Health, Housing & Human Services
CLACKAMAS COUNTY

Rodney A. Cook
Director

June 15th, 2023

BCC Agenda Date/Item: _____

Board of County Commissioners

Presentation by the Supportive Housing Services Regional Oversight Committee of the Regional Annual Report of Supportive Housing Services Measure Implementation for Fiscal Year 2021-2022

Previous Board Action/Review	Various – Periodic and ongoing updates on Supportive Housing Services Measure implementation.		
Performance Clackamas	1. Ensure safe, health, and secure communities		
Counsel Review	N/A	**Procurement Review**	N/A
Contact Person	Vahid Brown	**Contact Phone**	971.334.9870

EXECUTIVE SUMMARY: In accordance with Metro Code and the Metro Work Plan that governs the implementation of the Supportive Housing Services Measure, the Regional Oversight Committee provides annual reports and presentations to the three county boards in Clackamas, Multnomah, and Washington Counties assessing performances, challenges, and outcomes related to program implementation. This presentation by representatives of Metro and the Regional Oversight Committee will provide the Board with the Regional Annual Report for FY 2021-2022.

RECOMMENDATION: The presentation is for information only.

Respectfully submitted,

Rodney Cook, Director

For Filing Use Only

Metro Regional Supportive Housing Services

FY22 regional annual report

SHS Oversight Committee | June 2023

Agenda

- Supportive housing services overview
- First year progress and highlights
- Regional oversight committee recommendations

Supportive housing services: Core values

- Strive toward stable housing for all
- Lead with racial equity, work toward racial justice
- Center people with lived experience
- Fund proven solutions and innovate to improve
- Leverage existing capacity and resources
- Ensure transparent oversight and accountability
- Demonstrate outcomes with stable housing
- Embrace regionalism and local experience

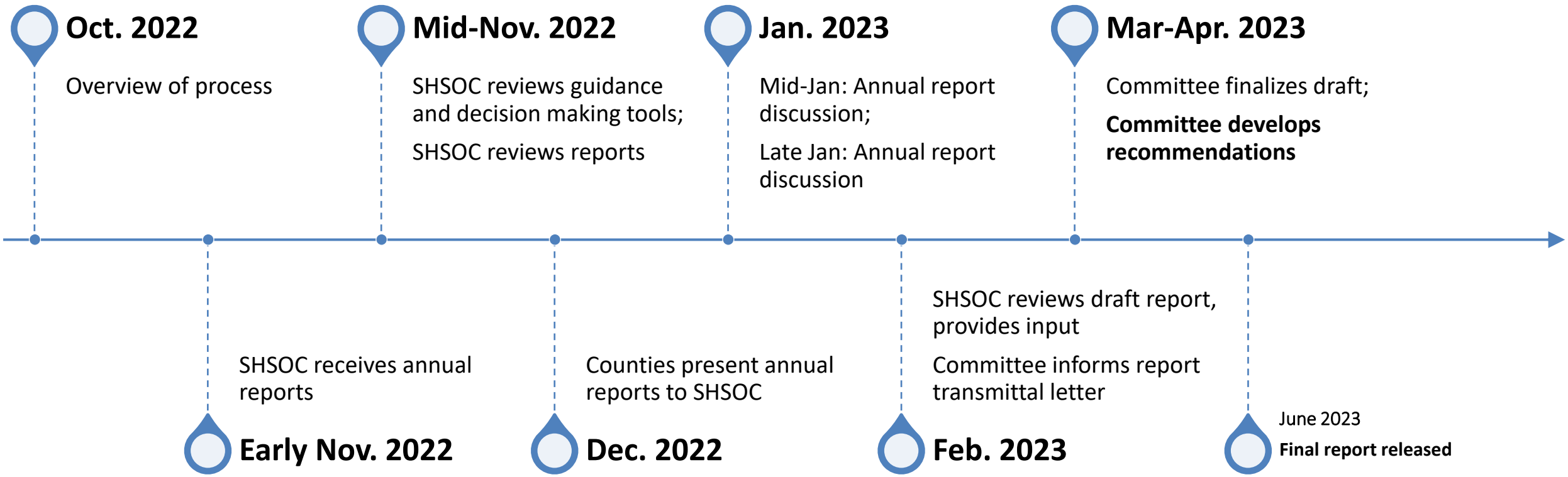
Regional funding and goals

- **$200-250 million per year**
- **10-year goals**
  - **Reduce barriers** to housing stability for Communities of Color
  - **5,000** chronically homeless people secure permanent housing
  - **10,000** households experiencing/at risk of homelessness secure or maintain permanent housing

Role of the SHS oversight committee

To provide **independent program oversight** on behalf of the Metro Council

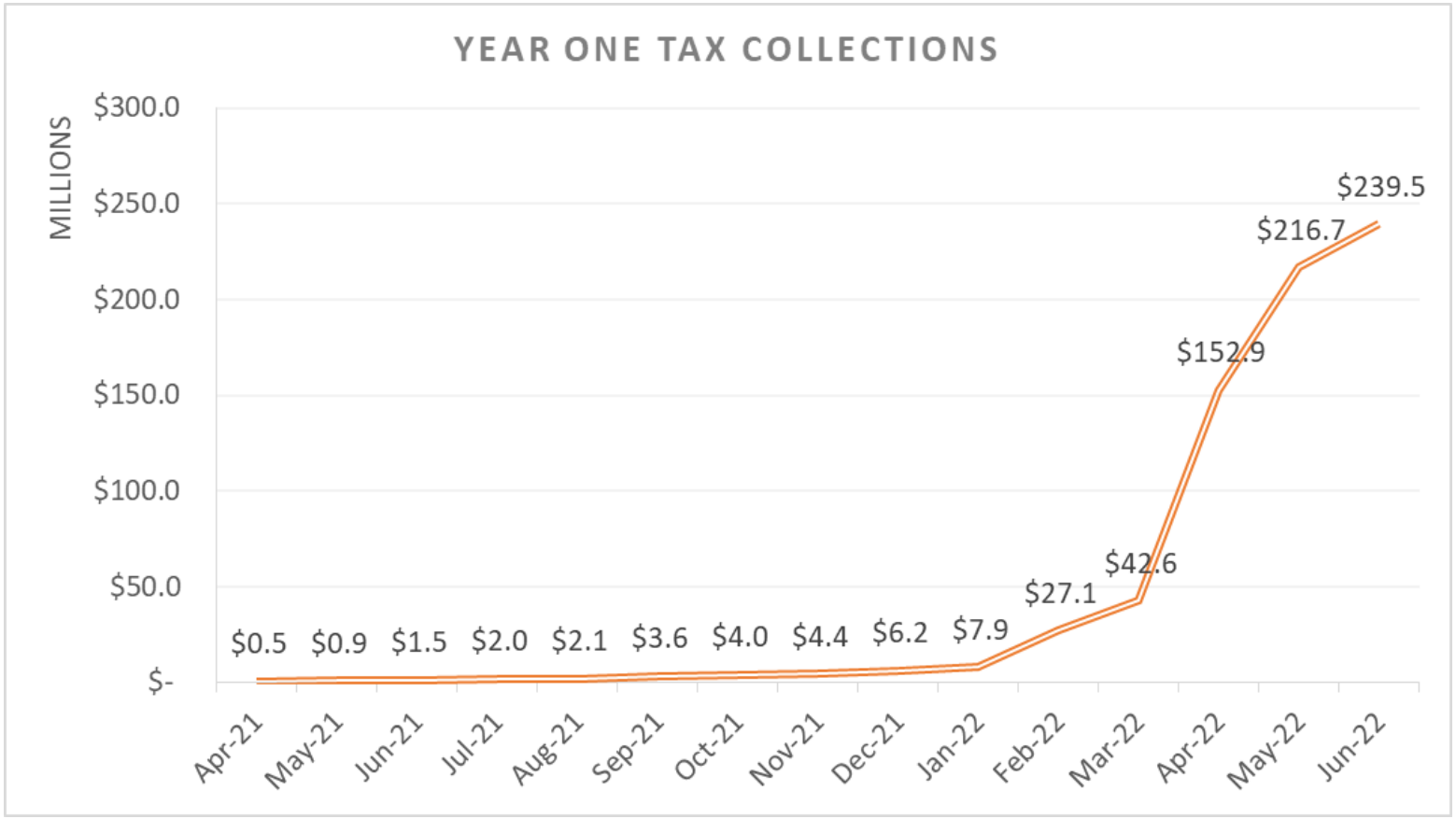
Oversight committee annual review process



FY22 (July 1, 2021-June 30, 2022) regional performance to goals

Type	Goal	As of June 30, 2022
People placed into permanent housing	1,700 people/households	**1,674 people placed**
Shelter beds	700 beds	**689+ beds**
People served with eviction prevention services	1,000 people served	**9,222 people served**

Revenue collection and distribution



- $239.5 million collected
- $209.3 distributed
  - Clackamas $44.6 mil
  - Multnomah $94.9 mil
  - Washington $69.8 mil

Key highlights of FY22

- Strong foundation laid for local and regional infrastructure
- Strengthened partnerships
- Expanded regional coordination
- New and innovative approaches to programming

Challenges

- Building a new/expanded system takes time
- Ramping up cannot happen all at once
- Difficult to hire and retain staff, especially direct service staff
- Spending issues
- Data and reporting alignment

‘Highly unusual labor market’ of 2022 analyzed in Oregon report

By Meerah Powell (OPB) and Rob Manning (OPB)
July 13, 2022 4:50 p.m.

