountability*. That audit included 18 recommendations focused on governance, data reliability, and long-term planning. Of the eighteen recommendations, nine were implemented, seven were in process, and two were not implemented. Some areas could benefit from continued improvement.

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Supportive Housing Services Follow-Up Audit

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BACKGROUND

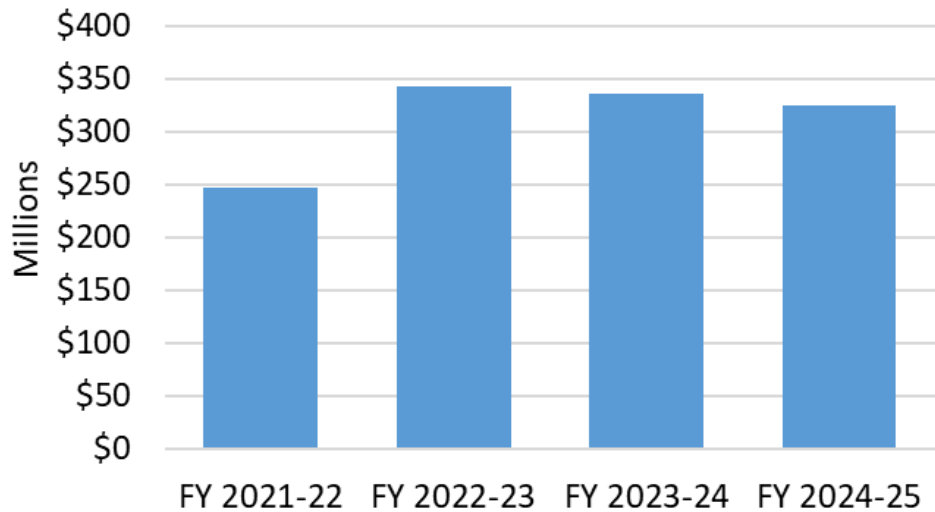
In May 2020, voters in the Metro region approved a ballot measure to establish a region-wide Supportive Housing Services (SHS) program. The measure was projected to generate about \$250 million annually to address the needs of people experiencing, or at risk of experiencing, homelessness. There are two regional goals for the 10-year program: to connect 5,000 households experiencing homelessness to permanent supportive housing and to stabilize 10,000 households at risk of or experiencing homelessness in permanent housing.

Metro's SHS workplan requires counties to spend 75% of SHS funds on Population A and 25% on Population B. Population A includes individuals who are extremely low income, have one or more disabling condition, and are experiencing or at imminent risk of homelessness. Population B includes individuals who are experiencing homelessness or have a substantial risk of experiencing homelessness.

This is the third audit of the SHS program by the Office of the Metro Auditor. The purpose of this audit is to follow up on recommendations from our January 2024 audit. The audit included 18 recommendations focused on governance, data reliability, and long-term planning.

SHS funds are collected through a personal income tax and a business income tax. The City of Portland collects these taxes for Metro. After tax collection costs, Metro may keep up to 5% of funds for administrative expenses. Metro distributes the rest to Clackamas, Multnomah, and Washington counties to deliver services. On average, the taxes generated about \$310 million in each of the first four years.

Exhibit 1 SHS generated more than \$1.2 billion in tax revenue in the first four years.



Source: Auditor's Office analysis of Metro Finance and Regulatory Services reports.

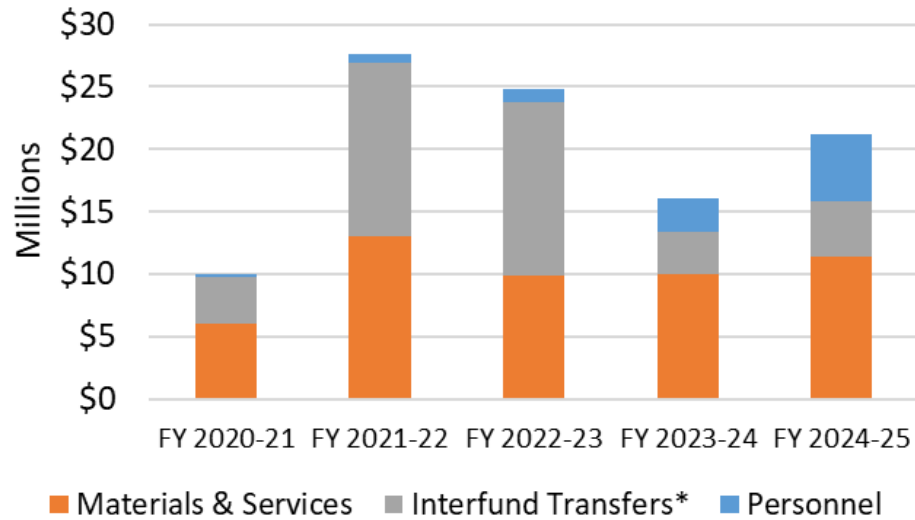
Each county developed their own SHS implementation plan. Metro supports regional implementation by collecting and distributing funds, convening regional committees, and facilitating regional oversight. As part of this role, Metro is authorized by intergovernmental agreements to monitor a portion of SHS program activities and issue corrective action plans when county partners deviate from plans.

Metro is also responsible for facilitating a regional reporting system. This includes quarterly and annual reports from the counties and a regional report from the Regional Oversight Committee. Metro developed reporting templates in collaboration with the counties.

The Regional Oversight Committee and the Tri-County Planning Body support program implementation and oversight. The Regional Oversight Committee is responsible for monitoring program activities and assessing performance, challenges, and outcomes. The Tri-County Planning Body is responsible for developing regional strategies to support program implementation. Both committees meet about once a month with administrative support from Metro.

At Metro, most responsibilities for SHS are managed by the Housing Department (Department). In FY 2024-25, Metro had about 32 full time equivalent employees working in SHS and about \$21 million in SHS expenses excluding distributions to the counties. Metro's Finance and Regulatory Services department manages the financial aspects of the program including tax collection with the City of Portland.

Exhibit 2 Most of the Housing department's SHS expenses were in materials and services.



Source: Auditor's Office analysis of PeopleSoft finance data.

*Interfund Transfers to repay the General Fund for program start-up costs and fund Metro's central services, such as Human Resources and Information Technology

RESULTS

The Housing Department (Department) made progress implementing most of the 2024 audit recommendations. Of the eighteen recommendations, nine were implemented, seven were in process, and two were not implemented.

Most recommendations for program oversight were either implemented or in process. Oversight bodies received more timely updates and more data. The Regional Oversight Committee (ROC) received improved guidance about their responsibilities. Some areas would benefit from continued improvement, including program monitoring, corrective action plans, and the spending guidelines for Populations A and B. In addition, funding allocations still do not align with each county's need.

Most of the recommendations related to data reporting and reliability were in process. New reporting guidance implemented one recommendation. Work was done to improve data reliability and add information about costs and housing retention. Although data reporting and reliability improved, decision makers and the public need more specific and accurate data to understand program outcomes.

The Department implemented all recommendations related to long-term planning and communications. The Tri-County Planning Body approved implementation plans for most of their regional goals and those plans were based on research. The Department expanded their communications team and stated they were developing a regional communications strategy. Some areas, such as eviction prevention and shelter care, could still benefit from research to inform strategies.

Oversight improved but monitoring processes should be clarified

The first group of recommendations focused on ensuring timely and ongoing oversight. Three recommendations were fully implemented, two were in process, and two were not implemented. Oversight bodies received more timely updates, more data, and improved guidance. The Department reviewed criteria for selecting members of the regional oversight body, but there may be room to improve. Program monitoring needs development, and clear criteria still needs to be identified for future corrective action plans. Funding allocations could be difficult to address but may need to change for the program to achieve intended outcomes.

Exhibit 3 Three of the seven recommendations related to oversight were fully implemented.

To ensure timely and ongoing program oversight, the COO's Office and Metro Housing should:	
1. Set up a process to ensure each oversight body gets timely information about each other's work	Implemented
2. Increase the frequency of program updates to Metro Council.	Implemented
3. Get input from Metro Council, Tri-County Planning Body, and Regional Oversight Committee about the variety of experience needed to provide independent oversight among the members of the Regional Oversight Committee.	Implemented
4. Document criteria and processes for monitoring up to 25% of county program activities.	In process
5. Document criteria and processes for implementing corrective action plans.	Not implemented
6. Ensure the Regional Oversight Committee can fulfill its responsibilities by: <ul style="list-style-type: none"> a. Providing a full list of responsibilities assigned to it. b. Providing sufficient data to evaluate administrative spending and make recommendations. c. Providing sufficient data to evaluate spending on Populations A and B. d. Including data and recommendations about administrative spending and spending on populations A and B in the annual report to Council. 	In process (Implemented) (Implemented) (In process) (In process)
7. Establish an annual process for Metro Council, Tri-County Planning Body, and Regional Oversight Committee to review the funding allocations for each county and adjust if needed.	Not implemented

Source: Auditor's Office summary of the status of recommendations.

