

SUPPORTIVE HOUSING SERVICES REFORM: METRO COUNCIL DISCUSSION OF NEXT STEPS

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Departments: Office of the Council
President

Presenter: Council President Lynn
Peterson; Staff TBD

Work Session Date: June 24, 2025

Length: 60 minutes

ISSUE STATEMENT

For more than a year, the Metro Council has been considering reforms to improve the impact, accountability and stability of regional programs to address homelessness and housing instability. This work session is a discussion of potential next steps for enacting Supportive Housing Services (SHS) reforms, including a possible voter measure to extend the program, restructure governance and expand its uses.

ACTION REQUESTED

Provide direction on SHS reform actions to prepare for Council consideration, including a potential November 2025 ballot measure referral and/or other reforms to governance.

IDENTIFIED POLICY OUTCOMES

In line with stakeholder/community input since January 2024, the Council has been considering reforms that address three primary facts:

- The region needs to continue funding in services and affordable housing to address homelessness for decades to come. However, regional funding for both will end within a few years, as the supportive housing services (SHS) taxes expire and Metro's affordable housing bond is fully spent out.
- There is no viable path to extending regional funding to address homelessness without reforming how SHS taxes are used and overseen, so that they can invest in a full range of solutions to homelessness and to demonstrate greater accountability, efficiency and transparency.

The Metro Council discussed a potential policy package in January that included a draft "Ballot Measure Ordinance" (No. 25-1525) that includes reforms that would be submitted to voters, and a draft "Companion Ordinance" (No. 25-1526) that would advance a transition to a reformed SHS program upon passage of a measure. The Council could also consider enacting reforms to SHS governance without a ballot measure, though voters would be required to approve an extension of the measure or an expansion of uses to include affordable housing.

POLICY QUESTIONS

- Does Council wish to further consider referring an SHS reform and extension ballot measure to voters in November 2025, as well as a related ordinance to implement its provisions?
- If Council does not wish to further consider referring a measure to voters in 2025, what reforms to SHS governance and accountability should be prioritized, and on what timeframe?
- What additional information does Council need to make informed decisions that address public priorities and community needs?

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Through efforts with many jurisdictions, providers and community partners, the voter-approved 2018 Metro Affordable Housing Bond and 2020 Supportive Housing Services measure have helped thousands of families and individuals across the greater Portland region find stable, affordable housing and get the supports they need to avoid or escape homelessness.

Yet there is more to do. Housing costs continue to outpace what people earn and the impacts of homelessness are felt in every corner of greater Portland. These realities will continue beyond the current 2030 expiration of the SHS program and the successful completion of investments by the affordable housing bond.

Any extension of the SHS sunset or expansion of its uses must be approved by the region's voters. Other elements of proposed changes to governance, accountability and allocation may or may not be included in a ballot measure. However, public opinion research and stakeholder input demonstrates clearly that updates to oversight and accountability are likely necessary to build coalition and voter support for a potential measure.

Building on extensive input from partners, community and stakeholders, the Metro Council has been clear that its immediate focus remains on addressing homelessness – effectively, collaboratively and with clear benefits to all.

POLICY OPTIONS TO CONSIDER

Policy options include, but are not limited to, the following:

- Direct staff to prepare a reform measure for Council to consider referring to the November 2025 ballot. If Council wishes to pursue a measure, staff recommend that Council refer a measure before the end of July.
- Direct staff to prepare other reform actions for Council consideration, either in the near-term (before the end of July), mid-term (autumn 2025) or beyond.
- Provide policy priorities and direct staff to conduct further direct engagement with partners/stakeholders before returning to Council with policy options for consideration.

BACKGROUND

On July 9, 2024, Metro COO Madrigal released recommendations (“COO Recommendation”) to the Metro Council, to address several significant challenges and needs in how the region addresses housing affordability and homelessness. The COO Recommendation followed six months of engagement with the stakeholder advisory table, jurisdictional partners, housing and service providers, and community members.

The Metro Council discussed the COO Recommendation, stakeholder engagement and Councilor priorities at six meetings and work sessions between July and October 2024. The Council unanimously adopted Resolution No. 24-5436 on October 17, providing direction on a reform package to secure impactful, stable regional supportive housing services and affordable housing funding into the future. Throughout the fall and winter, Councilors and Metro staff continued engagement with county, city and coalition leaders.

On January 16 and 23, 2025, the Metro Council reviewed and discussed draft language for two ordinances to advance its direction for SHS reforms – one for referral to voters, and the other contingent upon voter approval. The Council opted to postpone consideration of action on the proposed ordinances to allow for conversations to continue at the Council President’s Work Group, as well as among coalitions whose support would be critical for a proposed ballot measure.

. In February, Council President Peterson convened a work group of elected and community leaders to discuss potential reforms identified, including the identification of a regional vision/mission for addressing homelessness, as well as Key Performance Indicators and data needs that can help support analysis, communication and strategic decision-making. The work group, co-chaired by Council President Peterson and Clackamas County Commissioner Ben West, held its eighth and final meeting on June 16. Though discussions were productive, the group was not asked to reach consensus or formal recommendations to the Council. Instead, Council President Peterson and staff committed to carry the group’s collective and individual feedback into future Council discussions.

On April 17, 2025, the Metro Council approved Ordinance No. 25-1320, which allowed the disbursement of unused Metro administrative funding to county partners for near-term, one-time uses to address homelessness needs. The Council then passed Resolution No. 25-5492 on May 1, which disbursed up to \$15 million to Multnomah County to support investments by the City of Portland to address unsheltered homelessness. Other local implementation partners have yet to propose use of unspent Metro administrative funds as outlined in Ordinance No. 25-1320.

On June 17, the Metro Council held a first-reading and received public input on Ordinance No. 25-1531, which would index the SHS personal income tax exemption to inflation for future tax years, and reduce the number of taxfilers required to make estimated payments. The Metro Council is expected to consider action on this ordinance on June 26.

Additionally, in early June, Metro received the findings of public opinion research from FM3 Research. The results show a narrow but challenging path to potential majority support of an SHS reform and reauthorization measure among a representative sample of likely November 2025 voters, likely based on a continuing environment of public distrust and perceptions of the impacts of homelessness.

Unless voters approve an extension of the SHS program, it will expire in 2031. If no extension is approved by voters in 2025, it is expected that county partners and providers would need to begin preparing ramp-down plans in the coming years.

ATTACHMENTS

None