The state report confirms hiring problems and other workforce difficulties facing employers.

Jobs Issue 2022: A Historic Labor Shortage Is Making Oregon Employers Downright Desperate

“For every seven unemployed people, there are 10 jobs available.”

Regional oversight committee recommendations

Recommendations: Category 1

Regional communication strategy

Create a robust communication strategy on the progress and nature of Metro supportive housing services that effectively reaches the broader community.

Recommendations: Category 2

Budgeting/financial reporting and expectations

Update reporting templates by the start of FY23-24 to clearly show quarterly and annual progress toward annual work plan goals.

Recommendations: Category 3

Workforce issues

Develop a work plan and timelines that incorporate short-term and long-term strategies for addressing workforce issues.

- Multi-year capacity building investments for service providers
- Address service provider wage/compensation equity

Recommendations: Category 4

Program expansion: Cross sector coordination

Identify and implement regional strategies that facilitate integration of health services, with a focus on behavioral health including mental health and substance use services, that lead to increased service access/options for people experiencing homelessness.

Recommendations: Category 5

Data, reporting and evaluation

Ensure that all reporting, evaluation and program needs are being met.

Create a plan to address ongoing regional data alignment and community input needs, including developing regional data definitions, standards and methodologies.

Transforming lives

'My place in the world'

Lives transformed by Metro's supportive housing services fund

oregonmetro.gov

Supportive housing services

Regional annual report

July 1, 2021 – June 30, 2022

Photo of Charisse in her new home at the Hattie Redmond Apartments

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Memo

Date: March 27, 2023

To: Metro Council

From: Supportive Housing Services Regional Oversight Committee

Subject: Supportive housing services regional annual report 2021-22

A report to the Metro Council and the community from the Supportive Housing Services Regional Oversight Committee

Our region has seen a steady rise in the number of families and individuals struggling to maintain stable housing in the face of rising housing costs and insufficient housing supply. Increasing rates of homelessness are rooted in decades of under-investment that have led to the dramatic loss of housing options to meet the needs of people in our community with very low incomes. In May 2020, voters in greater Portland approved a significant new funding source to address the region's growing homelessness and housing crisis. The supportive housing services fund (SHS) provides critical resources to support housing access and stability for people across our region.

We are proud to present the first annual regional report for the SHS fund, covering the period from July 1, 2021 through June 30, 2022.

The Supportive Housing Services Regional Oversight Committee has reviewed and accepted annual reports from Clackamas, Multnomah and Washington counties for consistency with their approved local implementation plans and SHS regional goals. We also received presentations on year-one progress from each county and Metro staff and reviewed quarterly data and financial reports throughout the year. This report provides the committee's assessment of counties' performance, challenges and outcomes in year one.

KEY HIGHLIGHTS

During its first year of implementation, the SHS fund laid a strong foundation to deliver on the promises made to voters and our neighbors experiencing homelessness. The pandemic exacerbated our region's homelessness crisis and created unprecedented challenges with SHS implementation in its first year. Nonetheless, our review confirms that counties and their partners advanced the fund's 10-year goals and developed key infrastructure needed to achieve those goals over time.

Programmatic outcomes from SHS investments in year one include:

- SHS-funded housing and services supported placements into permanent housing for 1,674 people who had previously experienced homelessness.
- The new regional long-term rent assistance program enabled 690 of those households to secure permanent housing through flexible rent subsidies.
- SHS-funded rent assistance, case management and legal supports prevented 9,222 people from losing their housing.
- SHS funds created or sustained 689 emergency shelter beds.

At the same time counties were making new SHS services available, they were also building systems and partnerships that will create the foundation for effective program implementation over the next decade:

- **Partnerships and capacity building:** Nonprofit and community-based organizations are the backbone of SHS implementation. Counties worked to build a robust regional system of care through service provider partnerships, with a particular focus on engaging new partners and culturally specific organizations. Counties qualified 116 organizations for a regional SHS supplier pool, established 83 contracts with providers to deliver SHS services in year one, and invested almost $8M in service contracts with culturally specific providers.
- **Cross-sector work:** Counties leveraged SHS resources to strengthen service integration with other systems critical to building an effective regional homelessness response infrastructure. This includes new and expanded cross-sector initiatives with the behavioral health system to increase access to mental health and addiction services for people experiencing homelessness.
- **Metro affordable housing bond alignment:** The counties worked with Metro to integrate SHS-funded rental assistance and supportive services with bond-funded capital investments to create 315 permanent supportive housing units in year one, with more in the pipeline.
- **Regional coordination:** The SHS fund has created an unprecedented level of regional collaboration and alignment across jurisdictional partners. In year one, counties and Metro coordinated on the development and implementation of the regional long-term rent assistance program, creation of a tri-county SHS service provider pool and the development of regional data systems and reporting templates.
- **Advancing racial equity:** While it is too early in the implementation process to measure whether the SHS fund is achieving its racial equity goals, initial findings from counties' equity analyses suggest that SHS investments are leading to improved access to services for people of color who are disproportionately impacted by housing instability and homelessness.

CHALLENGES

The SHS fund's first year also involved significant challenges associated with the launch of a brand new initiative:

- **System building:** SHS implementation required counties to build new programs and systems, in many cases from the ground up. Much of counties' focus in the initial months of the fiscal year was on the foundational work needed to create the internal infrastructure and capacity to support this work.
- **Ramp up:** The pace of ramp up required to develop and implement SHS programs in year one was challenging for many service providers. This was particularly the case for smaller and emerging organizations and those without extensive experience with government contracts.
- **Workforce:** Scaling up programs to meet counties' year-one goals required significant increases in staffing, but counties and service providers faced challenges in hiring and training program staff due to regional workforce shortages affecting every sector of the economy.
- **Revenue flow:** SHS programming launched in July 2021 but most of the revenue to fund year-one services was not collected until April 2022. This meant counties did not receive most of their year-one revenue until the fourth quarter of the fiscal year, requiring them to fund most year-one programming through loans. This impacted each county differently and created challenges for some counties during the fund's first year.

The counties worked with Metro throughout year one to develop regional SHS data and evaluation standards, but standardized data and financial reporting templates weren't adopted until the beginning of year two. This created challenges for the oversight committee in analyzing the counties' year-one data in a consistent way at a regional level. It particularly limited the committee's ability to report on disaggregated demographic and SHS population A and B data.

LOOKING FORWARD

With a strong foundation built for implementation in year one, regional SHS programming is well positioned to grow and expand in year two.

- Programs launched in year one are poised to grow with increased investments and expanded capacity.
- New programs will be introduced in year two to fill gaps and strengthen the effectiveness of the region's homelessness response system.
- Counties plan to further expand their service provider networks and strengthen their capacity building support for culturally specific organizations and other community-based partners.

- Implementation of new regional data standards and reporting templates in year two will support regional monitoring, evaluation and quality improvement.
- The launch of the tri-county planning body will strengthen regional coordination and problem-solving.

RECOMMENDATIONS

The oversight committee has developed recommendations to advance the goals of the program and improve its ability to exercise oversight of SHS implementation. Recommendations are responsive to challenges and themes that have consistently been identified in oversight committee meetings over the last year and a half and were developed by input via surveys and in person over the course of two public committee meetings. Annual report and recommendation discussions followed a review of county annual reports and associated presentations and review of analysis prepared by Metro staff. The committee charges Metro staff with carrying the following recommendations forward, developing plans and timelines for each strategy and bringing a first update on the development of those plans to the committee in July 2023.

Category 1: Regional communication strategy

1. **Create a robust communication strategy on the progress and nature of Metro supportive housing services that effectively reaches the broader community.** Metro staff will lead and coordinate with jurisdictional partners and nonprofit providers to create and implement a communication strategy that helps the public understand the nature and goals of Metro supportive housing services and communicates progress, successes and challenges of the supportive housing services fund in a manner that is easily accessible and understandable by the general public. Additionally, Metro will offer communication support to jurisdictions and nonprofit providers in the form of technical assistance and access to the Metro communications team.

   Metro will contract with external communications experts to help design the campaign and allocate internal resources to implement and manage the campaign.

   A successful strategy will ensure the public understands clearly what the Metro supportive housing services team and each county are doing in layperson's terms and that the information is shared through various mediums.

   By July 2023, Metro will provide the oversight committee with an update on the status of the communication strategy.

Category 2: Budgeting/financial reporting and expectations

1. **Update reporting templates by the start of FY23-24 to clearly show quarterly and annual progress toward annual work plan goals.** In coordination with jurisdiction partners, Metro will update all programmatic and financial tools, including the annual budget template, spend down plans, and quarterly and annual financial reporting, to effectively communicate the fiscal state of supportive housing services. Adjustments include the following elements:

    a. Improved communication on budget to actuals
    b. Quarterly reporting on roll-over and spend down plans to actuals
    c. Clarity on unspent funds and their intended use
    d. Clarity on future financial obligations such as long-term rental assistance payments
    e. Narrative regarding financial challenges
    f. Information about number of contracts and amount of contracted funding
    g. Semi-annual reporting of total invoiced by providers by investment area
    h. Clearly articulated financial expenditures to outcomes, including spending on Population A and Population B
    i. Updates on tax collections costs, implementation and challenges

    Metro will also coordinate technical assistance for jurisdictions and partners as necessary.