Oversight bodies received more timely and consistent information

The Department made strong progress in providing more timely and consistent information to oversight bodies. These efforts implemented the first three recommendations. The Regional Oversight Committee (ROC), Tri-County Planning Body (TCPB), and Metro Council receive regular updates on program progress. The ROC has access to guidance and information that better prepares them for program oversight.

The Department provided more timely information to the ROC, TCPB, and Metro Council (recommendations 1 and 2). Since the last audit, both the ROC and TCPB received regular updates from one another. The ROC received updates on the TCPB in their monthly meeting packet and vice versa. Additionally, the number of updates to Metro Council increased since the last audit.

The Department provided the ROC with a list of responsibilities to ensure members were informed about what the committee was meant to achieve (recommendation 6a). This list has been included in monthly meeting packets since February 2024 and was updated in September 2024. The Department also provided more information on administrative spending in the Regional Annual Report and quarterly financial reports (recommendation 6b). The Department breaks their administrative spending reports out by personnel, materials and services, and indirect costs. A similar level of detail on County administrative spending would further support the ROC's ability to monitor all administrative costs.

The Department provided more data on administrative spending and Populations A and B in reports to Council (recommendation 6d). While this information has been included in the regional annual report, the Department reported there was some inconsistency between counties in the way Populations A and B were calculated. The Department issued memos to the counties throughout 2024 seeking to resolve these inconsistencies.

The Department reviewed the criteria for selecting ROC members and got feedback about the types of experience needed to serve on the committee. This implemented recommendation 3. Although most ROC members were also serving on the committee during the last audit, there were multiple vacancies on the committee. Expanding the range of expertise could be a consideration as new members are appointed.

Monitoring processes need clarification

Program monitoring could benefit from continued focus. The Department submitted a draft monitoring plan in March 2024. We were told a plan was finalized with all counties by September 2025. The details of the approval process were not clear. Establishing criteria for corrective action plans and continuing work to align definitions for Populations A and B will also support monitoring efforts.

The rate of homelessness in each county continues to be disproportionate with the size of funding allocations. Metro does not intend to pursue a review of funding allocations at this time, but there may be a way to redirect some funds without changing program requirements.

The Department began developing the criteria and processes for monitoring (recommendation 4). We were told the three counties agreed to a one-year monitoring plan but we did not see documentation of their approvals. This recommendation is in process because the current monitoring plan implies the scope of future monitoring plans may change. A framework that changes each year could require more resources over time. Monitoring should be clearly tied to program requirements and comparable over time to show program trends.

The intergovernmental agreements Metro has with each county state that each party must agree on the monitoring plan. This requirement may undermine the efficiency and effectiveness of monitoring. The purpose of the monitoring is to ensure compliance with program agreements. Allowing each county to determine what can be monitored reduces Metro's ability to provide oversight of the regional program.

In March 2024, the Department began negotiating a draft monitoring framework with the counties. Counties disagreed with the Department about the scope of monitoring. Our review found parts of the proposed framework did not appear to be linked to program requirements. The Department worked with the counties over the next year align expectations around monitoring. In order to address the counties' concerns, the finalized monitoring plan was revised with a significantly reduced scope. The framework was limited to one fiscal year and focused on financial infrastructure and target populations. The framework implied that future monitoring plans may have a different focus.

The monitoring framework would be more effective if it focused on a longer time period. Implementing a new agreement each year will require annual negotiations, which could be time intensive. Changing the focus every year could reduce consistency, making it difficult to monitor progress over time. A long-term monitoring framework with the same indicators used each year would provide consistency and allow trends to be tracked over time.

**Corrective action plans
without clear criteria
can lead to unequal
implementation**

Metro did not identify the criteria for future corrective action plans (recommendation 5). Staff documented the process they used for the first corrective action plan, but there does not appear to be any criteria for future corrective action plans. This was a missed opportunity to learn from the past and set clear expectations with the counties for the future.

Metro initiated a corrective action plan with Multnomah County in June 2023 because they underspent their SHS budget. Clackamas County did not meet their spend-down plan either. According to the regional annual report, Multnomah County spent 65% of their spend-down plan in FY 2022-23 and Clackamas County spent 81%. Without clear criteria, it is difficult to know how much underspending is acceptable.

Clear criteria for corrective action plans can support planning and positive regional relationships. Knowing what Metro's expectations are in advance could prepare counties and support them as they plan to use SHS funds.


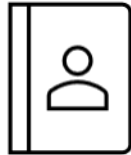
The monitoring framework is an opportunity to identify these criteria. Monitoring plans must be agreed to by the counties, so linking corrective action plans to the monitoring framework could support transparency for all parties.

Spending on Population A should receive continued focus

The SHS workplan stated that 75% of funds would be spent on Population A and 25% on Population B. Data on how much each county has spent on Populations A and B are now included in the regional annual report (recommendation 6c). However, the Department has identified some inconsistencies in how these populations are defined between counties. This recommendation will be implemented when the Department and all three counties have established consistent definitions.

There may not be a mechanism to enforce the population A and B spending goals before the end of the program. The requirement is only that population A receive 75% of funds at the end of the 10-year program. The Department should monitor spending trends for target populations. During year three, the counties spent about 63% on population A, and 37% on population B. If spending Population A does not increase, the Department may need to explore ways to intervene before it is too late to course correct.

Exhibit 4 Supportive Housing Services were prioritized for two groups.

Population A (75% of funding)	Population B (25% of funding)
 <ul style="list-style-type: none"> Extremely low-income; AND Have one or more disabling condition; AND Are experiencing or at imminent risk of experiencing long-term or frequent episodes of literal homelessness 	 <ul style="list-style-type: none"> Individual experiencing homelessness or has a substantial risk of experiencing homelessness

Source: Auditor's Office summary of the priority populations identified in the Supportive Housing Services workplan.

Funding allocations still do not align with need

Recommendation 7 was for Metro to establish a process to review the county funding allocations. This recommendation was not implemented. The previous audit noted that Multnomah County had 85% of the region's chronic homelessness but received only 45% of SHS funding. Based on figures reported by the counties in 2025, there is still a disparity between the rate of homelessness in each county and the funding allocations. Metro decided against reviewing funding allocations during the conversations about potential program reforms that began in January 2025.

Data quality improved but gaps remain

It may be possible to reassign some funds without a complex process to change the overall funding allocations. The SHS ballot measure said funds would be allocated based on the amount of tax revenue generated in each county. In some situations, it may not be clear in which county tax revenue was generated. For example, tax revenue paid by businesses that operate in multiple counties may be considered unattributable to any one county.

This could be an opportunity to redirect funds to where they are needed most while still following the intent of the ballot measure. One estimate said about 8-12% of the total tax revenue could be unattributable. Based on that estimate, sending all of the unattributable revenue to Multnomah County could increase their revenue by 10-14%. While this could help, it is unlikely these funds are enough to compensate for the size of the disparity among the counties.

The second group of recommendations focused on the reliability and consistency of performance data. One recommendation was implemented and five were in process. Decision makers and the public need more specific and accurate data to understand program outcomes.

Guidance was added, but sometimes data still appeared inconsistent or incomplete. The Department should continue to improve data reliability processes and provide more explanation for some of the metrics being reported. This information is critical to support decision makers' understanding of program strengths and weaknesses.

Exhibit 5 One of the six recommendations related to performance data was implemented.

To improve the reliability and consistency of program performance data, Metro Housing should:	
8. Clarify the goals related to serving 5,000 people and 10,000 households.	In process
9. Define which service types are used to report on progress towards the 5,000 and 10,000 goals.	In process
10. Develop a performance measure to evaluate the quality of services provided.	In process
11. Use existing data to provide more context for county and regional performance by adding the following to quarterly and annual reports:	In process
a. Retention and returns to homelessness compared to the number of people served.	(In process)
b. The capacity of permanent supportive housing compared to the overall need.	(In process)
12. Create a process to check the accuracy of county quarterly and annual reports and require counties to identify if they have revised data reported previously.	In process
13. Update reporting templates to:	Implemented
a. Add data about the percentage of the counties' total spending that comes from SHS.	(Implemented)
b. Add line items for spending on each service type provided.	(Implemented)

Source: Auditor's Office summary of the status of recommendations.

