



MEMORANDUM

TO: Clackamas County Board of Commissioners (BCC)

FROM: Emily Klepper, Senior Policy Advisor, County Administration
Adam Brown, Deputy Director, Health Housing and Human Services

RE: Engagement with Metro regarding the Supportive Housing Services (SHS) program and a possible ballot measure

DATE: June 18, 2024

REQUEST:

Staff are requesting that the Board affirm county guiding principles for engagement with Metro regarding a possible SHS ballot measure and allow staff to continue the related conversations with Metro.

BACKGROUND:

In May of 2020, voters approved measure 26-210 Income and Business Taxes for Homeless Services. This became the Supportive Housing Services (SHS) program. Clackamas County entered into an intergovernmental agreement (IGA) with Metro codifying the terms of the relationship, distribution of funds, uses of funds, and oversight functions.

Since that time, SHS collections have exceeded the revenue forecasts initially completed prior to the passage of the measure. Challenges related to addressing homelessness have increased, including unmet addictions and behavioral health needs, provider capacity (recruitment and retention), and increased costs of delivering services. Clackamas County Health, Housing & Human Services (H3S) has been responsive to these changes and adjusted its program design and budget to align with Metro's new annual forecast, allocating all predicted revenue to best meet community need.

Earlier this year Metro, convened a Stakeholder Advisory Table tasked with looking at: 1) the over anticipated revenues; and 2) use of SHS funds for regional housing needs. Chair Smith participated in this meeting series along with the other county chairs, housing developers, business groups, service providers, and other stakeholders. Metro staff provided a summary to Metro Council about this engagement on June 11.

It is expected that Metro could proceed with a November 2024 ballot measure that is focused on changes related to:

- a) Expanding the use of the funds to increase affordable housing stock.
- b) An extension or elimination of the original sunset (2030).
- c) Change in the tax rate.

Staff from County Administration and H3S have continued to engage in informal discussions with Metro, Washington County and Multnomah County related to a possible ballot measure.

Staff is providing this update to the Board about the work done to date and to get the Board's feedback on the guiding principles they have used at the table. The guiding principles are:

- 1) **Keep the focus on the original SHS goals.** Ending chronic homelessness and no net increase in the inflow of homelessness.
- 2) **Rely on local expertise and ensuring local control to invest funds.** Counties receive regular preapproved distribution percentages and are in charge of policies, strategies, program budget, and tri-county coordination.
- 3) **Find system flexibility.** We are only 3 years into a 10-year program. Community needs will evolve as we see the impacts of early investments. We need to have flexibility to carry out program evaluation and allocate/reallocate resources towards strategies that are identified locally as most effective.
- 4) **No change in flow of funds or distribution.** Metro is a pass-through entity with oversight responsibilities. If there are changes to the distribution of dollars it could have negative ripple effects on the county's internal and external administration of homeless services programs.

RECOMMENDATION:

Staff respectfully recommend the Board affirm the guiding principles for engagement with Metro regarding a possible SHS ballot measure and allow staff to continue the related conversations with Metro.