    By July 2023, Metro will provide the oversight committee with an update on the status of budgeting/financial reporting and expectations.

Category 3: Workforce issues

1. **Develop a work plan and timelines that incorporate short-term and long-term strategies for addressing workforce issues.** Though the supportive housing services regional goals and metrics include workforce-related items, these represent minimum standards.

    The work plan should consider the following:

    a. More robust training for providers
    b. Multi-year capacity building investments
    c. More intentional capacity support to small/emerging culturally specific providers
    d. Evaluating current allocation and use of administrative funds with the goal of ensuring that all expenses related to Metro supportive housing services administration are covered. Research will include incorporating feedback from providers and jurisdictions

e. More capacity building support for providers
f. Increased ability to hire and retain workers
g. Specific data on the number of staff positions and diversity of organizations' workforce, what they are doing for employee retention including preventing burnout and average pay for peers/outreach
h. Raising awareness that these workforce problems exist for other publicly funded services as well, and those challenges must also be addressed
i. Additional supports for existing staff (e.g. mental health and wellbeing) for retention

Metro will update the committee by July 2023 on progress toward a work plan that includes strategies for expanding resources, technical assistance, training and other supports to service providers in service of strengthening provider capacity. Workforce-related goals and metrics may also be updated as part of the tri-county planning body's recommendations.

2. **Determine the feasibility and potential design of multi-year capacity building investments for service providers and report findings back to the oversight committee.** The feasibility analysis should answer:
   a. Can these types of investments be made? If not, why?
   b. Could these be made available at least to culturally specific and small/emerging organizations? If not, why?

   Then, create a multi-year funding program for culturally specific, small and emerging supportive housing services providers. Report back to the committee with funding requirements, expected outcomes, potential funding commitments and implementation timeline.

   The above are specific strategies the oversight committee recommends being deployed within one year, with a report back from Metro staff or counties on commitments and timelines by May 2023.

3. **Address service provider wage/compensation equity to provide better guidance to county partners in meeting their SHS equity goals and to develop more consistency in wage standards across the region.** Strategies should be developed in collaboration with local and state stakeholders and prioritize culturally specific providers.

   Metro staff will provide an update to the oversight committee on this work by July 2023.

Category 4: Program expansions

1. **Identify and implement regional strategies that facilitate integration of health services, with a focus on behavioral health including mental health and substance use services, that lead to increased service access/options for people experiencing homelessness.** The strategies should prioritize the

needs of Black, Indigenous and other people of color (BIPOC) and LGBTQ+ households in accessing health services. The strategies that are developed should apply in outreach, shelter, housing navigation, short-term housing and permanent housing, including strengthening crisis and long-term health supports.

Metro staff will provide an update to the oversight committee on this work by July 2023.

Category 5: Data, reporting and evaluation

1. **Evaluate current practices for data collection, reporting and evaluation to ensure that all reporting, evaluation and program needs are being met.** Metro staff will come back to the oversight committee with any additional considerations for reporting needs from this evaluation, including the following suggestions from the committee:
    a. Numbers served, disaggregated by demographics
    b. Key performance measures for each intervention
    c. Overall regional numbers and trends
    d. Regional long-term rent assistance vouchers deployed and retention
    e. Evidence-based reporting on contributing factors
    f. Other evaluation, programmatic and compliance needs that arise

    Metro staff will provide an update to the oversight committee on this work by July 2023.

2. **Create a plan to address ongoing regional data alignment and community input needs, including developing regional data definitions, standards and methodologies.** Metro staff may consider launching an ongoing regional data workgroup.

    Metro staff will provide an update to the oversight committee on this work by July 2023.

TRANSFORMING LIVES

Behind the numbers in this report are thousands of people in our region whose lives have been transformed by the services and supports made possible through the SHS fund. Consider the story of Phillip, a Yaqui elder who found stable housing through SHS-funded services after years of sleeping outside. With housing case management from the Native American Rehabilitation Association and a regional long-term rent assistance voucher, Phillip moved into an apartment he loves and feels safe when he goes to sleep for the first time in a long time. “I’ve been around everywhere and tried to find my place in the world,” Phillip explained. “I think I’ve found it.”

Stories like Phillip's demonstrate the transformative impact of our region's commitment to invest in services that help people exit homelessness and transition into safe, stable housing.

We are honored to have the opportunity to provide oversight for this important work and would like to thank Metro and the counties for their support. We'd especially like to extend our gratitude to the nonprofit and community-based organizations across the region working to implement SHS programs and services.

Thank you,

Supportive Housing Services Regional Oversight Committee members:

Susan Emmons (Co-chair)
Mandrill Taylor (Co-chair)
Dan Fowler
Maria Hernandez
Stef Kondor
Jenny Lee
Seth Lyon
Carter MacNichol
Felicita Monteblanco
Jeremiah Rigsby
Mike Savara
Kathy Wai
Becky Wilkinson

Elected delegates:

Chair Tootie Smith, Clackamas County delegate
Kathryn Harrington, Washington County delegate
Susheela Jayapal, Multnomah County delegate
Christine Lewis, Metro Council delegate
Mayor Ted Wheeler, City of Portland delegate

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INTRODUCTION

In May 2020, voters in the greater Portland region approved Measure 26-210 to create a dedicated revenue stream to address the region's homelessness crisis. The supportive housing services (SHS) tax funds a continuum of services to address the underlying conditions of homelessness and support connections with stable housing. The new funding supplements existing local, state and federal resources to increase the region's capacity to meet the needs of people experiencing homelessness and housing insecurity.

SHS funds have supported an unprecedented expansion of our regional homelessness response system. Metro, the three counties, and numerous nonprofit partners have built the infrastructure for a regional system of care that will provide services for 5,000 people experiencing prolonged homelessness and 10,000 households experiencing short-term homelessness or at risk of homelessness over the next 10 years.

This report provides an assessment of the SHS fund's first year of implementation, covering the period from July 1, 2021 through June 30, 2022. It includes:

- A summary of SHS-funded investments in housing and services and key regional outcomes
- An assessment of counties' work to build a regional system of care through partnerships and capacity building with community-based organizations
- An overview of system development work including regional and cross-systems coordination
- Analysis of counties' progress to advance the fund's racial equity goals
- An assessment of each county's performance in relation to its approved local implementation plan
- A financial review of year-one budgets and expenditures
- An overview of planned investments and program expansions in year two.

To put this assessment in context, it is important to understand the broader framework for the SHS fund's investments:

- The services funded by the SHS tax are just one component of the region's broader homeless services system. The information in this report focuses specifically on the activities and outcomes in fiscal year 2021-22 that were supported with SHS funding, but this work is part of a much larger infrastructure of services, programs and outcomes funded by other local, state and federal resources.
- Homelessness is a complex issue that involves multiple systems of care. While the region's homeless services system plays a critical role in identifying people experiencing homelessness and connecting them with services, addressing the

underlying conditions of people's homelessness requires cross-sector alignment between homeless services, behavioral health, housing, community justice, healthcare and other related systems.

- While SHS investments have increased our region's capacity to help people experiencing homelessness transition to stable living, broader systemic forces outside of the SHS fund's control continue to push more people out of their homes. These include high rents, insufficient housing supply, the economic impacts of the coronavirus pandemic, incomes that do not enable people to meet their basic needs and Oregon's failure to provide an adequate system of mental health and addiction services. The impact of these factors is even greater for people of color due to the pervasive effects of institutional and systemic racism. Achieving an end to homelessness in our region will require federal and state policy changes to address these root causes.

SUPPORTIVE HOUSING SERVICES BACKGROUND

Approval of Measure 26-210 created a new tax that is projected to generate an average of $250M per year to fund a regional system of care governed by four jurisdictions: Metro and Clackamas, Multnomah and Washington counties. The tax took effect in January 2021 and will expire in 2031 unless reauthorized by voters.

In December 2020, the Metro Council adopted a supportive housing services work plan to guide implementation. The work plan defines the fund's guiding principles, racial equity goals, priority populations, service areas, accountability structures and funding allocations.

Within the framework of the regional work plan, each county's specific SHS investments and activities are guided by local implementation plans informed by community engagement and approved by Metro Council in spring 2021.

Guiding principles

SHS implementation is guided by the following regionally established principles:

- Strive toward stable housing for all
- Lead with racial equity and work toward racial justice
- Fund proven solutions
- Leverage existing capacity and resources
- Innovate: evolve systems to improve
- Demonstrate outcomes and impact with stable housing solutions
- Ensure transparent oversight and accountability
- Center people with lived experience, meet them where they are, and support their self-determination and well-being
- Embrace regionalism: with shared learning and collaboration to support systems coordination and integration
- Lift up local experience: lead with the expertise of local agencies and community organizations addressing homelessness and housing insecurity.

Leading with racial equity

People of color are overrepresented in the region's homeless population due to the impact of systemic, institutional and interpersonal racism. To account for and correct these disparities, the SHS fund is guided by a commitment to lead with racial equity by especially meeting the needs of communities of color who are disproportionately impacted by housing instability and homelessness. The fund aims to increase the availability of culturally specific services across the region, improve outreach and language access and ensure that all SHS services are delivered in a manner that is anti-racist and culturally responsive.