Guidance for reporting improved

The Department implemented the recommendation to report on the percentage of the counties' total spending that comes from SHS (recommendation 13a). This information helps the Department and the Regional Oversight Committee monitor the proportion of Metro funding in relationship to all funding sources. The annual report included information on funding from other sources, but more detail could provide better insight.

The Department defined which service types were included in the 5,000 and 10,000 goals (recommendation 9). In a memo to the counties, the Department clarified that the 5,000 goal includes permanent supportive housing and the 10,000 goal includes both rapid rehousing and eviction prevention. It also clarified that no other services are included in these goals. Certain service types, such as Housing with Services and Housing Only, did not appear to be counted toward the 5,000 and 10,000 goals. The Department should clarify how all program services align with the reporting of program goals, so the impacts are known

Our 2024 audit noted that the program was not measuring the quality of services. Focusing on the number of people served but not the quality of services could incentivize programs to provide lower quality services in higher numbers. The Department began the process to evaluate the quality of services (recommendation 10) by contracting with Portland State University to conduct an evaluation of SHS. Staff indicated that quality of services will be a focus of this evaluation. Metrics do not appear to have been defined yet.

Quarterly report data was sometimes incomplete

The 2024 audit recommended the Department create a process to check the accuracy of county quarterly and annual reports (recommendation 12). The Department reported it hired staff to focus on data quality and compliance. However, our recent review of quarterly reports found similar issues to what we found in the previous audit. The number of people served each quarter sometimes does not add up to the year-to-date totals, suggesting the data was incomplete or incorrect.

Our review suggests the scale of this issue may be significant. In FY 2023-24, there was as much as a 43% difference between the fourth quarter year-to-date totals and the sum of people reported each quarter. This was a variation of hundreds of people.

The quarterly reports also showed inconsistencies within individual reports. A breakdown of Population A and Population B for each metric is included in the reports. Often, these breakdowns did not add up to the total reported for that quarter. The quarterly reports did not include an explanation.

The Department noted that counties and providers have obstacles to timely and accurate quarterly reports. There are a large number of service providers and a limited period of time to finalize reporting. It could be valuable for counties to identify service providers who need additional support or accountability to improve the timeliness of their reporting.

It would be useful to include a statement in the quarterly reports noting that data may be incomplete and subject to revisions. The Department shared a template for FY 2025-26 quarterly reports that includes a footnote that data “may be slightly different” from the final numbers in the annual reports. The wording of the footnote does not capture the size and frequency of the differences. The Department should track the size of changes between quarterly reports to understand their significance.

Inconsistencies were not limited to quarterly reports. We also identified an error in one of the county annual reports that was repeated in Metro’s regional annual report, suggesting improved data quality is needed for annual reports as well. It will be difficult for decision makers and oversight bodies to make informed choices if data in quarterly and annual reports is unreliable.

Permanent supportive housing projections are vague

The Department reported the capacity of permanent supportive housing compared to the overall need in the year-three annual report (recommendation 11b). However, the relationship between capacity, need, and the homeless population was unclear. The recommendation states that this information should provide context to show performance. To implement this recommendation, the methodologies for calculating these metrics should be defined and the relationship to performance should be apparent.

Decision makers need to understand the demand for permanent supportive housing and its relationship to the total homeless population. The annual report included estimated numbers but did not explain how they were calculated or if they represent only unmet need. This makes it difficult to understand the relationship between the total homeless population, the number in need of permanent supportive housing, and the number of permanent supportive housing units available.

For example, Washington and Clackamas counties reported a need that was two-to-three times larger than their estimate of their current homeless population. In contrast, Multnomah County’s reported need was less than half their current homeless population. Decision makers need to understand if different methodologies or assumptions are being used in each county.

It would also be valuable to understand what factors influence each county’s pace in meeting the need. For example, Multnomah County has added about 500 permanent supportive housing placements per year. It would be valuable to know how many additional years it would take to meet the unmet need. This data can help oversight bodies determine if this pace is adequate or if more resources should be invested to accelerate progress.

Clarity of regional goals improved

The Department made progress in clarifying the ten-year goals of connecting 5,000 chronically homeless households with permanent supportive housing and to stabilize 10,000 households at risk of or experiencing homelessness in permanent housing (recommendation 8), but there is room for improvement. The 2024 audit found inconsistent language describing the goals.

The Department made significant progress in reducing the inconsistency of goal language between sources, but there still some variation in describing the 5,000 goal. The goal is sometimes described as serving “chronically homeless households”, and sometimes only states, “homeless households.” The year-four regional annual report says, “households experiencing prolonged homelessness.” This variation could represent fundamental differences in the intention of the goal. These variations appear minor but “chronically homeless” and “homeless” can refer to two different groups of people. Whether the 5,000 goal intends to support anyone who is homeless or specifically chronically homeless individuals could have implications in program implementation.

10-year goals may not be sufficient

The Department’s guidance made goals clearer, but they appear disconnected from the scale of the regional need for services. The counties were on pace to connect 5,000 households in housing about halfway through the program. This suggests that the goal was not ambitious enough. The unmet need, combined with around 5,000 households already served, could provide an estimate of the total regional need for supportive housing. A relevant goal would be one that addresses need and is attainable.

The 10,000 goal has additional challenges. It may be hard for the public and decision makers to interpret what progress towards the 10,000 goal means. The goal includes rapid rehousing, a service for those experiencing homelessness, and eviction prevention, a service for those at risk of homelessness. Grouping these services together does not measure a reduction in homelessness because people who received eviction prevention were not homeless.

The Department uses the metric Housing Placements to report on program progress. This is a useful metric, but it does not align with the 5,000 and 10,000 goals. This measure combines permanent supportive housing, which is counted in the 5,000 goal, and rapid rehousing, a component of the 10,000 goal. Housing Placements provides a consolidated way to look at how many people the program has placed in housing. The reporting toward the 5,000 and 10,000 goals together does not measure the reduction in homelessness because the 10,000 goal includes eviction prevention, a service for participants who are not homeless. The use of Housing Placements shows how inconsistencies between goals and metrics can make it difficult to understand the program’s progress.

Reliable data about costs, returns to homelessness, and housing retention are critical

The Department made progress on the recommendation to report retention and returns to homelessness (recommendation 11a). Although this data was reported, it was not complete for all program years. Retention and returns to homelessness are reported for 12- and 24-month periods. To measure how well the program reduces homelessness, it is critical to track these metrics over the ten-year program period.

The current reporting structure does not provide any data on how many people returned to homelessness after 24 months. Current data indicates 13% of those served returned to homelessness within 24 months. If this rate continued, it suggests that a third to half of participants could return to homelessness unreported over the ten-year program. Tracking returns to homelessness after 24 months is critical to understanding how well the program is reducing homelessness.

Returns to homelessness is a component of inflow and outflow data. Inflow and outflow provide valuable insight into the program impacts. The number of people returning to homelessness impacts the demand for services. Returns to homelessness can tell what portion of inflow has previously been placed into housing. If many people are returning to homelessness from permanent housing, it could indicate a weakness in the program.

The 2024 audit discussed the value of reporting participant inflow and outflow. The Department reported this in the annual report, but inconsistent methodologies were discovered with the data after it was published. This suggested the originally reported total for the regional program was not accurate.

Clear expectations in data reporting could help ensure that accurate and reliable data is published. Counties reported inflow and outflow data with more details in their individual annual reports. Multnomah County's recent data showed about 30% of people were not new to the system. Detailed and comparable inflow and outflow reporting could support monitoring and long-term planning.

The 2024 audit recommended the Department add line items for spending on each service type (recommendation 13b). This recommendation was implemented. Spending by service type is now included in quarterly financial reports. This is an important step toward understanding the efficiency of regional programs.

Estimating the average cost per person for each service type will be crucial for long-term planning. Spending by service type can be used to estimate the average cost per person for each service, but more data is needed. Quarterly reports provide the number of individuals newly placed in services, but do not provide the number of people continuing to receive services from prior periods. Without an understanding of the total number of people receiving services, the average cost per person cannot be estimated from the information in the quarterly reports.

Research supports communications and regional goals

The final group of recommendations focused on communications, the work of the Tri-County Planning Body (TCPB), and opportunities to use research to inform long-term planning. All five recommendations in this group were implemented.

