

**CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS**  
**Sitting/Acting as** (if applicable)

**Policy Session Worksheet**

**Presentation Date:** September 20, 2023 **Approx. Start Time:** 10:00am **Approx. Length:** 30 minutes

**Presentation Title:** Supportive Housing Services Carryover & Spend Down Update

**Department:** Health, Housing & Human Services

**Presenters:** Adam Brown, Deputy Director, Health, Housing & Human Services, and Vahid Brown, Deputy Director, Housing & Community Development Division

**Other Invitees:** Rodney Cook, Director, Health, Housing & Human Services

**WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?**

Allocation of additional Supportive Housing Services (SHS) carryover funds towards the Capital Needs category of the spend down plan approved by the Board on June 14, 2023, and approval allocations across a number of proposed Capital Needs investment areas.

**EXECUTIVE SUMMARY:**

Carryover Balance Update

Following a Policy Session on June 14, 2023, in which the Board of County Commissioners unanimously approved of a plan for one-time and limited-term uses of the anticipated \$58.6 million carryover balance of SHS funding going into Fiscal Year 2023-24, staff have updated the Board a number of times about changes to the anticipated carryover balance as actual year-end revenue and expense amounts have become more clear. During the most recent update at Issues on August 15, 2023, staff apprised the Board that, based on the final revenue collections coming in at \$23.8 million more than expected, and with programmatic underspending and unspent Contingency & Stabilization Reserves of \$7.1 million, there is an unallocated \$30.9 million in one-time carryover funds to add to the \$58.6 million from the plan approved by the Board on June 14. Since that update, the tri-counties and Metro agreed to an accounting change to align revenue recognition practices across the jurisdictions. That change added an additional \$2.9 million to the carryover balance. Therefore, the near-final carryover balance is \$92.4 million, giving Clackamas County an additional \$33.9 million to incorporate into its carryover plan.

As shown in the table below, the plan the Board unanimously approved on June 14, 2023, allocated the anticipated \$58.6 million across five priority areas, including \$16.8 million for Capital Needs.

Priority Area	Amount Approved 6/14
1 - Financial Stability	11,400,000
2 - Expanding Capacity	13,200,000
3 - Upstream Investments	2,200,000
4 - Rent Assistance	15,000,000
5 - Capital Needs	16,800,000
<b>Total</b>	<b>58,600,000</b>

With approval of the plan, staff committed to returning to the Board in the near future with recommendations for making Capital Needs investments that align with projects already in development, Board priorities, and system needs. In addition to providing the Board with those recommendations during this Policy Session, staff are also seeking direction from the Board on allocation of the additional \$33.9 million in one-time carryover funds, which could include expanding on and/or making deeper investments in the priority areas approved on June 14.

Recommendations for Allocating Funding for Capital Needs

Based on known Board priorities and system needs, along with projects already approved by the Board for initial development planning, staff listed a number of examples of strategic capital investment categories in homeless services and recovery-oriented infrastructure under the carryover plan's \$16.8 million Capital Needs priority area. This included resource navigation, crisis stabilization, behavioral health and addictions recovery, medical respite care/transitional housing, recovery-oriented transitional housing, emergency shelter, and initiatives led by cities within Clackamas County. Staff have drafted a high-level set of scenarios for allocations across these categories that give the Board the option to allocate a portion of the additional \$33.9 for Capital Needs. **In the table below, Scenario 1 allocates only the \$16.8 million previously approved in the plan and Scenario 2 adds in 50% (\$16.95 million) of the additional \$33.9 million.** The amounts listed for each investment area are based on a combination of initial estimates of project/investment costs and the amount of funding available in each scenario.

Capital Needs Investment Area	Scenario 1 No Addt'l.	Scenario 2 50% of Addt'l.
Clackamas Village	3,000,000	3,000,000
Crisis Stabilization Center & Shelter	3,500,000	3,500,000
Navigation/Resource Centers	5,000,000	10,000,000
City-led Initiatives	2,500,000	5,000,000
Recovery-oriented Infrastructure	2,800,000	10,250,000
Medical Respite/Transitional Housing	-	2,000,000
<b>Total</b>	<b>16,800,000</b>	<b>33,750,000</b>