The fund is also designed to engage people of color in planning and oversight of SHS services through significant representation on local and regional advisory bodies.

Priority populations

The SHS fund serves two primary populations:

- Population A, defined as people with extremely low incomes and one or more disabling conditions, and who are experiencing or at imminent risk of experiencing long-term or frequent episodes of literal homelessness
- Population B, defined as people who are experiencing homelessness or have substantial risk of experiencing homelessness

As defined by the measure, 75% of SHS investments will be dedicated to meeting the housing and service needs of population A, while 25% of the investments will be dedicated to housing and services that address the needs of population B.

The goal of this distribution of SHS investments is to build a system of care that fully addresses the needs of people experiencing prolonged homelessness, while also investing in programs that end and prevent episodic homelessness.

Service areas

SHS tax revenue is distributed to Clackamas, Multnomah and Washington counties to invest in local strategies to meet the needs in their communities. The three county governments work in partnership with nonprofit service providers and community-based organizations to develop and implement services based on priorities identified in counties' local implementation plans.

Eligible uses of SHS funding include:

- Outreach and engagement to connect people experiencing homelessness with available services and address their housing barriers
- Emergency housing to provide people experiencing homelessness with interim stability and connect them with pathways to stable housing
- Housing navigation, placement and rent assistance to assist people in moving from homelessness to stable housing
- Housing retention case management to support people exiting homelessness to stabilize in and retain permanent housing
- Eviction prevention, case management and rent assistance to prevent people from becoming homeless
- Wrap-around supports including peer support services, employment services, legal services and assistance with accessing medical care, mental health care and addiction services.

Funding can also be used for capacity building and systems development to support program implementation, as well as administrative costs within applicable limits.

SHS funding is intended to work in tandem with other systems and investments. The fund was designed to strengthen the impact of the 2018 Metro affordable housing bond and other local, state and federal housing investments by providing the supports that people experiencing or at risk of homelessness need to find and stay in housing.

Similarly, because access to mental health and addiction services is an essential element in addressing homelessness, SHS is designed to work in close alignment with the behavioral health care system to connect people experiencing homelessness with clinical services and to link people accessing clinical services with housing. SHS is also designed to work in coordination with other related systems including the criminal justice, workforce and healthcare systems.

Accountability structure

Counties' SHS investments and activities are guided by their local implementation plans and led by designated agencies – Clackamas County's Housing and Community Development Division, Multnomah County's Joint Office of Homeless Services and Washington County's Department of Housing Services – with oversight by local community advisory committees and each county's board of commissioners.

The Metro Council appointed the Supportive Housing Services Regional Oversight Committee to provide regional oversight of the fund's implementation. The committee reviews counties' quarterly and annual reports, assesses performance and reports to the Metro Council and each county's board of commissioners regarding the fund's challenges, successes and outcomes.

Funding allocations and requirements

As required by the voter-approved measure, SHS funding is allocated within the portions of Clackamas, Multnomah and Washington counties that are inside the Metro jurisdictional boundary in amounts proportionate to the tax revenue estimated to be collected from individuals in each county. Metro is responsible for distribution and oversight of SHS funding.

Metro's intergovernmental agreements with each county include specifications for budgets, administrative costs, use of funds, financial reporting, contingency funds, stabilization reserves and debt service. The oversight committee provides high-level financial oversight of funding investments and expenditures.

YEAR ONE OVERVIEW

The supportive housing services fund operates on a fiscal year system, July 1 through June 30. The fund's first year, (July 1, 2021 through June 30, 2022) was a foundational year. SHS implementation required counties to build new programs and systems, in many cases from the ground up. While counties worked quickly to make new services available, much of the focus in year one was on the system-building work required to lay the foundation for SHS implementation over the next decade.

Foundational work

- **Internal capacity building:** All three counties created new internal program teams and added program staff to support SHS implementation (including a three-fold increase in program staff in Clackamas County). While Multnomah County already had a robust infrastructure for delivering homeless services, Clackamas and Washington counties had to develop new systems to support a rapid expansion of their existing programs.
- **Partner capacity building:** SHS implementation relies on the on-the-ground work of nonprofit and community-based service providers across the region. Building a robust regional provider network was a key priority for counties' year-one foundational work. Counties invested significant time developing and implementing procurement processes to expand government contracting opportunities to a diverse pool of providers.
- **Program development:** Counties' year-one SHS plans included the development and expansion of dozens of programs and services, each requiring administrative systems and infrastructure. Implementation of new programs such as the regional long-term rent assistance program required the development of complex new policies, protocols, systems, staffing, partnerships and administrative structures. Scaling up of existing programs also required additional capacity building and system development work.
- **Coordinated access:** To support SHS implementation, the counties made updates to their coordinated access systems to reduce barriers and expand equitable access to services. Clackamas County contracted with the Coalition of Communities of Color and Unite Oregon for technical assistance to improve their assessments. Washington County streamlined their intake process, increased access points, and trained culturally specific partners to conduct assessments. In Multnomah County, SHS funding supported the creation of a new culturally specific assessment team.

Challenges

- **Ramp up challenges:** Staffing shortages and the time required to develop new programs and administrative systems made it challenging to implement services at the pace that would have been required to meet counties' year-one

goals. The ramp up challenges were particularly difficult for smaller and emerging organizations, but even larger organizations faced challenges in expanding programs in the context of a pandemic and regional workforce shortage.

- **Revenue flow:** While SHS implementation launched in July 2021, most revenue to fund the program was not collected until April 2022. This meant counties did not receive the bulk of their year-one SHS funding until the fourth quarter of the fiscal year, requiring them to fund much of their initial programming through loans. This impacted each county differently and created challenges for some counties.

Despite these challenges, counties' year-one activities and outcomes were well-aligned with the year-one priorities and goals in their local implementation plans, though at a smaller scale than originally planned. The remaining sections of the report provide an overview of counties' year-one work, analyze key accomplishments and challenges and assess counties' overall performance.

HOUSING AND SERVICES

Housing placement

In year one, counties focused on placing people experiencing chronic homelessness into permanent housing, a key priority for the SHS measure. Counties' housing placement services are tailored to meet each household's specific situation and needs and typically include:

- Assessment of housing barriers, needs and preferences
- Support and flexible funds to address immediate housing barriers
- Housing search assistance including landlord outreach and engagement
- Assistance with preparing applications for housing, filing appeals and advocating with landlords
- Support with application fees, security deposits and other move-in costs
- Rent assistance or placement in subsidized affordable units
- Ongoing case management and connections to wrap-around services as needed to support housing stability and retention

In year one, 1,674 people across the region were placed into permanent housing with support from SHS-funded services and rent assistance.

	Clackamas County*	Washington County	Multnomah County	Regional total
Total people placed in housing with SHS funds	175	370	1,129	1,674

**The housing outcomes for Clackamas County in this report incorporate final data updates completed after Clackamas County submitted its annual report.*

Regional long-term rent assistance

A key strategy in the SHS fund's housing placement work is regional long-term rent assistance (RLRA), a new SHS-funded rent subsidy. The program supports both tenant-based subsidies (tenants receive a rental voucher that they can use to rent a unit in the open market) and project-based subsidies (the rental voucher is attached to a specific rental unit, often in an affordable housing building). Program participants pay 28.5% of their income toward the rent and the remaining amount is covered by the voucher. Participants are provided with ongoing case management and supportive services to help them achieve housing stability.

In year one, 690 households across the region were placed into permanent housing with an RLRA subsidy.

	Clackamas County	Washington County	Multnomah County	Regional total
Households placed in housing with an RLRA subsidy	125	305	260	690

RLRA placements are a subset of the total year-one housing placements.

Homelessness prevention

In addition to supporting housing placements for people experiencing homelessness, counties used SHS funds to prevent thousands of additional households from becoming homeless in the first place. Homelessness prevention is a critical investment because it is much more difficult and expensive to stably house people once they have lost their homes than to support them to remain in their homes.

During the pandemic, the risk of eviction and homelessness among financially vulnerable households was particularly high due to the economic impacts of covid-19. Counties worked to prevent evictions through a combination of emergency rent assistance, legal support, housing case management and other services. While Clackamas and Washington counties funded most of their eviction prevention services with non-SHS resources, Multnomah County combined SHS revenue with other resources to significantly expand their homelessness prevention capacity in year one.

Across the region, SHS-funded services and supports helped prevent evictions for 9,222 people.

	Clackamas County	Washington County	Multnomah County	Regional total
Total people prevented from homelessness with SHS funds	0*	66	9,156	9,222

**Clackamas County provided eviction prevention services using other funding sources.*

Emergency housing

The SHS fund supports a range of emergency housing options to provide households experiencing homelessness with interim stability and support. In year one, counties used SHS funds to support a mix of emergency housing models to meet diverse community needs. SHS funds supported the creation of new emergency beds in congregate, non-congregate, facility-based and alternative shelters, with a particular emphasis on programs that support connections to stable housing. SHS funds also helped to stabilize existing shelter programs by supporting operating costs and funding supportive services to connect participants with pathways to permanent housing.

Across the region, SHS funds created or sustained a total of 689 emergency housing beds in year one.