The work of the TCPB has seen significant progress since the last audit. The TCPB has identified 6 regional goals. Each strategy had an implementation plan in place. Five of the six goals had plans approved by the TCPB and the Regional Oversight Committee as of September 2025. Our analysis found that research was used to develop implementation plans (recommendation 14). Plans were presented to the TCPB and the Regional Oversight Committee (recommendation 16).

The Department provided advice on best practices for communicating program results (recommendation 17). Since the last audit, the Department expanded their communications team. The team provides regular communications updates to the Regional Oversight Committee. They also advise Metro staff on communications. For example, they provide talking points to staff who are speaking about the SHS program publicly.

Exhibit 6 All five recommendations related to long-term planning were implemented.

To identify programs that provide efficient, effective, and equitable services to inform long-term planning, the Tri-County Planning Body should:	
14. Research relevant studies of the program impacts on SHS' target populations.	Implemented
15. Research best practices for communicating program results to increase understanding among decision-makers and the public.	Implemented
16. Advise boards of County Commissioners, Metro Council, and Metro Housing periodically on the results of the research.	Implemented
17. Advise the Regional Oversight Committee and Metro Housing about best practices for communicating program results to ensure understanding.	Implemented
18. Use research, program data, and financial projections to inform strategies for the regional program.	Implemented

Source: Auditor's Office summary of the status of recommendations.

The Department's communication team began to research best practices for communicating program results (recommendation 15), including research on equitable reporting. The Department said they were developing a regional communications plan in collaboration with the counties. County staff noted Metro's communications could be more aligned with their partners' needs. Implementing a regional communications plan may help Metro be more responsive to program partners.

Some areas could benefit from continued research

The Department made progress using research, program data, and financial projections to inform strategies for the regional program (recommendation 18). This recommendation was implemented. Five of the TCPB's six regional goals had initial plans approved. Research, program data, and financial projections were all elements of the plans.

Some areas of research identified in the previous audit do not appear to have been researched but could provide value to the program. Shelter care could be one area of focus. Shelter has a complex role in the response to homelessness. It can take different forms depending on how often the shelter is open, shelter hours, and whether the shelter is congregate or non-congregate.

In our 2024 audit, we noted that research shows congregate shelters have a lower acceptance rate by homeless individuals. During the follow up audit, we did not see evidence of research in this area. The shelter data reported by the program does not provide a clear picture of shelter capacity in the region. The data is not disaggregated by type of shelter. It also combines the numbers of beds added with the number sustained from previous periods. With recent attention on expanding investments in shelter beds, research on shelters could provide value. This research may help to inform delivery models and metrics to track shelters' impacts.

SCOPE & METHODOLOGY

The purpose of this audit was to determine the status of recommendations from the 2024 audit. The scope of the audit was the activities of the Supportive Housing Services program since the release of the audit in January 2024 through September 2025.

To complete this audit we conducted interviews, reviewed and analyzed program documents. Interviews included Metro Housing Staff and Housing staff from Clackamas, Multnomah, and Washington counties. Program documents included publicly available documents such as program reporting as well as documents supplied by Metro Housing staff. Financial data was collected using program reports and PeopleSoft, Metro's financial software.

This audit was included in the FY 2024-25 audit schedule. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



Metro

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Memo

Date: Friday, November 14th, 2025
To: Brian Evans, Metro Auditor
From: Marissa Madrigal, Chief Operating Officer
Subject: Supportive Housing Services Follow-up Audit

Management would like to thank the Auditor's Office for its thoughtful and thorough follow-up review of the Supportive Housing Services (SHS) program. We appreciate the clarity this audit brings to areas of progress as well as those requiring sustained focus.

The findings reflect the significant work completed over the last 18 months to strengthen oversight, improve reporting systems, and support a more coordinated regional approach to homelessness response. As the detailed responses show, Metro has implemented more than half of the recommendations, and the remaining items are either underway or are being considered in ongoing program reform discussions.

We value the audit as an accountability tool, and we agree with its central conclusion: the Supportive Housing Services program is stronger today than it was 18 months ago, particularly in program oversight, data infrastructure, and long-term planning.

Management also appreciates the Auditor's acknowledgment that data reliability and reporting alignment continue to evolve. The steps Metro has taken — including new annual and quarterly templates, direct data-sharing agreements, clarified data methodologies, and an external evaluation in partnership with Portland State University — demonstrate our commitment to continuous improvement in these areas.

While management agrees with the audit's identification of needed improvements in areas such as monitoring consistency, data standardization, and [programmatic goals & metrics](#), it's important to acknowledge the structural limitations that have impacted progress. This is evident in several of the "in progress" statuses (monitoring framework, corrective actions, reporting), where the multi-layered governance model in which the program was built on has impacted the ability to make responsive improvements at the speed in which this regional crisis demands.

Metro can monitor, convene, and recommend — but under our current governance structure Metro cannot unilaterally redirect funds, change program requirements, direct specific actions, or impose operational changes without county consent. The requirements for county agreement, negotiation, and joint decision-making described throughout the audit illustrate how the collaborative structural design of the program has become a core barrier to regional implementation, accountability, and programmatic progress.

For this reason, several of the audit's findings — while accurate in identifying programmatic issues — point to barriers that are not solvable through operational improvement alone. They require structural changes in the program's accountability framework. These limitations do not

diminish Metro’s responsibility, but they do shape the pace and scope of change that can be driven independently.

Extensive stakeholder engagement has helped inform priorities identified in Metro Council’s ongoing SHS reform discussions, including governance changes to strengthen accountability and clarify oversight roles and authority. Solutions to address the audit recommendations that remain “in process” — including monitoring criteria, corrective action protocols, and financial transparency requirements — will be informed by the SHS reform process and timeline.

It’s important to note that program reform priorities extend beyond governance and structural improvements. They align with many of the recommendations included in this audit, seeking to strengthen service delivery, improve participant outcomes and create a homelessness response system capable of sustaining success over time.

Metro remains committed to the program’s success, to shared regional accountability, and to a transparent approach to both progress and challenge. We look forward to continuing this work with our county partners, committee members, and the public.

Recommendation 1: *To ensure timely and ongoing program oversight, the COO’s Office and Metro Housing should: Set up a process to ensure each oversight body gets timely information about each other’s work.*

Status: Implemented.

Metro staff engaged with the co-chairs of the Supportive Housing Services Oversight Committee (SHSOC) and Tri-County Planning Body (TCPB) to shape the frequency and content of the updates they would receive to ensure access to timely information. As a result, the SHSOC now receives monthly progress reports and the latest approved minutes from TCPB in their meeting packets. TCPB receives the latest approved minutes from the SHSOC in their meeting packets.

Further, staff from both committees consistently provide verbal quarterly updates and answer questions from the other committee. In addition, the co-chairs of both committees meet monthly to share committee updates.

On a regular basis, both committees also receive relevant presentations from each other: TCPB receives presentations on the SHSOC annual regional report, while the SHSOC receives presentations on the research and implementation plans for TCPBs regional goals and areas of focus.

Recommendation 2: *To ensure timely and ongoing program oversight, the COO’s Office and Metro Housing should: Increase the frequency of program updates to Metro Council.*

Status: Implemented.

Working with Metro Council staff, Housing leadership developed a calendar for program updates to Metro Council, increasing the number of public Supportive Housing Services (SHS)

work sessions and ensuring timely, ongoing program oversight and direction. An engagement calendar was completed in February 2024 in coordination with Council staff and the COO's office, and is continually updated in response to evolving Council, program and department needs.

To further support this work, Metro Housing created a Council Liaison position in November 2024 to lead the charge in developing and executing legislative, engagement and political strategies, coordinate departmental presentations for Council, create and work with departmental subject matter experts to develop impactful presentation materials, and ensure timely submissions of all legislative documents. They serve as the primary liaison to the Metro Council Office, Council policy advisors and Metro's Government Affairs team and serve a critical role in the ongoing success of this recommendation.

Recommendation 3: *To ensure timely and ongoing program oversight, the COO's Office and Metro Housing should: Get input from Metro Council, Tri-County Planning Body, and Regional Oversight Committee about the variety of experience needed to provide independent oversight among the members of the Regional Oversight Committee.*

Status: Implemented.

