

MEMORANDUM

DATE: June 8, 2021

TO: Metro Council and Policy Advisors

FROM: Patricia Rojas. Regional Housing Director

RE: Supportive Housing Services Budget Note

Summary

The Metro Housing team has reviewed a Supportive Housing Services Winter Safety Budget Note that proposes to deviate from the current Supportive Housing Services strategy to implement an alternative Mass Temporary Housing Strategy by December 1, 2021. The information below identifies the financial impact and implementation challenges with this proposal for consideration.

Background

Earlier this spring, the Metro Council approved two of the three required Local Implementation Plans (LIPs) for the work set to begin July 1, 2021 on the voter-approved regional supportive housing measure. This measure, as approved by the voters, creates a pathway for our region to address the emergent life and safety needs of thousands of individuals while simultaneously creating a pathway out of homelessness and into housing. Thanks to the Supportive Housing Measure and county leveraged funds, the region can expect to see the following increases in services above and beyond pre-COVID levels. Below are key facts and figures of the current strategies and the proposed budget note strategy:

Current Supportive Housing Strategy (Year One Projections)

- ⇒ 1100-1500 bed increase in shelter capacity from pre-COVID capacity levels
 - 700 new shelter beds will be added with SHS funding
- ⇒ Congregate shelter capacity add back as vaccine rates increase (lost due to physical distancing requirements)
- ⇒ 1500 *Population A households will be placed into permanent supportive housing
- ⇒ 3,000 individuals/households could be served between additional shelter capacity and placement into permanent supportive housing (already contained in LIP adopted strategies)
- ⇒ LIP strategies include behavioral health and other social services, street outreach, permanent housing services, long term rent assistance and eviction prevention services
- ⇒ 100 people who go from shelter to housing = 100 open beds for those who need it
- ⇒ Multnomah County already provides no turn away shelter to any person experiencing homelessness during the severe winter weather events. (see: Multnomah County's severe weather "no-turn-away" policy).

The proposed budget note would replace the LIP outcomes above with a focused outcome of 5000 shelter beds by December 21. Additionally, as proposed, it would direct at least 80% of the available financial resources and a significant level of organizational, and human resources away from the approved LIP outcomes to focus solely on this outcome.

Proposed Mass Shelter Strategy Assumptions

- ⇒ *\$24,000,000-average annual cost per non-congregate shelter bed
- ⇒ \$120,000,000 annual estimated cost = 80% of total SHS projected implementation budget

Does not include any funds for health and social services, permanent housing services or rent assistance.

Budget Note Implementation Considerations

- ⇒ Projected allocation to counties in FY22 is \$151,000,000
- ⇒ SHS Work Plan and Metro Code include defined structures, processes, roles and responsibilities for SHS program implementation
- ⇒ Implementation of the budget note would require amendments of Metro Code and Work plans
- ⇒ Requires halting of already approved Local Implementation Plans and implementation
- ⇒ People in shelter are still homeless and require services and therefore new sources of funding to end their homelessness would be required
- ⇒ \$100,000,000 per year total cost to end homelessness using permanent supportive housing for 5000 households
 - \$20,000 per year per household costs to move someone out of homelessness and into permanent supportive housing
- ⇒ Major realignment of funding and allocations
 - Counties and non-profit partners would have to abandon current programming and implementation of the approved LIPs to free up the capacity required for opening 5000 shelter beds by December 1st.
 - Metro, County partners and non-profit organizations do not have the capacity to continue current operations, implement LIP's and open shelter for 5000 individuals by Dec. 1.
- ⇒ Development of new shelter sites to reach capacity of 5000 individuals
 - Time constraint in negotiation of site contracts or purchase agreements, retrofit the site, contract a shelter operator and adequately staff shelter sites
 - Site permitting, legal requirements, and political challenges
 - Major realignment of County resources toward shelter operations
- ⇒ Utilization
 - Because of the voluntary nature of homeless services, the additional shelter capacity would not guarantee an end to unsheltered homelessness
 - Using this approach in an attempt to end street camping would require meeting the standards set in Martin v. Boise and administrative agreements for law enforcement to trespass people experiencing homelessness from public property

Equity Considerations: (including but not limited to)

- Equitable process: The measure and now the SHS Work Plan and Metro code require that implementation strategies be identified and approved through a Local Implementation Plan process. Plans must be informed by robust community engagement that centers race as well as lived experience of homelessness. The current budget note proposal does not meet this requirement.

- Funding allocation: The measure, SHS Work Plan and Metro code require that 25% of funds be allocated to population B - households experiencing homelessness or at high risk of homelessness. This population includes a higher rate of BIPOC community members. If funds are diverted to a shelter first strategy this population will have little to no access to SHS programming.
- Community Trust: Keeping our promises to the community about how we steward this program and the funds will be important in fostering community trust in Metro.

Staff Recommendation

The SHS budget note is inconsistent with the SHS Work Plan, Metro code and the intent of the measure as passed by the voters, is financially unsustainable, will deplete community resources required for existing programming, will halt the implementation of the LIP's and a July 1 roll out date and undermine the input of the community, including those with lived experience and BIPOC community members who have informed the strategies outlined in the Local Implementation Plans. To be consistent with the intent of the voters, the equitable process and systems underlying the measure and the Local Implementation Plans, Metro staff strongly recommends proceeding with the program as designed and approved by Metro and our key implementation partners. We believe that the outcomes described by the counties will demonstrate a meaningful and long-term impact on addressing the wide range of needs of people experiencing homelessness.

*Service increases in year one are projects over pre-COVID baseline numbers.

* Population A is defined as: Individuals who have one or more disabling conditions; AND are at imminent risk of experiencing long-term or frequent episodes of literal homelessness AND have extremely low income

* Population B is defined as: Experiencing homelessness OR have a substantial risk of experiencing homelessness

* Cost of shelter is based on the shelter costs in Multnomah County for non-congregate models. Cost will vary by county and model. Projected cost does not include adding new congregate sites in FY22 due to COVID-19 health and safety constraints. Includes one time start-up costs amortized over the life of the project