	Clackamas County	Washington County	Multnomah County	Regional total
Emergency beds created or sustained with SHS funds	100	277	312	689

Housing and shelter capacity

SHS investments have led to long-term increases in system capacity across the region. In year one, for example, SHS funding supported the creation of 1,672 new supportive housing units and 252 new year-round shelter beds. These critical housing resources would not exist without SHS funding, and they will expand the region's overall capacity to transition people out of homelessness and into permanent housing.

	Clackamas County	Washington County	Multnomah County	Regional total
New supportive housing units created with SHS funds	125	790	757	1,672
New year-round shelter beds created with SHS funds	0*	102	150	252

New year-round shelter beds are a subset of the emergency beds created or sustained with SHS funds.

** While Clackamas County did not open new shelter beds with SHS funds in year one, SHS funding prevented the closure of shelter beds at risk of ceasing operation.*

Disaggregated data

Counties are required to include disaggregated data on SHS populations A and B, race and ethnicity, disability status and gender identity in their quarterly and annual reports. However, because regional data standards and reporting templates were not adopted in time for the year-one reports, there is limited disaggregated data available in a consistent format across the three counties.

The table below provides a snapshot of the race and ethnicity of people served through housing placements and homelessness prevention services in year one. More comprehensive disaggregated data will be available in the year-two annual report.

	Clackamas County (n=175)	Washington County (n=436)	Multnomah County (n=10,285)	Regional total (n=10,896)
American Indian, Alaska Native or Indigenous	6%	5%	6%	6%
Asian or Asian American	2%	2%	6%	5%
Black, African American or African	17%	7%	38%	36%
Hispanic or Latine	5%	33%	21%	22%
Native Hawaiian or Pacific Islander	1%	4%	4%	4%
Non-Hispanic White*	68%	53%	25%	27%
White	76%	84%	41%	43%
Race/Ethnicity unreported	0%	5%	6%	6%

The table uses "alone or in combination" categories. This means people may identify as many races and ethnicities as they choose, and they are counted once in each category.

**The category "Non-Hispanic White" is a subset of the category "White."*

PARTNERSHIPS AND CAPACITY BUILDING

The successful implementation of SHS programs relies on the work of nonprofit and community-based housing and service providers across the region. Counties focused significant time and resources in year one to build a strong regional network of SHS providers, with a particular focus on engaging new partners and culturally specific organizations.

Procurement strategies

Counties implemented procurement strategies designed to expand partnership opportunities to a diverse range of providers. A central goal of the procurement strategies was to ensure all SHS services are delivered in a manner that is anti-racist and culturally responsive, and to create a robust network of culturally specific service providers.

The core elements of the counties' procurement strategies are reflected in their joint work on a cooperative tri-county Request for Programmatic Qualifications that incorporated:

- One-on-one outreach to potential applicant organizations with a particular focus on culturally specific providers
- Bilingual pre-proposal information sessions that engaged 276 participants
- Technical assistance available upon request to assist smaller and emerging organizations with writing their proposals
- Application questions and evaluation criteria that emphasized racial equity and the delivery of culturally responsive and culturally specific services
- A large panel of diverse reviewers representing all three counties and a wide range of community partners

Provider partnerships

The tri-county Request for Programmatic Qualifications qualified 116 organizations to be eligible to contract with the three counties to deliver SHS services. All of these organizations demonstrate the capacity to provide culturally responsive or culturally specific services. Many of the organizations are small or emerging organizations that have never had a government contract before. Others are well-established providers that have leveraged SHS resources to scale up their existing programs, expand into other service areas or begin serving other parts of the region.

SHS service provider contracts

The three counties established a total of 83 contracts with service providers to deliver SHS services in year one and completed additional contracts during the year for services to be delivered in year two.

	Clackamas County	Washington County	Multnomah County	Regional total
Total contracts with service providers to deliver SHS services in year one	6	20	57	83

Some providers contracted with more than one county. The regional totals in this table and the one below reflect the total number of contracts, not the total number of providers.

Culturally specific provider contracts

The counties' procurement strategies resulted in 14 contracts worth $7.7M with culturally specific organizations to provide SHS services in year one. The counties developed additional contracts with culturally specific providers in year one for services to be delivered in year two, positioning them to further expand their investments in culturally specific services.

	Clackamas County	Washington County	Multnomah County	Regional total
Contracts with culturally specific providers to deliver services in year one	3	4	7	14
SHS funding received by culturally specific providers for services in year one	$0.5M	$3.4M	$3.8M	$7.7M

Culturally specific provider contracts are a subset of the total contracts with service providers.

Clackamas County's culturally specific providers delivered housing navigation and housing case management services to Latine, Indigenous, Black and other communities of color. Washington County's culturally specific providers delivered housing case management services, shelter services and housing liaison services to Latine, Black and immigrant and refugee communities. Multnomah County's culturally specific providers delivered supportive housing, system access and navigation, prevention, housing placement and retention services to Black, Indigenous, Latine and immigrant and refugee communities.

Partner capacity building

The pace of ramp up required to develop and implement SHS programs in year one was challenging for many contracted providers. This was particularly the case for smaller and emerging organizations and those without extensive experience with government contracts. Partners' implementation challenges included:

- Hiring and training new staff amid a workforce shortage that has affected all sectors of the labor market
- Developing financial and administrative systems to receive and track government funding in alignment with counties' specific requirements
- Developing data collection and reporting infrastructure and capacity in alignment with SHS requirements

- Developing systems to administer programs that are new or being implemented with new populations or in new geographic areas

The counties are committed to supporting partner organizations' capacity building as they scale up to implement SHS programs. In year one, for example, Multnomah County provided capacity building funds to SHS partner organizations to support organizational infrastructure, increased wages and program development. Washington County's SHS program offered weekly office hours, frequent trainings and one-on-one technical support to new and existing partners. In addition, Washington County provided culturally specific providers with three-year administrative support grants. All three counties plan to provide additional capacity building funding and technical support to providers in year two.

CROSS-SECTOR WORK

Homelessness is a complex issue requiring coordination between multiple systems of care. Cross-sector alignment between homeless services, behavioral health, community justice, housing, healthcare and other related systems is key to building an effective regional homelessness response infrastructure. SHS investments are leveraging increased capacity and alignment with these other systems through service integration partnerships.

In year one, counties prioritized cross-sector alignment and partnerships with the behavioral health system to expand access to mental health and addiction recovery services for people experiencing homelessness. For example, in Clackamas County, the SHS program partnered with the county's Behavioral Health Division to fund two mental health positions to support housing case management. In Washington County, SHS investments in five housing liaison positions leveraged the capacity of 11 registered nurses, 53 resource coordinators, five behavioral health care coordinators and population-specific resource navigation services funded through the county's Health and Human Services Department. Multnomah County's SHS program partnered with the county's Behavioral Health Division to create designated supportive housing apartments to serve people with significant behavioral health needs.

Another key example of cross-sector work in year one is the alignment between the SHS fund and the Metro affordable housing bond. The counties worked with Metro to integrate SHS-funded rental assistance and supportive services with bond-funded capital investments to create a total of 315 permanent supportive housing (PSH) units in year one, with more in the pipeline. Clackamas County incorporated supportive services funded by SHS into three bond-funded housing developments (Tukwila Springs, Fuller Road Station and Marylhurst Commons) to create 101 units designated as PSH. Washington County integrated SHS and bond funding in two projects – the Aloha Inn, which will provide 54 units of PSH, and the Viewfinder, which uses SHS funding to provide supportive services in 30 PSH units. In Multnomah County, SHS will fund supportive services in 130 bond-funded units.

	Clackamas County	Washington County	Multnomah County	Regional total
Bond-funded units that will use SHS-funded services to create supportive housing	101	84	130*	315

**Multnomah County's figure includes Metro housing bond and Portland housing bond funded units.*

REGIONAL COORDINATION

The SHS fund has created an unprecedented level of regional collaboration and alignment across jurisdictional partners to address homelessness. Three key examples of SHS regional coordination work in year one are the development and implementation of the regional long-term rent assistance program, the development of a tri-county SHS service provider network and the development of regional data systems and reporting templates.

Regional long-term rent assistance

A workgroup with representatives from all three counties and Metro has been meeting bi-weekly since early 2021 to develop regional policies and guidelines for the SHS-funded regional long-term rent assistance program. The program's regional policy framework provides consistency for participating landlords and tenants while enabling flexibility to meet local needs. Specific program and administrative practices are tailored to reflect local variations and be responsive to the needs and capacities of each county.

Since the program's launch in July 2021, the jurisdictions have continued to work together to engage in quality improvement and shared learning. Data teams from each county have co-developed customized data collection and reporting tools for the program, informed by shared regional guidelines. The regional workgroup has reviewed and analyzed tri-county data reports on a quarterly basis to monitor progress, identify areas for improvement and ensure the program is achieving its goals. Updates to the regional policy framework have been used to clarify expectations, refine specific guidelines in response to lessons learned and support effective implementation.

Regional service provider network

In year one the three counties coordinated on a collaborative procurement process to build a pool of service providers eligible to contract with the counties to deliver SHS services. Led by Washington County, the tri-county Request for Programmatic Qualifications brought together representatives from all three counties to develop regionally consistent service delivery guidelines and shared priorities for provider evaluation and selection. The development of a single, coordinated process for providers to qualify to deliver homeless services throughout the tri-county area reduced barriers to government contracting, particularly for smaller and emerging organizations. The procurement resulted in the formation of a tri-county SHS provider pool which the counties plan to expand in future years through additional collaborative procurements.