Metro staff gathered input from the Metro Council on the expertise and experience needed among members of the SHSOC through briefings in January and February 2024, and from the SHSOC through a survey in March 2024. Staff also met with the SHSOC co-chairs in February 2024 to focus on the topic. Overall, the feedback confirmed that the current charter and membership requirements accurately outline the necessary expertise and experience. However, the committee's makeup at that time did not fully reflect these requirements. For example, respondents highlighted gaps in representation, specifically those with lived experience of homelessness and from certain business sectors. These priorities shaped the recruitment approach for new members in summer 2024.

Council feedback raised a need for greater impartiality in membership. This was integrated into Metro Council President Peterson's review of recruitment pools and candidates, and it has further been integrated into the considerations and potential structures being discussed by Metro Council for reformed SHS governance. Council action is expected on select reforms, including committee consolidation, in late 2025 or early 2026. Updated membership criteria is expected to be part of the new committee structure.

To further address greater impartiality, staff have improved conflict-of-interest identification by conducting more thorough reviews during recruitments, soliciting annual updates to conflict-of-interest forms, and requiring members to declare conflicts of interest at the start of each committee meeting wherein decision making will occur.

Recommendation 4: *To ensure timely and ongoing program oversight, the COO's Office and Metro Housing should: Document criteria and processes for monitoring up to 25% of county program activities.*

Status: In process.

We appreciate the audit's conclusion that continued improvement is still needed. This conclusion reflects a core structural limitation: Metro is responsible for regional accountability but cannot independently define or enforce monitoring criteria. As stated in the audit, *"The intergovernmental agreements Metro has with each county state that each party must agree on the monitoring plan. This requirement may undermine the efficiency and effectiveness of monitoring."*

Monitoring is a key aspect of maintaining accountability in partner usage of SHS resources. This includes periodic and systematic reviews of programmatic records for compliance with agreed-upon requirements and identifying areas of noncompliance, so issues can be addressed promptly. Monitoring also assists in confirming that financial and programmatic records align with previous reporting.

Monitoring can be differentiated from Metro's other administrative oversight responsibilities, such as evaluation, in that it involves reviewing a representative sample for compliance across multiple areas, rather than analyzing data to draw conclusions about how effective funded programs are. Per the Intergovernmental Agreements (IGAs), Section 6.5.3, Metro can monitor up to 25% of county program activities.

Metro staff agree that a multi-year monitoring framework could be a more effective approach. The current yearly approach was the result of an iterative process of negotiation with county partners, as the Intergovernmental Agreements (IGAs) with the counties require joint development and approval of a monitoring plan. Section 6.5.3 states: *"Ahead of any monitoring event under this section, the Parties must develop a written plan describing how Metro will conduct its review"*.

In March 2024, the first draft of SHS Monitoring Policies and Procedures, which proposed a multi-year framework, was provided by Metro to county partners for the purpose of soliciting feedback prior to adoption and implementation. Metro staff developed this draft with the support of a qualified consultant – Homebase. In May 2024, county partners collectively expressed that they were unwilling to adopt the draft policies and procedures as written and were averse to continuing work with Homebase. Due to the limited capacity counties had to offer this process, they communicated that they would rather negotiate yearly monitoring frameworks instead of a multi-year monitoring framework. They requested a collaborative process to develop monitoring policies and procedures together. This request required Metro to adjust the previously planned April 2024 milestone for initiating monitoring.

In the summer of 2024, Metro hosted two strategy sessions with county monitoring staff to collaboratively define monitoring and reach agreement on the framework, which included policies, procedures, proposed areas of focus, and required county documentation. Following

these sessions, Metro provided an updated draft to the counties with a deadline for feedback set for October 2024.

Having provided an updated draft and a clearly defined deadline for feedback, Metro anticipated finalizing the monitoring framework and launching monitoring for each county in early 2025. However, county partners again raised concerns with the updated draft monitoring framework that needed to be resolved before they could agree to the final monitoring policies and procedures. Given the IGA requirements for joint development and approval outlined above (Section 6.5.3), Metro could not proceed with monitoring until consensus was reached.

From fall 2024 through early 2025, Metro continued this strategic dialogue and revised the framework with designated county representatives. These discussions led to a third monitoring strategy session in April 2025, aimed at resolving remaining areas of disagreement. The session was productive and a final monitoring framework incorporating all negotiated updates was distributed in May 2025.

All counties have accepted the final monitoring framework and agreed to begin monitoring in August 2025. All counties were issued formal written notice of upcoming monitoring, and Metro has since conducted monitoring in all three counties. High-level updates will be provided to the SHS Oversight Committee in December 2025.

Recommendation 5: *To ensure timely and ongoing program oversight, the COO's Office and Metro Housing should: Document criteria and processes for implementing corrective action plans.*

Status: Not implemented.

While management broadly agrees with this recommendation, establishing a comprehensive compliance framework has been identified as a critical need and may influence specific CAP criteria or processes. Specifically, Metro Council SHS reform discussions have identified the need for a compliance framework to include a clearer process and structure to enable escalating corrective action for persistent non-compliance and ongoing poor performance.

The CAP process, similar to monitoring, is another example in which Metro's oversight authority is limited. Under current IGAs, CAPs are one of the few tools available to Metro to address performance issues or non-compliance by SHS implementation partners. Section 6.3.5 of the IGA outlines that a CAP can only be requested "*after appropriate notice and opportunity to remedy identified concerns*" and limits the purview of these concerns to adherence "*to the terms of its Plan, current Annual Work Plan or Annual Program Budget, or current spend-down plan.*"

Critically, CAPs also require joint approval from both Metro and the county; joint approval means that CAPs must be co-created by Metro and the impacted partner, which can influence the scope of the CAP and the time it takes to come to a shared agreement. As an example, Multnomah County was placed under a Corrective Action Plan (CAP) for fiscal year 2024 (FY24) – the first time a county was placed on a CAP within the SHS program. Metro initiated the CAP in April 2023 due to Multnomah County's material deviation from their FY23 SHS

spend-down plan (as of Q3 that fiscal year, Multnomah County had spent approximately \$40 million of their \$123 million outlined in their spend down plan) but it took over three months for Metro and Multnomah County to settle on CAP terms.

Recommendation 6a: *To ensure timely and ongoing program oversight, the COO's Office and Metro Housing should: Ensure the Regional Oversight Committee can fulfill its responsibilities by: Providing a full list of responsibilities assigned to it.*

Status: Implemented.

Staff reviewed governing documents for SHS, identifying and compiling all provisions related to the roles and responsibilities of the SHSOC by area of focus. Staff shared this document with the SHSOC in January 2024, and it now is included in every committee packet.

In September 2024, staff provided an updated version to clarify financial responsibilities. This list is reviewed as part of the onboarding process for new members, and it remains integrated into presentations before key bodies of work, such as the annual report and work plan review. Staff continue to identify gaps and make needed improvements to enable the SHSOC to fulfill its responsibilities, including administrative improvements outlined below.

Strengthening the committee's role and authority remains a priority for Metro and the SHSOC. Since February 2024, Metro has been engaged in conversations around SHS reform. One of the recurring priorities identified by President Peterson, other councilors and stakeholders is the need to reform SHS's governance structure to strengthen oversight, accountability and outcomes. Council action is expected on select reform actions, including committee consolidation in late 2025 or early 2026. This is expected to refine and streamline the role and responsibilities of the SHSOC and TCPB, and collapse these into a single oversight and policy body.

Recommendation 6b: *To ensure timely and ongoing program oversight, the COO's Office and Metro Housing should: Ensure the Regional Oversight Committee can fulfill its responsibilities by: Providing sufficient data to evaluate administrative spending and make recommendations.*

Status: Implemented.

Metro and county administrative rates were included in the SHSOC's annual regional report for FY23, which was developed in Winter 2023 and finalized in March 2024. Beginning with the FY24 quarter one report – received by Metro in November 2023 and shared with the SHSOC in January 2024 – Metro staff included jurisdictional administrative expenditures in the quarterly financial report. Prior to this change, the quarterly financial reports included only Metro's administration and oversight costs.

In July 2024, the annual reporting template was also updated to include administrative spending requirements for contracted providers. Counties provided this breakdown for the first time in FY24 county annual reports. The information was provided to the SHSOC for review in January

2025, and the committee's analysis and recommendations were incorporated into the FY24 annual regional report. To allow sufficient time for committee review and approval, presentations to the Metro Council and county boards were rescheduled to March and April 2025, instead of the originally planned February timeline.

County annual reports will continue to include contracted provider administrative rates to support the SHSOC in fulfillment of its oversight responsibilities throughout the remainder of the program's implementation.

