

MEMORANDUM

February 22, 2022

To: Gary Schmidt, Clackamas County Administrator

From: Vahid Brown, SHS Program Manager, Housing Authority of Clackamas County (HACC)

Toni Karter, Interim Executive Director, Housing Authority of Clackamas County

Rodney Cook, Director of Health Housing and Human Services (H3S)

RE: Consideration of an Additional \$5M Advance for Supportive Housing Services Request for

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In response to inquiries from the Board of County Commissioners on February 15, 2022, the Supportive Housing Services (SHS) Program team has prepared the following memo in order to answer the question regarding the need for an additional \$5M advance. This memo provides information regarding the potential uses of an additional \$5M advance from Metro and an update of the SHS Program's financials to reflect tax revenue received in mid-February. The SHS Program has maintained fiscal responsibility while rolling-out services, ensuring that expenditures do not exceed current funding.

***Background***

For FY 2021-22, The Board approved a \$10M budget for the Program to begin rolling out services and build the Program's internal infrastructure. The Clackamas County SHS Program is funded through tax collections from Metro Measure 26-210; however, collections for this first year are anticipated to be largely disbursed in the fourth quarter of FY 2021-22. Due to this timeline, the Board requested an initial \$5M advance from Metro to begin program roll-out ahead of revenue disbursements.

The SHS Program is currently funded in FY 2021-22 through a combination of disbursements from Metro Measure 26-210 tax revenue and the \$5M advance which is to be repaid from portions of future disbursements. The combination of current disbursements and the advance has enabled the SHS Program to stabilize transitional housing services at risk of ceasing their activities, roll-out new housing placement and case management services, and launch the Regional Long-term Rent Assistance (RLRA) program. On November 2, 2021, the Board of County Commissioners also voted to leverage \$2.234M in American Rescue Plan Act (ARPA) funding which is earmarked to bridge the finances of the Hotel/Motel Emergency Shelter Program until its participants can be navigated into permanent housing.

***Utilizing an Additional \$5M Advance***

While the SHS Program has begun making progress, an additional advance of \$5M would allow the Program to make significant strides towards meeting most of the year 1 goals established in

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the LIP. The Tri-County Request for Programmatic Qualifications (RFPQ) is an opportunity for the SHS Program to procure the next wave of program services; however, time is of the essence. In early March, a pool of organizations qualified to provide supportive housing services for the next five years will be released. It is imperative that Clackamas County act swiftly to capitalize on this historic opportunity. Qualified providers will likely begin reaching capacity quickly as all three counties begin procuring services in alignment. Therefore, delays in funding availability could reduce the Clackamas County SHS Program’s ability to contract for new services as the shared pool of providers who begin contracting with Multnomah and Washington Counties reach capacity.

An additional \$5M advance would enable the SHS Program to execute contracts to reach nearly all of the LIP’s Year 1 Goals. The initial roll-out of the SHS Program has prioritized the Regional Long-Term Rent Assistance program, housing navigation/placement services, and supportive housing case management, while also stabilizing emergency and transitional shelter programs at risk of losing funding. Additional funding now would enable future contracting beginning in March to further progress in these goal areas as well as initiate progress in new program areas. Figure 1 details the possible impacts an influx of \$5M before March would make towards fulfilling the LIP’s year 1 Goals.

**Figure 1. LIP Goals Progress With Additional \$5M Advance**

Service Component (Households/Units)	Additional Progress (From \$5M Advance)	Projected Progress* (Current Contracts & Additional \$5M Advance)	LIP Year 1 Goal
Supportive Housing Case Management (HH)	+45	250	200
Long-term Rent Assistance (HH)	+50	250	250
Short-term Rent Assistance (HH)	0	10	130
Eviction Prevention (HH)	+110	110	110
Housing Navigation/Placement (HH)	+50	152	200
Emergency Housing-Shelter/Transitional (Units) (May include shelter acquisition/lease)	+2	65	65
Outreach (HH)	+500	500	500

\*Households may be served in one or more categories

Page 3 provides a financial summary and page 4 details the Measure 26-210 tax revenue disbursements to Clackamas County. This information was previously presented to the Board on February 15, 2022 and has been updated to reflect the disbursement of Measure 26-210 funds received later in February 2022.

### *SHS Program Finance Review*

A summary of the SHS Program’s funding as of February 17, 2022 and expenditures as of December 31, 2021 is available in Figure 2. Additionally, a summary of the leveraged ARPA

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funds from the Board's November 2, 2021 decision and expenditures for the Hotel/Motel Emergency Shelter program as of December 31, 2021 is available in Figure 3. Updated expenditures will be available in the next quarterly progress report.

**Figure 2. SHS Financial Summary Based on FY22 \$10M Budget**

<b>Funding</b>		<b>FY22 Actuals as of 02/17/22</b>	
SHS Measure Disbursements		\$1,651,884	
SHS Funding Advance		\$5,000,000	
<b>Total Funding</b>		<b>\$6,651,884</b>	
<b>Expenditures</b>	<b>Actual Expenditures As of 12/31/21</b>	<b>Est. Financial Obligations Thru 06/30/22</b>	<b>Est. FY22 Total Expenditures Thru 06/30/22</b>
FY21 Carryover	\$413,153.67	-	\$413,153
Housing Placement and Support Services	-	\$1,565,802	\$1,565,802
Emergency/Transitional Sheltering	\$120,276.60	\$889,992	\$1,010,269
Short-term Rent Assistance	-	\$90,000	\$90,000
Regional Strategy Implementation Set-Aside	-	\$64,155	\$64,155
RLRA Administration	\$68,386.14	\$136,770	\$205,156
RLRA Program Operations	\$126,250.41	\$1,628,125	\$1,754,375
SHS Administration	\$152,071.24	\$170,580	\$322,651
SHS Program Staff	\$173,163.67	\$370,908	\$544,072
<b>Total Expenditures</b>	<b>\$1,053,301.73</b>	<b>\$4,916,332</b>	<b>\$5,969,633</b>
<b>Est. Remaining Funds as of 06/30/22</b>			
Remaining Funds Based on Current Obligations		\$682,251	
<b>Ongoing Contractual Obligations for FY23</b>			
Remaining Executed Contract Value into FY23		\$1,456,617	

**Figure 3. FY21-22 Leveraged ARPA Funds**

<b>Funding</b>	
Leveraged ARPA Funding (Earmarked to cover the projected cost of the Hotel/Motel Emergency Shelter Program)	\$2,234,455
<b>Expenditures</b>	
Hotel/Motel Emergency Shelter	\$1,784,884.13

*Measure 26-210 Disbursements*

A summary of disbursements received as of February 17, 2022 from Metro Measure 26-210 tax revenue is shown in Figure 4 (in blue). These are compared with a projection model produced

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by County and Housing Authority finance staff in October 2021 (in orange). Note that the County projection based the first three months of the model – July-September – on the actual amounts already received during those months. Year-to-Date disbursements through February 17, 2022 total \$1,651,884. The model projected that disbursements in this period would total \$1,263,000. Actual disbursements significantly outpaced projections in October, December, and January. To date, actual disbursements have outpaced projections by \$388,884.

**Figure 4. Measure 26-210 Revenue Disbursements**