Regional data systems and standards

A tri-county workgroup composed of technical experts worked with Metro throughout year one to develop regional data definitions and standards to ensure consistent SHS data collection and reporting practices. These standards were incorporated into a regional data reporting template for the counties' quarterly and annual reports to Metro.

While these standards were not adopted in time for the year-one report, they will ensure regional consistency for future reports, improve data collection practices throughout the region and increase clarity in the communication of programmatic outcomes. Evaluation practices and reporting structures will continue to evolve and improve on an annual basis in response to shared learning.

Next steps

Regional coordination will be enhanced in year two through the June 2022 launch of the tri-county planning body (TCPB), which is charged with setting regional goals, strategies and outcome metrics related to addressing homelessness in the region. Five percent of SHS funds are reserved for a regional investment fund designed to support the counties and Metro in achieving SHS alignment, coordination and outcomes at a regional level. The TCPB will guide the fund's investments and support coordination on solutions to regional challenges.

PROGRESS IN ADVANCING RACIAL EQUITY

In the greater Portland region and nationally, people of color are far more likely than their white counterparts to experience homelessness due to the cumulative impacts of systemic and institutional racism. Recognizing that to effectively reduce homelessness we must account for and correct these disparities, the SHS fund is guided by a commitment to serve people of color at higher rates than the general population, and to show equal or better outcomes for people of color.

Strategies to advance racial equity

In year one, counties advanced the SHS fund's racial equity goals through strategies that included:

- **Prioritizing racial equity:** All three counties' local implementation plans include a commitment to lead with racial equity by meeting the needs of communities of color who are disproportionately impacted by housing instability and homelessness. This commitment is reflected in regional outcome metrics that articulate clear and specific goals for achieving equitable service delivery and housing outcomes.
- **Investing in culturally specific services:** A core strategy for connecting communities of color to SHS services is by engaging culturally specific organizations as SHS service providers. All three counties implemented procurement strategies designed to increase their partnerships with culturally specific organizations. Counties also provided technical assistance and capacity building support to assist culturally specific partners to expand their work.
- **Reducing barriers:** All SHS programs are designed to use low-barrier program eligibility requirements. Counties also made changes to their coordinated entry systems to improve access to services for people of color. For example, Multnomah County created a new culturally specific assessment team and Washington County trained culturally specific partner organizations to conduct coordinated entry assessments.
- **Equitable decision making:** Implementation of each county's SHS work is overseen by community advisory bodies with representation from communities of color and people with lived experience of homelessness. For example, 50% of Clackamas County's Youth Action Board members are people of color and 100% have lived experience of homelessness; the board advises the SHS program on youth-related policy and programming. Clackamas County also recently launched a lived experience board to provide feedback on service planning and provision. In Multnomah County, 48% of the advisory board that oversaw year-one implementation are people of color and 28% have lived experience of homelessness; a new SHS advisory committee and lived experience committee will launch in year two.
- **Monitoring and evaluation:** The counties worked with Metro to develop standardized data definitions and templates for reporting on disaggregated

demographic data for their SHS programs. They also worked with their contracted providers to develop systems for demographic data collection. In addition to providing quarterly reports with demographic data, they updated the system-level racial equity analyses from their local implementation plans to assess the impact of year-one strategies and identify areas requiring additional focus. More specific evaluation efforts will occur locally and regionally in the third program year and beyond.

Equity analysis

While it is too early in the implementation process to be able to measure the full impact of the counties' racial equity strategies, findings from counties' initial data analyses suggest that SHS programs are leading to improved access to services for populations of color. Each county conducted a year-one equity analysis and summaries of their findings indicate that populations of color were served by SHS programs at a rate that was proportionate to or higher than the percentage of each racial or ethnic group within the county's overall population in need. The specific findings varied by demographic group within each county. While the goal for SHS is to over-serve populations that experience disproportionate housing instability, this preliminary analysis provides an early indication that SHS strategies are helping to correct historic disparities in access to services.

The counties' equity analyses also highlight the need for ongoing work to ensure the SHS fund achieves its equity goals. Challenges linked to long-standing systemwide disparities will continue to require focused attention and strategic interventions. For example, in some counties, the legacy of past practices means there are still disproportionate numbers of white households retained in mainstream housing programs. Counties will also continue to be faced with disproportionate rates of new homelessness among populations of color as long as deep-rooted, systemic racial economic disparities continue to persist.

Counties plan to use the data from their equity analyses to inform targeted strategies to increase service access for specific communities. Counties will also need to monitor SHS outcomes over time to ensure SHS programs are leading to housing retention rates for populations of color that are equal to or better than housing retention rates for white populations. Counties will be able to begin reporting on 12-month housing retention rates in year two.

Additional work will also be needed in year two to improve demographic data collection by contracted partner organizations. The ramp up challenges in year one and overall capacity limitations in smaller and emerging partner organizations meant some partners were unable to collect consistent, high quality demographic data. Counties plan to provide training, technical assistance and capacity support as needed to improve demographic data collection and reporting.

PERFORMANCE ASSESSMENT

This section compares counties' year-one performance with the priorities and goals identified in their local implementation plans (LIPs). Overall, counties made considerable progress in developing the structures and systems needed to meet their LIP phase-one goals, which focus on years one through three. Their year-one strategies were generally well aligned with the priorities identified in their LIPs, though they did not meet all of their year-one goals because of the ramp up and capacity building challenges described earlier in the report. A few phase-one priorities weren't launched in year one, but in most cases counties plan to launch those programs in year two.

Clackamas County

Clackamas County's year-one activities and investments align with its planned phase-one investments, but with implementation at a smaller scale due to a reduced year-one budget compared with LIP projections. In response to the delays in SHS revenue flow, the county recalibrated its budget to remain fiscally sound. Some planned phase-one investments will therefore not be launched until year two.

The county's phase-one priorities that were implemented in year one include:

- **Increase emergency shelter capacity**: Clackamas County didn't add new beds in year one, but it increased long-term shelter capacity by using SHS to sustain 100 beds at risk of closing.
- **Increase housing placement services**: Clackamas County provided housing placement to 125 households and expanded housing placement capacity through regional long-term rent assistance vouchers and partnerships with nonprofits to provide housing navigation and placement services.
- **Expand case management and wrap-around services to support housing stabilization**: Clackamas County provided supportive housing case management to all 125 households placed in housing through new and expanded partnerships with service providers.
- **Expand behavioral health services integrated with homelessness and housing services**: Clackamas County's SHS program partnered with the county's Behavioral Health Division to fund two mental health positions to support housing case management.

The phase-one priorities that were not implemented in year one were:

- **Expand eviction prevention**: Clackamas County used other funding sources to support eviction prevention in year one and plans to launch SHS-funded eviction prevention services in year two.
- **Increase outreach and engagement**: Clackamas County plans to launch its SHS outreach and engagement initiative in year two.

Year-one goals:
Clackamas County made significant progress toward achieving its LIP year-one goals for housing services and placements, and exceeded its year-one goals for emergency housing.

Program category	Year one goals in LIP	Year one achieved
Supportive housing services	200 households	125 households
Long-term rent assistance	250 units	202 units
Short-term rent assistance	130 households	*
Eviction prevention	110 households	*
Housing placement	200 households	125 households
Emergency housing	65 units	100 units
Outreach	500 households	*

**SHS-funded short-term rent assistance, eviction prevention and outreach were not launched in year one, but the county established contracts for outreach and eviction prevention services to launch in year two.*

Multnomah County

Multnomah County's year-one housing investments and activities generally align with its LIP priorities. Its LIP listed overall priorities for the 10-year program rather than specific year-one or phase-one priorities.

The county's LIP priorities where progress was made in year one include:

- **Supportive housing in bond-funded projects and for specific communities**: Multnomah County helped 1,129 people secure supportive housing with SHS funds and created 130 designated permanent supportive housing units in bond-funded projects.
- **Regional long-term rent assistance:** Multnomah County placed 260 households in housing with a regional long-term rent assistance voucher.
- **Flexible medium-term rental assistance:** Multnomah County's housing placements included 646 people placed through rapid rehousing programs with flexible medium-term rental assistance.
- **Eviction prevention**: SHS funds helped prevent evictions for 9,156 people through a combination of rental assistance, case management and legal support.
- **Shelter services including housing-focused year-round and alternative sheltering options**: SHS funds helped to create or sustain 312 year-round beds in shelters that included alternative and non-congregate shelter projects.

- **Behavioral health services:** Multnomah County expanded behavioral health outreach to 223 people experiencing homelessness and matched SHS housing funds to programs providing behavioral health case management.
- **Education, training, employment and benefits:** More than 359 people received employment training and services leveraged with SHS funds**.**
- **Housing placement and retention case management:** SHS investments supported 465 people to access and retain housing through intensive case management and wrap-around support services.
- **Legal assistance:** SHS funds provided 136 households experiencing homelessness with legal services and connected 537 households facing eviction with legal support.

The one priority area listed in Multnomah County's LIP that was not clearly reflected in the county's year-one SHS investments was a category focused on investments in childcare and other supports that make it possible for families with children to obtain and maintain housing.