Recommendation 6c: *To ensure timely and ongoing program oversight, the COO's Office and Metro Housing should: Ensure the Regional Oversight Committee can fulfill its responsibilities by: Providing sufficient data to evaluate spending on Populations A and B.*

Status: In process.

Management agrees with the audit's status for this recommendation. In response to Metro's request for standardized Population A and B data in the counties' annual reports for FY23, a joint memo was submitted by the counties to Metro on December 29, 2023. This memo provided FY23 spending data by Population A and B, with the expectation that this information would be aggregated and included in the FY23 annual regional report by the SHSOC.

Upon review of the joint memo, Metro found the submitted spending data insufficient. Significant variability existed among counties in reported service types, data availability, assumptions, cost definitions, and allocation methods. As a result, Metro could not determine regional spending by Populations A and B and was unable to include the data in the FY23 annual regional report as originally planned. Metro communicated these concerns to the counties and SHSOC in a memo dated January 22, 2024. Both the counties' original joint memo and Metro's response outlining data alignment issues were included as exhibits in the FY23 annual regional report, published in March 2024.

To improve reporting in FY24, Metro issued guidance to the counties on June 24, 2024, in a memo titled, "Population A and B: Definition Clarification & Financial Split Methodology." This memo provided financial requirements and a standardized template for the FY24 county annual reports.

In October 2024, counties raised concerns about the guidance – particularly the financial reporting requirements – to Metro. The counties submitted FY24 financial information using methodologies consistent with FY23 annual reports, which conflicted with Metro's updated guidance and differed across counties.

At the recommendation of the SHSOC co-chairs, Metro and the counties met in January 2025 to discuss concerns, establish priorities and define steps to ensure consistent regional financial data moving forward. Following this meeting, counties submitted financial data using Metro's template in January 2025. This newly standardized data was included in the FY24 annual regional report, published February 2025. However, due to timing constraints related to annual

report submission and budget development, the SHSOC was unable to provide recommendations for Population A and B budgeting for FY25 in the FY24 annual regional report.

To resolve the remaining reporting challenges, Metro and the counties formed a workgroup for Population A and B reporting prior to FY25 county annual report development. Through this workgroup, financial reporting methodology was finalized and agreed on by all four jurisdictions. The FY25 annual financial report now utilizes a standard for reporting Population A and B. One section that was agreed upon to report additional Population A and B data for "Other Supportive Services" did present some challenges as each county reported on this category differently when they created their FY25 budgets and prior reports. However, this will be resolved in FY26, as all counties budgeted using the updated SHS financial templates for FY26.

In FY26, Metro and the counties will focus on implementing an updated Population A and B intake form and aligning data entry and HMIS questions with the updated intake form. This work will support the department with monitoring Population A and B spending trends and addressing discrepancies as needed.

Recommendation 6d: *To ensure timely and ongoing program oversight, the COO's Office and Metro Housing should: Ensure the Regional Oversight Committee can fulfill its responsibilities by: Including data and recommendations about administrative spending and spending on Populations A and B in the annual report to Council.*

Status: In process.

The SHSOC's annual regional report to the Metro Council for FY24 included administrative financial details for Metro and the three counties, as well as administrative rate information for contracted service providers. Beginning in October 2024, counties provided Metro with a breakdown of administrative spending by contracted service providers as part of the FY24 county annual reports. Metro presented this information to the SHSOC in January 2025 for review and consideration of future recommendations on administrative spending rates. The committee's analysis and recommendations were incorporated into the 2025 annual regional report published in March 2025.

As noted in Metro's response to recommendation 6c, counties included Population A and B expenditure data in their annual reports, but the data was not standardized regionally. In January 2025, Metro and the counties met to address these inconsistencies, discuss concerns, develop priorities and define steps for aligning financial data across the region. Following this meeting, counties subsequently resubmitted financial data using Metro's template in January 2025, which was integrated into the FY24 annual regional report.

Despite this progress, the SHSOC's FY24 annual regional report highlighted ongoing challenges in county reporting on Population A and B. Key issues identified included inconsistent service type categories, allocation methods, assumptions and definitions, all of which hinder regional analysis.

In response, Metro and the counties formed a workgroup to develop strategies for addressing these challenges. As a result, counties were able to submit FY25 annual reports in October 2025 with accurate and consistent Population A and B spending information. The FY25 annual regional report including this information is expected to be presented to Council in March 2026.

Recommendation 7: *To ensure timely and ongoing program oversight, the COO's Office and Metro Housing should: Establish an annual process for Metro Council, Tri-County Planning Body, and Regional Oversight Committee to review the funding allocations for each county and adjust if needed.*

Status: Not implemented.

Management's recommendation to the Metro Council has been to not revisit the SHS fund allocation methodology at this time. As Metro has continued to receive data on tax receipts and taxpayers, it has become clear revising the fund allocation methodology is not a simple, objective task. The methodology in the measure aimed to allocate tax revenues based on income tax generation by county. In practice, SHS income taxes are generated in the three counties, in other states across the US, and in parts of Oregon outside the Metro region. There is no agreed upon methodology for allocating the revenues that acknowledges the wide variety of source locations. In the most recent analysis by Metro staff, at least 25% of the SHS income tax revenue in tax year 2023 was sourced outside the Metro region. Additionally, regional data remains insufficiently aligned to support a meaningful review of the existing methodology or the development of a viable alternative. Metro will continue to assess the SHS tax structure to determine whether a methodology review is appropriate in the future.

The Metro Council remains focused on the development of a regional system. Meaningful analysis of how funding should be allocated – beyond how or where the revenue is generated – requires clarity about program needs, goals, and priorities and how the program operates and reacts to other systems and externalities (including changes in federal funding). Metro Council SHS reform priorities prioritize system improvement and strategies to improve how county partners can collaborate to achieve higher efficiencies and serve more people, which will inform analysis and cadence of reallocation.

Recommendation 8: *To improve the reliability and consistency of program performance data, Metro Housing should: Clarify the goals related to serving 5,000 people and 10,000 households.*

Status: In process.

In January 2024, Metro reviewed SHS governing documents that referenced the 5,000 and 10,000 goals. This review revealed inconsistencies across documents, which – as noted in the audit – “create[d] a barrier to understanding program goals” and had “a direct effect on what is expected and what data points are appropriate to evaluate progress.” For example, the SHS Work Plan defined the goals as “as many as,” while the Metro Housing department budget documents and Metro's SHS website defined them as “at least.”

In June 2024, Metro issued a memo to counties clarifying the regional goals of serving 5,000 people and 10,000 households. For regional consistency, the guidance established standard definitions for use across all documents and communications:

- Connect *at least* 5,000 households (that meet the definition of Population A) experiencing homelessness to permanent supportive housing
- Stabilize *at least* 10,000 households (that meet the definition of Population B) at risk of or experiencing homelessness in permanent housing

Currently, the SHS Work Plan is the only remaining governance document that does not reflect these updated definitions. Final resolution of this recommendation is pending, along with other recommendations that require amendments to SHS governance documents.

While the data is now reported consistently, there is some variability in the language that is used to effectively communicate with different audiences. As noted in the audit, this may at times lead to confusion and have wider implications for program implementation – for example, using “chronically homeless households”, “homeless households,” and “households experiencing prolonged homelessness” in the FY24 annual regional report to refer to those connected to permanent supportive housing. The language used to refer to those served by the respective goals will be consistent in the FY25 annual regional report that will be published in early 2026.

Metro staff agree that despite these improvements, the 5,000 and 10,000 goals as initially conceived and currently reported do not directly measure reductions in homelessness across the region. Though demonstration of those relative reductions was not the intention of these goals nor a commitment of the original SHS measure or governing documents, Metro Council and stakeholders throughout the region have been engaged in conversations about reforming SHS goal setting, data collection, and reporting to allow for this sort of outcomes-focused understanding of programmatic impact. For example, Metro Council is considering a Housing Department proposal to track and publicly report environmental indicators (e.g. eviction rates, overall rates of homelessness) via an interactive dashboard so that the public can better understand the relative impact of SHS resources in regional homelessness systems.

Recommendation 9: *To improve the reliability and consistency of program performance data, Metro Housing should: Define which service types are used to report on progress towards the 5,000 and 10,000 goals.*

Status: In process.