Staff recommend Scenario 2 because it allows for deeper capital investments in Board priorities and system needs, while also allowing room for updates to project budgets as bids are received. **It also gives the Board time and flexibility to consider investing the remaining carryover balance of \$16.95 million in other priority areas.** Staff are only seeking Board approval of allocation across Capital Needs investments at this time. This decision point is time-sensitive so that projects can continue to move forward. Consideration of allocating any remaining carryover balance can happen at a later time and staff are prepared to support that further consideration at the direction of the Board. The allocation amounts proposed for Navigation/Resource Centers, City-led Initiatives,

Recovery-oriented Infrastructure, and Medical Respite/Transitional Housing are only recommendations and can be adjusted by the Board, but staff recommend that amounts for Clackamas Village and the Crisis Stabilization Center & Shelter not be changed because those projects are already approved for development planning. Once formal solicitations are carried out for those projects, staff will update the Capital Needs plan based on the actual construction contract amounts.

### FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget?  YES  NO

What is the cost? N/A  
Measure Revenue

What is the funding source? Metro Supportive Housing Services

### STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?
  - This item aligns with the following Department strategic priorities:
    - Assist individuals and families in need to be healthy and safe
    - Increase self-sufficiency
    - Increase community safety and health
    - Continually improve the efficiency and effectiveness of services
- How does this item align with the County's Performance Clackamas goals?
  - This item aligns with the following County strategic priorities:
    - Ensure safe, healthy and secure communities
    - Grow a vibrant economy
    - Build a strong infrastructure
    - Build public trust through good government

LEGAL/POLICY REQUIREMENTS: N/A

### PUBLIC/GOVERNMENTAL PARTICIPATION:

At a Policy Session on June 14, 2023, staff presented the Board of County Commissioners with a plan for one-time and limited-term uses of the anticipated carryover balance of SHS funding going into Fiscal Year 2023-24. The Board unanimously approved of the plan to allocate the anticipated \$58.6 million across five priority areas, including \$16.8 million for Capital Needs.

### OPTIONS:

Recommendations for Allocating Funding for Capital Needs:

1. Approve Scenario 2, which is 50% of the remaining one time carryover dollars in the amount of \$16.95m, for Capital Needs, with investment of remaining balance to be determined by the Board at a future date.
2. Approve an alternative scenario, including any adjustment(s) to investment area amounts.
3. Reject proposed scenarios and request further action from staff.

**RECOMMENDATION:** Staff respectfully Recommend Option 1, Approve Scenario 2, which is 50% of the remaining one time carryover dollars in the amount of \$16.95m, for Capital Needs, with investment of remaining balance to be determined by the Board at a future date.

**ATTACHMENTS:**

Attachment 1 – Updated SHS Budget Table

**SUBMITTED BY:**

Division Director/Head Approval: Vahid Brown, Housing & Community Development Deputy Director

Department Director/Head Approval: Rodney Cook, Director

County Administrator Approval \_\_\_\_\_

For information on this issue or copies of attachments, please contact _____ @ 503- _____
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Attachment 1 – Updated SHS Budget Table

	FY 2021-22 Actual	FY2022-23 Actual	FY 2023-24 Budget
<b>Regional SHS Revenue</b>			
Actual Tax Collections	238,269,627		
Forecasted Tax Collections	-	351,995,024	234,100,000
Tax Collection Costs	(18,967,255)	(14,717,916)	(10,701,686)
Metro Administration	(11,025,532)	(10,542,299)	(11,169,916)
<b>Remaining for Distribution</b>	<b>208,085,099</b>	<b>326,734,809</b>	<b>212,228,398</b>
<b>Clackamas County SHS Revenue (21.33%)</b>			
Actual Tax Collections	44,391,488	69,250,191	45,275,392
Interest	33,192	579,110	100,000
Prior Year(s) Carryover Balance	(157,465)	40,912,115	58,623,269
<b>Total SHS Resources</b>	<b>44,267,215</b>	<b>110,741,417</b>	<b>103,998,661</b>
<b>Unallocated Revenue in Excess of Budgeted Amount</b>			24,232,049
<b>Unallocated Underspending</b>			6,675,677
<b>Revenue Recognition Change</b>			2,886,099
<b>Clackamas County SHS Expenses</b>			
Actual SHS Expenses	3,355,100	18,324,323	-
Anticipated SHS Expenses*			45,375,392
<b>Total SHS Expenses</b>	<b>3,355,100</b>	<b>18,324,323</b>	<b>45,375,392</b>
<b>Total SHS Carryover Balance</b>	<b>40,912,115</b>	<b>92,417,094</b>	<b>58,623,269</b>

\*Anticipated expenses for FY 2023-24 will be based on finalized plan for spending carryover balance.