Year-one goals:
Multnomah County made significant progress toward achieving its year-one goals for housing placements, and it exceeded its goals for homelessness preventions, shelter and outreach and engagement.

Program category	Year one goals in LIP*	Year one achieved
Housing placements	1,300 people	1,129 people
Preventions	600+ people	9,156 people
Shelter/temporary housing	Up to 400 new beds system-wide (all funding sources)	150 SHS-funded beds (407 beds system-wide)
Outreach/engagement	1,500 people	2,640 people
Employment	100 people engaged in low-barrier employment	359 people received employment training

**Multnomah County's LIP did not include specific year-one goals. The goals listed in the table were approved by Multnomah County's Board of Commissioners for year one.*

Washington County

Washington County's year-one investments and activities generally align with the phase-one priorities listed in its LIP. The county reduced the scale of its investments in some areas, and it delayed implementation of some priorities until year two to focus on the system building and program development work that was needed during year one.

The county's LIP phase-one priorities where progress was made in year one include:

- **Emergency winter and year-round shelter operations:** Washington County created 102 new year-round beds and 212 new winter beds.
- **Regional long-term rent assistance:** Washington County placed 305 households in housing with a regional long-term rent assistance voucher.
- **Behavioral health services:** The SHS program partnered with the county's Health and Human Services Department to embed housing liaisons within five programs including behavioral health programs to create better access to housing while leveraging existing services.
- **Supportive services:** Washington County partnered with 19 agencies to provide housing placement and retention services to 305 households.

Washington County's LIP phase-one priorities that were not implemented in year one were:

- **Housing barrier costs and short-term rent assistance:** Washington County plans to launch rapid rehousing and rapid resolution programs in year two that will address immediate housing barriers and offer short- to medium-term rent assistance.
- **Outreach services:** Washington County provided outreach services in year one using non-SHS funds; it plans to use SHS funds to expand its outreach services in year two.

Year-one goals:
Washington County made significant progress toward achieving its year-one goals for supportive housing and culturally specific provider partnerships, and it exceeded goals for year-round and winter shelter.

Program category	Year one goals in LIP	Year one achieved
Supportive housing	500 placements*	305 placements
Housing stability	500 households	**
Year-round shelter	100 new beds	102 new beds
Winter shelter	150 new beds	212 new beds
Culturally specific provider partnerships	Network of culturally specific service providers established	4 culturally specific providers under contract

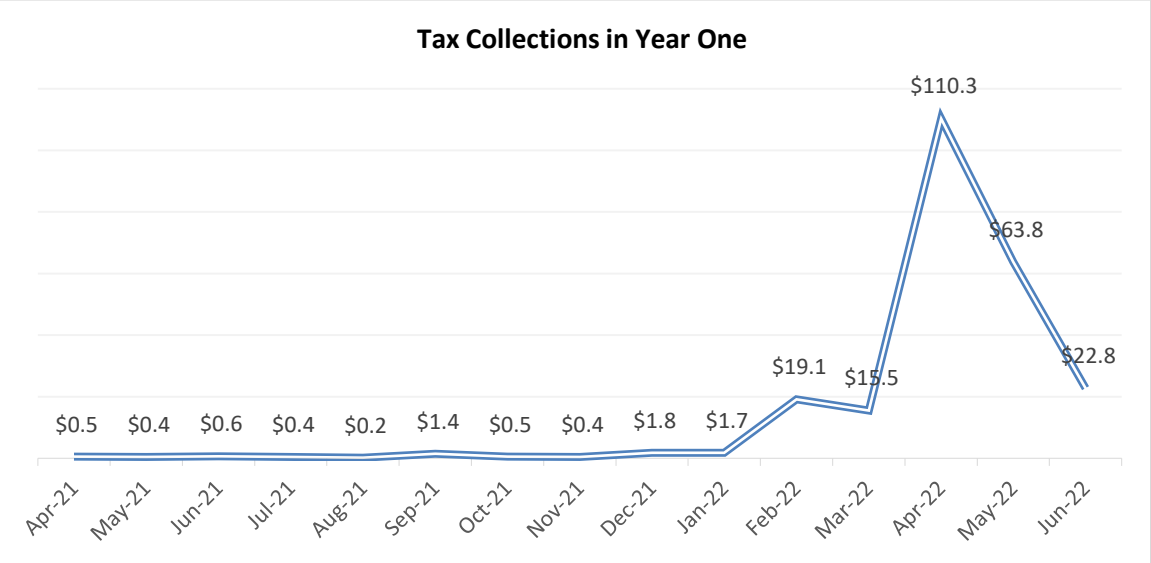
*Washington County revised the supportive housing goal to 300 placements in year one.
**SHS-funded housing stability programs (rapid rehousing and rapid resolution) launch in year two.

FINANCIAL REVIEW

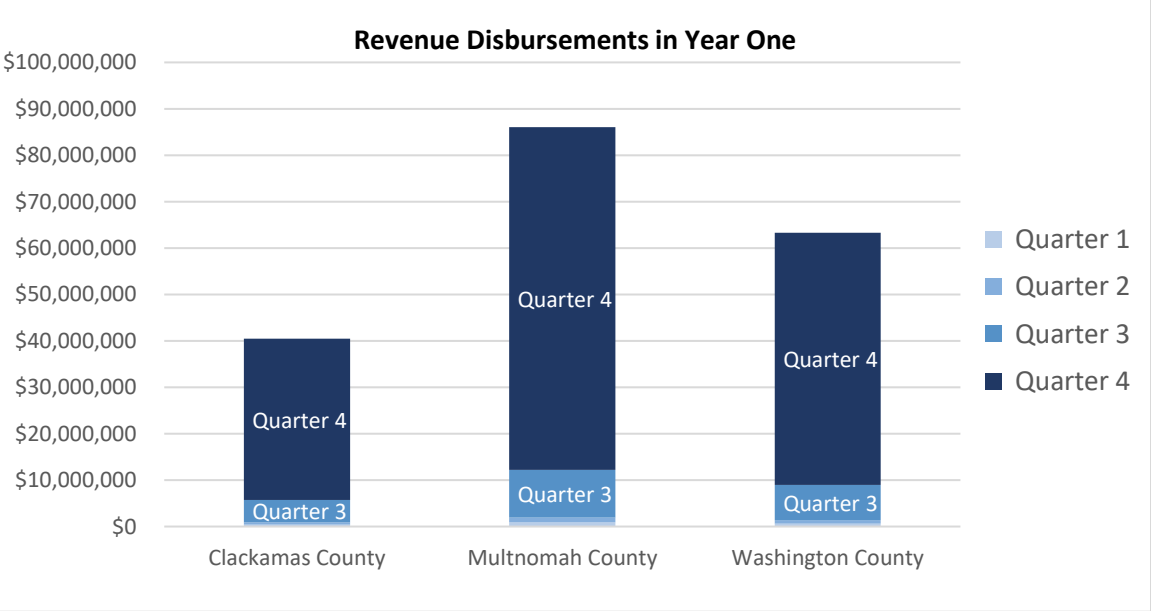
Revenue allocation

When the SHS fund was launched, Metro forecast $180M in revenue for year one. Total collections for year one exceeded the initial forecast, with nearly $240M in revenue collected through June 30, 2022.

Tax collection began in April 2021, but most of the collections did not come in until April 2022.



Counties received the bulk of year-one funding in the fourth quarter of the fiscal year.



Year-one budgets and expenditures

The program ramp up and capacity building challenges identified in previous sections of the report led counties to spend less in year one than they had originally projected in their local implementation plans. This section compares the year-one budgets from counties' LIPs with actual year-one expenditures.

Overall, the programmatic priorities reflected in counties' year-one expenditures were closely aligned with their original year-one budget projections. The amounts spent within each programmatic area were generally less than projected, and in some cases counties delayed spending in some program categories until year two to prioritize year-one revenue for their highest priority programs.

Direct comparisons between year-one budgets from the counties' LIPs and actual expenditures for year one are hindered by inconsistencies in the line-item categories used in the LIPs and the year-one reports. Differences between the counties' budget categories also create challenges with county-to-county comparisons. The counties worked with Metro during year one to develop regionally consistent SHS budget templates that were adopted at the beginning of year two, which will facilitate future budget analyses.