In June 2024, Metro issued a memo to clarify how the current state of services aligns with the 5,000 and 10,000 goals and which service types count toward which goal. (This memo was also referenced in response to recommendation 8.) County staff and SHSOC co-chairs were informed of this work, but engagement with other stakeholders was more limited than anticipated in the original management response provided to the Metro Auditor in January 2024. This was due in part to the prior establishment of definitions for service types and their corresponding goals in existing documents; there were no decisions that needed to be made prior to the clarification of the definitions.

The current guidance provided in the memo stated:

- Permanent supportive housing placements for households that meet the definition of Population A counts toward the 5,000 goal.
- Homelessness prevention and rapid rehousing for households that meet the definition of Population B count toward the 10,000 goal.

Also in June 2024, Metro issued an updated annual reporting template requiring counties to disaggregate data by both program type and population (e.g., “number of households served in preventions who were in Population B”). The quarterly reporting template, initially expected to be finalized in July 2024, was delayed until October due to county feedback and concerns.

Despite this delay, Metro began receiving disaggregated Population A and B data from the counties for all service types starting with FY25 quarter two reports submitted in February 2025. However, this information was not included in the annual regional report for FY24 due to discrepancies in historical data for years one through three. These discrepancies must be resolved to ensure alignment with current guidance before Metro can confidently validate counties’ progress to date, which is in progress; the data sharing agreement is now in effect and Metro received data in August 2025. Metro and county staff are working towards reconciling and validating this data in FY2026.

Metro updated both quarterly and annual reporting templates to reflect the clarified goals and definitions. Although full implementation of the revised guidance for prior previous fiscal years will take time, Metro and county partners continue to make progress towards alignment. With updated annual reporting templates, Metro anticipates improved reliability and consistency in program performance data when counties submit their reports in October 2025.

Additionally, Metro staff are in the process of developing administrative rules that will further define and clarify funding requirements for Supportive Housing Services progress and assist in building towards a regionalized homelessness system of care. These requirements will provide clarity on housing program types, including, but not limited to, housing only.

Recommendation 10: *To improve the reliability and consistency of program performance data, Metro Housing should: Develop a performance measure to evaluate the quality of services provided.*

Status: In process.

In March 2024, the Metro Housing department expanded staff capacity to help advance oversight and quality improvement measures. To further support this work, Metro sought external technical expertise to address immediate program evaluation needs and assist in the development of performance measures to evaluate service quality. Metro identified Portland State University’s (PSU) Homelessness Research & Action Collaborative (HRAC) as the consulting partner.

The Intergovernmental Agreement between Metro and PSU was executed in May 2024 and the scope of work included interviews with interested key parties and subject matter experts. HRAC

continues to make progress on its deliverables and is on track to submit a final evaluation framework by December 2025. This evaluation framework is expected to include elements such as proposed key performance metrics, dataset recommendations, data collection and analysis methods, and reporting systems. Metro expects to start initiating program evaluation using this framework in early 2026.

Recommendation 11a: *To improve the reliability and consistency of program performance data, Metro Housing should: Use existing data to provide more context for county and regional performance by adding the following to quarterly and annual reports: Retention and returns to homelessness compared to the number of people served.*

Status: In process.

Retention rates and returns-to-homelessness for households placed in permanent supportive housing and rapid rehousing were reported in the counties' annual reports for FY23 submitted in October 2023. This data was integrated in the FY23 annual regional report, released in March 2024. This data was also submitted by the counties in their annual reports for FY24 in October 2024, enabling its inclusion in the SHSOC's regional annual report for FY24. In addition to the overall metric, this data is also disaggregated by race, supporting analysis of how effectively the regional system addresses racial inequities.

Upon further review, Metro determined that collecting retention and return-to-homelessness rates annually, rather than quarterly, would improve data accuracy, due to the timing of data entry and reporting. In July 2024, county annual report templates were updated to include a consistent methodology to track regional retention and return-to-homelessness rates. The 12- and 24-month timespans for retention and returns to homelessness align with best practices for tracking this regional outcome metric.

In addition, Metro proposed a new performance metric for the counties annual report template for FY25: the number of households served with Ongoing Housing Support. This addition would allow Metro to measure not only retention rates, but the total number of households currently receiving ongoing housing support.

The FY25 county annual report template was finalized in June 2025, but with a key revision: the Inflow/Outflow metric was changed from "households" served to "individuals." This adjustment was necessary because not every county was able to report relevant household-level data. Shifting to individual-level data provides greater consistency and ensures Metro can better align retention and return-to-homelessness rates compared to individuals served.

As a result of this change, Metro can now include this data in the FY25 regional annual report, following receipt of county annual reports due to Metro in October 2025.

Recommendation 11b: *To improve the reliability and consistency of program performance data, Metro Housing should: Use existing data to provide more context for county and regional*

performance by adding the following to quarterly and annual reports: The capacity of permanent supportive housing compared to the overall need.

Audit finding: In process.

In addition to tracking progress on the SHS Work Plan's regional goals, an important measure of SHS system performance is the number of permanent supportive housing (PSH) units created with SHS funding compared to the overall need. In FY24 annual reports submitted to Metro in October 2024, the counties provided the number of SHS-funded PSH units added and estimated individuals in need of PSH in year three of SHS implementation. This data will be included in the annual regional reports moving forward, using the 2021 estimate of individuals in need of PSH as a baseline to understand changes in need over time.

In July 2024, Metro updated the county annual report templates accordingly to include a standardized methodology for tracking PSH data. Metro continues to explore improvements to regional data consistency and reliability, particularly estimates of overall PSH need, and will issue updated methodological guidance as needed.

Recommendation 12: *To improve the reliability and consistency of program performance data, Metro Housing should: Create a process to check the accuracy of county quarterly and annual reports and require counties to identify if they have revised data reported previously.*

Audit finding: In process.

In March 2024, the Metro Housing department hired staff that would be dedicated to reviewing and analyzing SHS data. These staff support quality assurance efforts by verifying the accuracy of county quarterly and annual reports, providing technical assistance to the counties, and addressing reporting errors.

To ensure data reliability, Metro began issuing formal quarterly performance review letters to counties. The letters document for the counties a summary of Metro's analysis of the data, highlight any issues or questions, and identify any necessary updates to the submitted data.

Additionally, in spring 2025, Metro and the counties finalized data sharing agreements, resulting in Metro receiving the negotiated data beginning in August 2025. The agreement allows Metro to receive raw, disaggregated data directly from the counties' HMIS. This will support Metro's ability to monitor and validate data submitted in quarterly and annual reports.

In July 2025, Metro provided an updated quarterly report template draft for FY26 to all three counties. One notable addition is a footnote in the data table and disaggregation section stating *"The data received each quarter may be slightly different than the revised and most up-to-date information received in the annual report. Data from the annual report will be used for final year-end figures."* This note anticipates and acknowledges that data may be revised in the county annual reports. Metro updates quarterly and annual reports each fiscal year and Metro will continue to make applicable changes as needed.

The nature of collecting and accurately reporting homeless services data – which requires thousands of individuals across the region to input information into HMIS in a timely and accurate manner – means that quality assurance work is an important and expected part of the process. Typically, initial reporting is an undercount due in part to the turn-around time associated with regular quarterly reporting. Providers and counties perform their own quality assurance, and corrections can take time.

Metro’s process of validating data accuracy is done through internal tools that allow for further quality control. This will highlight any discrepancies in numbers, errors in calculations, and cross reference data with previous quarters and/or fiscal years.

Although we have these system processes and internal tools, there will always be slight variations in the data for several reasons beyond our control:

- Front line staff completing data entry after reporting period
- Incorrect grouping of service providers in program categories
- Numbers can fluctuate and often increase due to the complexity of braided funding

Considering these inevitable aspects of service reporting, one purpose of annual reporting – which is a longer, more in-depth process than quarterly reporting – is then to aggregate the updated, validated data and provide it for the entire reporting period.

Recommendation 13a: *To improve the reliability and consistency of program performance data, Metro Housing should: Update reporting templates to: Add data about the percentage of the counties’ total spending that comes from SHS.*

Audit finding: Implemented.

In February 2024, Metro discussed and gathered feedback from the counties regarding updates to reporting templates, including adding a requirement to provide leveraged funding. In June 2024, leveraged funding was added to the annual report template provided to the counties and was incorporated into the county annual reports for FY24.

While counties submitted some information—for example, Clackamas County provided a list of funding sources and their uses—none provided the financial data Metro requested to determine what percentage of each county’s total spending is funded by SHS. All three counties expressed disagreement with Metro’s interpretation that this level of financial reporting falls within the scope of SHS oversight.

