

# MPAC Worksheet

**Agenda Item Title:** Supportive Housing Program Implementation Update

**Presenters:** Patricia Rojas - Regional Housing Director, Rachael Lembo – Finance Manager and Nui Bezaire – Supportive Housing Services Program Manager

**Contact for this worksheet/presentation:** Ash Elverfeld, 503-396-1870

## **Purpose/Objective**

Provide a Metro Supportive Housing Services (SHS) program implementation and tax collection update.

## **Outcome**

Greater clarity for MPAC members on the Metro Supportive Housing Services (SHS) Program implementation; opportunity to comment and ask questions.

## **What has changed since MPAC last considered this issue/item?**

### *Program Implementation*

Since the last SHS presentation in July of 2020, Metro convened an SHS program implementation stakeholder group and a separate tax collection stakeholder group which led to guidance on tax collection and the development of the SHS Work Plan that Metro Council approved in December of 2020. The Regional Oversight Committee was formed, convened for the first time in November and met regularly over the last 9 months. In the winter through the spring of 2021, counties conducted robust community engagement to inform the development of county Local Implementation Plans (LIP's). Each plan was reviewed by community members, local advisory bodies, county boards of commissioners and the SHS Regional Oversight Committee, which were then reviewed and approved by Metro Council. Intergovernmental Agreement (IGA) negotiations began in the spring of 2021 and are currently underway. A Revenue Sharing Agreement was developed by Metro and the implementation partners and approved by Metro Council in late June to allow funds to flow and programming to begin while negotiations on the long term IGA continue. Metro and the three counties are in the early stages of developing a charter and process for forming the Tri-County Advisory Board.

### *SHS Tax Implementation and Collection*

The program is funded by two separate taxes: a 1% personal income tax on taxable income above \$125,000 for individuals and \$200,000 for those filing jointly, and a 1% business income tax on net income for businesses with gross receipts above \$5 million. Other Metro programs and projects are funded through bond measures or property tax levies. This is the first program at Metro that uses personal and business income taxes, and it is the first local personal income tax in the region since Multnomah County's personal income tax ended in 2006.

Work is underway preparing the tax collection systems for these new taxes, which became effective in 2021. A supportive housing services tax implementation advisory table made up of experts in taxation advised Metro on new income tax codes which were adopted by Metro Council in December 2020. Metro is working with the City of Portland Revenue Division to administer the taxes, as the Revenue Division has the experience, technical capability and a scalable team to allow for implementation this year. Multnomah County also selected the Revenue Division to administer its new Preschool for All personal income tax.

Tax collections began in April 2021, and through June 2021 over \$1.5 million has been collected, of which \$1.2 million has been distributed to our local implementation partners. Collections are expected to begin slowly and gradually pick up through January 2022, as more payroll companies

and employers complete the setup of payroll withholding and begin offering it. Collections are expected to peak in April 2022 when calendar year 2021 tax returns are due.

**What packet material do you plan to include?**

None