Clackamas County

Year-one budget projections in Clackamas County's LIP were based on an estimated $24.5M in SHS revenues, and included:

- Housing and services for populations A and B: $19.3M
- Capacity building for CBOs/program operations: $2.7M
- Administrative: $1.25M
- Regional projects/efforts: $1.25M

Due to the uncertainty of when funding would become available, and Clackamas County's policy of spending cash received rather than estimated future revenue, the SHS program revised its first year budget to $10M. The program's year-one spending was $3.4M, or 34% of the revised year-one budget of $10M, and 14% of the original LIP budget of $24.5M. Expenditures in year one included:

- Housing and services for populations A and B: $2.4M
- SHS program operations: $516,328
- SHS program and RLRA administration: $391,523
- Regional strategic initiatives: $18,000
- Debt service and interest distribution fees: $31,248

Multnomah County

Multnomah County's year-one budget projections were based on an estimated $52M in SHS revenues, and included:

- Shelter, outreach and safety on/off street: $10.3M

- Short-term housing assistance: $9.4M
- Permanent supportive housing services: $8.7M
- Long-term rent assistance: $4.7M
- Other supportive services: $5.4M
- System development and capacity building: $5.3M
- System support, planning and coordination: $3.4M
- Admin: $3M
- Other costs: $2M

Multnomah County's year-one spending was $36.4M, or 70% of the budget of $52M. Expenditures in year one included:

- Shelter, outreach and safety on/off street: $5.3M
- Short-term housing assistance: $18.5M
- Permanent supportive housing services: $3.9M
- Long-term rent assistance: $743,076
- Other supportive services: $2.7M
- System development and capacity building: $3.4M
- System support, planning and coordination: $587,815
- Admin: $1.3M
- Other costs: $0M

Washington County

Year-one budget projections in Washington County's LIP were based on an estimated $38M in SHS revenues, and included:

- Supportive housing to serve population A: $22.5M
- Housing stability to serve population B: $7.5M
- Building a shelter system for populations A and B: $5M
- Building an equitable system of care for populations A and B: $3M

Washington County revised its year-one budget to $29.3M, reflecting delays in program ramp up due to the system building and program development work that was needed during year one. Year-one spending was $16.2M, or 55% of the revised budget of $29.3M and 43% of the original LIP budget of $38M. An additional $7.9M was allocated toward required reserves in alignment with SHS intergovernmental agreements. Program expenditures in year one included:

- Housing and support services: $2.8M
- Shelter services: $4.0M (plus $3.3M pending FEMA reimbursement)
- Housing financial assistance: $1.3M
- Systems and capacity building: $200,000
- Program operating costs: $3.4M
- Interfund payment: $1.1M

Year two budgets

Counties' year-two budgets are based on a combination of funding carried over from year one and projected revenue for year two. This section provides an overview of each county's total year-two budget amounts. Detailed line-item budgets are submitted to Metro each quarter and will be reviewed by the oversight committee throughout the year.

Carry-over funding

Because counties' year-one expenditures were lower than the total SHS revenue each county ultimately received, all three counties carried over some year-one revenues to year two. Carry-over of funding from one fiscal year to the next is to be expected for a tax-funded program where the bulk of revenue is collected in April and distributed during the final months of the fiscal year. Carry-over is also expected during the initial years of program ramp-up as counties continue to scale up operations.

Carry-over funding that is the result of higher revenue than expenditures can fund one-time costs such as capital investments, start-up costs of new programming or reserves. Carry-over that is the result of the timing of tax collections can be used to fund ongoing program operations.

Clackamas County

Metro initially projected that Clackamas County would receive $24.5M in SHS revenue in year one. Year-one revenues ultimately surpassed this initial estimate, and by the end of the year Clackamas County had received $44.2M, with most of the funding received in the final months of the fiscal year. This funding is used as the basis for Clackamas County's year-two budget as the County budgets using prior year collections rather than estimated future revenue.

Multnomah County

Metro initially projected that Multnomah County would receive $52M in the first year of the program. Revenues outperformed projections, and by the end of the year Multnomah County had received $92M, with much of the revenue coming in during the final months of the fiscal year. For year two, Multnomah County's SHS budget totals approximately $107M.

Washington County

Metro initially projected that Washington County would receive $38M in SHS revenue in year one. Washington County ultimately received more than $63M in revenue, with most funding received in the final months of the fiscal year. Washington County will roll over this additional revenue and unspent funding from year one to stabilize programs and support significant expansion in year two. Washington County's year-two budget totals approximately $50.5M.

LOOKING FORWARD

With a strong foundation built for SHS implementation in year one, the counties' SHS programs are well positioned to grow and expand in year two. New programs will be launched to fill gaps in year-one implementation while programs put in place in year one are poised to scale up. Counties also plan to expand their provider networks and strengthen their capacity building support for community-based partners.

- **Scaling up supportive housing placements:** Counties plan to build on the foundations developed in year one to scale up their supportive housing placements in year two while continuing to support ongoing housing retention for households placed in year one. For example, Washington County plans to place 500 additional households in supportive housing, in addition to providing ongoing retention support and rent assistance to the more than 300 households already placed in year one. In Multnomah County, eight buildings with SHS-funded project-based supportive housing are slated to open in year two.
- **Continuing shelter system expansions:** Counties plan to continue their work to increase year-round shelter capacity. For example, in Clackamas County SHS funds will support operations and ongoing case management services at a transitional shelter community for veterans. In Washington County the SHS program will fund a safe rest pod shelter program and launch a $10M shelter capital fund.
- **Launching new programs:** Clackamas and Washington counties will implement new programs in year two to fill gaps in their SHS programming. For example, in Clackamas County the SHS program will launch its first outreach and engagement services initiative. In Washington County the SHS program will launch rapid rehousing and rapid resolution services to support households experiencing episodic homelessness or at risk of homelessness with short-to-medium term rent assistance and supports.
- **Expanding provider networks:** Counties plan to expand their service provider networks in year two through additional contracts and procurements, with a particular focus on culturally specific organizations. For example, Clackamas County entered year two with 14 contracts totaling approximately $7.5M for services to launch in year two. This includes three new partnerships with culturally specific providers in addition to the partnerships built in year one. Multnomah County plans to release five procurements in year two with funding opportunities related to permanent supportive housing services, alternative shelters, employment services, rapid rehousing, outreach services and landlord engagement. The three counties also plan to coordinate on another tri-county procurement to qualify additional providers for the regional SHS provider pool.

- **Strengthening capacity building:** Counties are committed to strengthening the capacity of new and emerging community-based providers, particularly culturally specific organizations, through additional technical assistance and funding in year two. For example, Multnomah County plans to implement capacity building funding for providers as well as funds to provide technical assistance with data management, fiscal policies and organizational development. Washington County will continue to provide three-year capacity building grants to an expanded number of culturally specific providers along with technical assistance to program partners to support their administrative capacity.
- **Expanding cross-sector work:** Counties also plan to strengthen and expand their cross-sector partnerships and programs in year two. For example, in Clackamas County SHS funds will support a collaboration with the justice system to divert households experiencing or at risk of experiencing homelessness from arrest and incarceration and toward housing and services. Washington County will implement a Workforce Development Pilot to provide training and supported employment services in the housing services sector for people with lived experience of homelessness.

GLOSSARY OF TERMS

Carry-over funds: Funding remaining from one fiscal year that is "carried over" and used in a future fiscal year. One-time carry-over results from higher than expected revenue or lower than expected spending. Recurring carry-over results from the timing of revenue flow, such as fourth quarter tax collections.

Contingency funds: An account that is established to provide resources for emergency situations or unplanned program expenditures that, if left unattended, could negatively impact service delivery. Counties may establish contingency accounts that do not exceed 5% of budgeted program funds in a given fiscal year.

Homelessness: An individual or family who lacks a fixed, regular and adequate nighttime residence including:

- Individuals or families who are sharing the housing of others due to loss of housing, economic hardship or a similar reason; are living in motels, hotels, trailer parks or camping grounds due to the lack of alternative adequate accommodations; are living in emergency or transitional shelters; or are abandoned in hospitals
- Individuals or families who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings. This includes individuals or families who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations or similar settings.

Local implementation plan (LIP): A plan developed through extensive community engagement that defines a county's priorities and goals for supportive housing services program activities and investments.

Measure 26-210: A ballot measure approved by voters in May 2020 that creates a new regional tax to fund supportive housing services.

Metro affordable housing bond: A 2018 voter-approved bond that provides capital funding to support affordable housing development across the region.

Metro supportive housing services work plan: A plan developed by Metro with community input to guide implementation of the regional fund.

Permanent supportive housing (PSH): Permanent housing with supportive services to assist people with a disability who have experienced long-term homelessness to achieve housing stability.

Procurement: The process by which county governments secure the services needed to support SHS implementation by identifying and contracting with qualified service providers. Each county's procurement procedures are strictly regulated to ensure responsible stewardship of tax-funded resources.

Regional investment fund: A fund created through a five percent set-aside from each county to be used for regional supportive housing services strategies.

Regional long-term rent assistance (RLRA): A regional program that subsidizes the cost of rent so that households with very low incomes can afford housing.

Stabilization reserve: Counties are required to establish a stabilization reserve to protect ongoing services from the impact of revenue fluctuations. The target minimum reserve level is equal to 10% of budgeted program funds in a given fiscal year. Reserves must be fully funded within the first three years of implementation.

Supportive Housing Services Regional Oversight Committee: A community committee established to ensure transparent oversight of the supportive housing services fund on behalf of the Metro Council.

Tri-County Planning Body (TCPB): A community committee established to set regional priorities and guide implementation of the regional investment fund.

EXHIBITS

Fiscal year 2021-22 SHS quarterly reports

Quarter 1

- Clackamas County
- Multnomah County
- Washington County

Quarter 2

- Clackamas County
- Multnomah County
- Washington County

Quarter 3

- Clackamas County
- Multnomah County
- Washington County

Quarter 4

- Clackamas County
- Multnomah County
- Washington County

Fiscal year 2021-22 SHS annual reports

- Clackamas County
- Multnomah County
- Washington County

If you picnic at Blue Lake or take your kids to the Oregon Zoo, enjoy symphonies at the Schnitz or auto shows at the convention center, put out your trash or drive your car – we've already crossed paths.

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