Metro worked with the counties to reach agreement on the data needed to address this recommendation. For example, Metro collaborated with the counties to revise the leveraged funding chart in the county annual report template for FY25. This updated version, accepted by all county partners in June 2025, is included in the FY25 county annual reports.

Recommendation 13b: *To improve the reliability and consistency of program performance data, Metro Housing should: Update reporting templates to: Add line items for spending on each service type provided.*

Audit finding: Implemented.

In February 2024, Metro met with the counties to discuss updates to the reporting templates, including revisions to the budget service lines in the financial reporting workbook, and gathered county feedback. To support analysis and oversight, Metro then collaborated with the counties to revise the financial reporting templates for FY25. In July 2024, a final version of the financial reporting workbook, aligned with programmatic reporting, was provided to the counties.

Starting with the FY25 quarter one reports, submitted by the counties to Metro in November 2024, counties now report more financial data. For example, all county reports include a specific budget line item for “shelter,” rather than broader categories that may have grouped shelter with other costs. This increased level of detail applies across all program areas, including permanent supportive housing, eviction prevention, regional strategy implementation, etc.

Recommendation 14: *To identify programs that provide efficient, effective, and equitable services to inform long-term planning, the Tri-County Planning Body should: Research relevant studies of the program impacts on SHS' target populations.*

Audit finding: Implemented.

All research conducted on behalf of the TCPB has been in service to the six regional goals identified in 2023. This research has been carried out by Metro and county staff, as well as consultants, Homebase and Focus Strategies.

In support of the technical assistance goal, Metro launched a research and demonstration pilot project focused on permanent supportive housing. The purpose of this pilot is to evaluate its impact on Supportive Housing Services' target populations and inform broader policy development for PSH implementation. For the training goal, Metro developed a comprehensive research paper and gap analysis examining current training opportunities for frontline workers both locally and nationally. Pilots to advance implementation of the training goal are currently in development.

Findings from this research continue to support the development and regional implementation of strategies aligned with the TCPB's six goals. Research related to landlord recruitment and retention, coordinated entry, healthcare system alignment and employee recruitment and retention were presented to the TCPB by July 2024. Research supporting technical assistance was presented to TCPB in February 2025 and training was presented in May 2025.

This body of research is helping build a more coordinated and interconnected housing and homeless services system – one where clients can expect a consistent level of care, and service providers have access to the tools and training necessary to deliver that care equitably across

the region.

Recommendation 15: *To identify programs that provide efficient, effective, and equitable services to inform long-term planning, the Tri-County Planning Body should: Research best practices for communicating program results to increase understanding among decision-makers and the public.*

Audit finding: Implemented.

The Metro Housing communications team continues to implement best practices in strategic communications, including robust storytelling across Metro News, earned media, social media platforms, paid community media and email marketing. In addition, Metro's Housing communications team has prioritized strong collaboration and partnership with the counties to strengthen and support a unified regional response.

To date, the partnership between Metro and the counties has resulted in several coordinated communications efforts. These efforts have had meaningful impacts, including strengthened working relationships between Metro and county communications teams and a measurable increase in earned media coverage, particularly through television news segments that highlight SHS-funded programs and services. Metro remains committed to advancing a coordinated regional communications approach that promotes transparency, builds public trust, and highlights the collective impact of SHS investments across the region.

Metro will be hiring a consultant to support the development of a regional communications strategy. This planning effort is scheduled to begin in November 2025 and is anticipated to be completed by winter 2026. As the strategy develops, Metro will update the Metro Council, SHSOC, TCPB, and Metro advisory bodies such as Metro Policy Advisory Committee, to inform and provide opportunities to contribute feedback as appropriate.

Recommendation 16: *To identify programs that provide efficient, effective, and equitable services to inform long-term planning, the Tri-County Planning Body should: Advise Boards of County Commissioners, Metro Council, and Metro Housing periodically on the results of the research.*

Audit finding: Implemented.

Research findings on five of the six TCPB goals – coordinated entry, landlord recruitment and retention, healthcare system alignment, technical assistance and training – have been presented before the SHSOC. On July 28, 2025, the SHSOC received a presentation on the final goal, employee recruitment and retention, and are expected to approve the implementation strategy in late 2025 or early 2026.

In October 2024, Metro staff presented an update on TCPB's work to the Metro Council and Councilors receive updates on TCPB during monthly check ins. In addition, at the request of

Metro Council President Peterson, TCPB Co-Chair and Metro President's Work Group member Mercedes Elizalde gave the Work Group an overview of TPCB in March 2025.

Metro Housing department staff are currently developing a comprehensive engagement strategy. This strategy may include a series of presentations to the Metro Council on all TCPB goals and implementation strategies in coordination with a roadshow to county boards, along with briefings, email updates, and one-on-one meetings with councilors.

Although communication with other legislative bodies was delayed during the first half of 2025 due to active Supportive Housing Services reform discussion, these engagements remain a priority for Metro and TCPB continues to include dedicated representation from each county board.

Recommendation 17: *To identify programs that provide efficient, effective, and equitable services to inform long-term planning, the Tri-County Planning Body should: Advise the Regional Oversight Committee and Metro Housing about best practices for communicating program results to ensure understanding.*

Audit finding: Implemented.

Members of the TCPB and SHSOC are regularly kept informed of each other's work. Meeting minutes from both bodies are included in the meeting packets for each committee to promote transparency. In addition, Metro hosts a monthly joint meeting of the co-chairs of all three housing-related committees, SHSOC, TCPB and the Affordable Housing Bond Oversight Committee to foster collaboration and awareness.

Metro Housing communications staff attend every committee co-chair meeting to identify opportunities for communicating program updates and outcomes to the public. Metro also developed a process for updating the TCPB and SHSOC quarterly on the progress of implementing each goal area.

At this stage, best practices for communicating program results have not yet been formally shared with the SHSOC, TCPB or Metro Housing, as the regional communications strategy is still under development. Metro Housing is scheduled to hire a consultant in November of 2025 to support development of the strategy and expects a final deliverable in winter 2026. As the strategy is developed, SHSOC and TCPB members will be updated and given opportunities for feedback.

Though the strategy has yet to be finalized, and governance reform decisions are pending, Metro has worked to raise public awareness of SHS fund effectiveness. Examples of this work include Metro website, public education campaigns and ongoing partnerships with local media to highlight successes (a recent example is related to the regional healthcare systems alignment goal). These, as well as other efforts to improve the public's understanding of program results, will continue through the development of the final strategy.

Recommendation 18: *To identify programs that provide efficient, effective, and equitable services to inform long-term planning, the Tri-County Planning Body should: Use research, program data, and financial projections to inform strategies for the regional program.*

Audit finding: Implemented.

Metro, in support of the TCPB, has applied a combination of research, program data and financial analysis to guide the development of regional strategies.

In spring 2023, following a competitive procurement process, Metro contracted with a pool of qualified technical consultants. Their scope of work included research, stakeholder engagement, data scans, scenario planning, budget development, and other technical tasks for the following goal areas: landlord recruitment and retention, coordinated entry, employee recruitment and retention, and healthcare systems alignment.

These efforts directly informed the regional strategies approved by the TCPB for five of the six goal areas: landlord recruitment and retention, training, technical assistance, healthcare systems alignment and coordinated entry. On July 28, 2025, the SHSOC received a presentation on the final goal, employee recruitment and retention, and is expected to approve the implementation strategy in early 2026.

Metro has also advanced implementation efforts for training and technical assistance. In June 2025, Metro launched a technical assistance demonstration project to identify ongoing needs among permanent supportive housing providers. In May 2025, the research phase of this training initiative was completed, including piloting an on-demand training program using national providers. In June 2025, Metro finalized an intergovernmental agreement with Portland Community College to develop and establish a new leadership training academy for the region's housing workforce.

In January 2025, Metro began providing the TCPB with quarterly implementation and financial reports for the landlord recruitment and retention implementation strategy. In June 2025, these quarterly updates expanded to include the coordinated entry plan and the technical assistance pilot project in addition to continued updates on landlord recruitment and retention. This quarterly reporting cadence is now established and will continue throughout the year.

Metro remains committed to addressing the recommendations identified in this audit and to strengthening the SHS program in partnership with our county colleagues and regional stakeholders. As Metro advances its reform work, we will continue to prioritize transparency, shared accountability, and thoughtful implementation grounded in data and community need. We appreciate the Auditor's Office for its continued partnership in ensuring this program evolves to meet its goals and delivers effective, coordinated homelessness services across the region.



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