



Joint Office of Homeless Services

EXECUTIVE SUMMARY

The FY 2022-23 Joint Office of Homeless Services (JOHS or Joint Office) Requested Budget to the City is \$41.5, including \$39.0 million in General Fund resources. Due to the later timing of County budget submissions and recent severe winter weather activations of emergency shelters, CBO has limited information on the full requested Joint Office budget at the time of this review. CBO is available to provide additional analysis on base budget issues or decision package analysis upon request from Council; in addition, CBO can provide prior year analysis as requested. CBO notes that the requests from the Joint Office include over \$9.0 million in General Fund costs that are or have the potential to be ongoing in nature, including existing services and new investments from the Fall Supplemental Budget.

- DP 13120, request of \$6.6 million in one-time General Fund resources for ongoing services. CBO recommends this request as the current homeless services system assumes these resources as part of its foundation and because the Council has consistently approved prioritizing one-time General Fund resources to maintain the services funded with this resource over the past several years.
- DP 13141, request of \$1.4 million in one-time and \$1.0 million in ongoing resources to continue joint City and County investments from the Fall Supplemental Budget. CBO recommends \$1.4 million in one-time resources as those services were assumed to continue through FY 2022-23.¹ Given the lack of new ongoing funding available, CBO recommends that Council either identify a source of ongoing funding or work with the County and Metro to determine how to fund this within the larger JOHS budget.

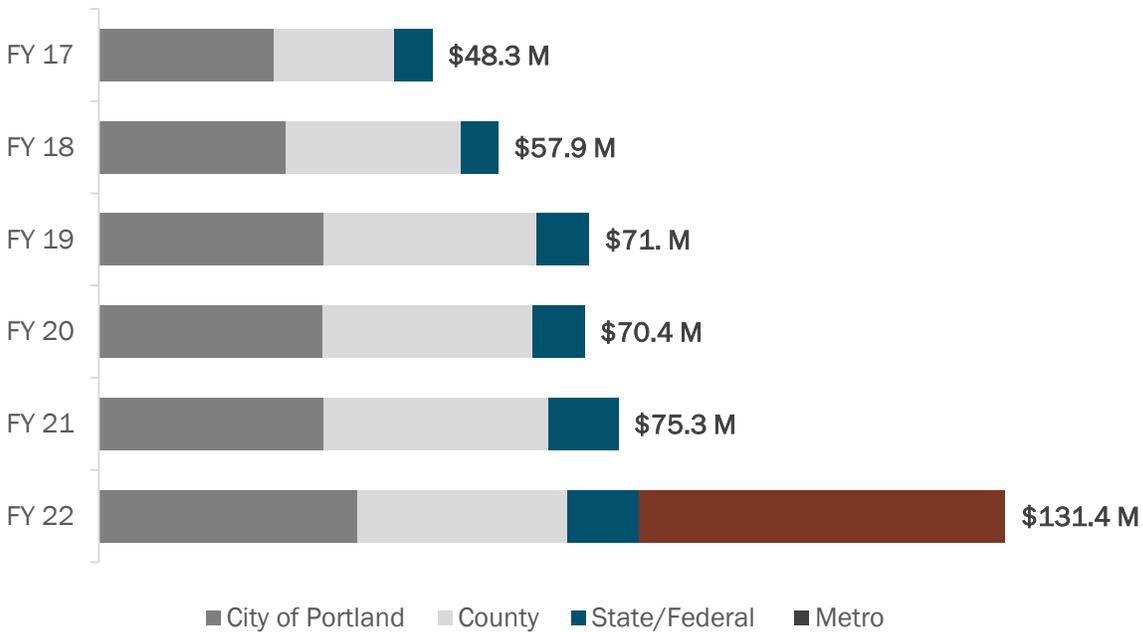
BASE BUDGET & KEY ISSUES

The JOHS Adopted Budget has grown significantly in size and in number of funding sources over its six years of operation, increasing by over \$112 million from FY 2016-17 to the current fiscal year. Excluding federal relief dollars, **the FY 2021-22 Adopted Budget for the JOHS is 2.7 times greater than its FY 2016-17 inaugural budget.** Although City and County contributions have grown, the greatest impact came from the passage of the HereTogether ballot measure. This measure has positioned Metro as the majority funder of the office through the Supportive Housing Services (SHS) program, which is expected to generate up to \$100 million annually. The measure has a focus on funding supportive services paired with rent assistance, including by leveraging affordable housing units developed through Portland and Metro housing bond resources. In the current year there is also a priority for expanding behavioral health supports, street safety, and shelter options.²

¹ CBO has been told that this commitment will extend into FY 2023-24, but only one year of funding has been requested at this time.

² Budget Overview provided to the A Home for Everyone Coordinating Board, October 2021. Available at <https://tinyurl.com/ye85a7k6>.

Joint Office of Homeless Services Adopted Budget, FY 17 - 22



This chart does not include additional federal relief dollars allocated during the pandemic.

The Joint Office has been asked to provide updated information about the new systemwide capacity expected to be funded through these ongoing resources. Although the Joint Office reports on a number of regular output and outcome measures, and service levels have often significantly exceeded budgeted targets, it has been challenging to ascertain to what extent progress is being made toward population-level goals. As discussed in prior year reviews, one of the challenges has been in reconciling the significant increase in system resources with both measured and estimated increases in chronic and unsheltered homelessness.³ Inflow into homelessness continues at a rate that exceeds the system’s capacity for outflow, and the costs of achieving successful placements have been higher than previously anticipated.

A similar look at outputs and outcomes drove Community Solutions to launch the Built for Zero collaborative, which the Joint Office of Homeless Services recently joined. Community Solutions previously sponsored a “100,000 Homes Campaign” and successfully helped communities place over 105,000 people into housing in less than four years. In achieving this success, Community Solutions also realized that there was a need not just to “**count up** to a certain number of house placements, but **count down** to zero people experiencing homelessness” (emphasis in original text).⁴ Built for Zero has the goal of achieving functional zero – where homelessness is rare, brief, and non-recurring for specific populations. Multnomah County will focus on working with chronically homeless adult individuals, developing a “by name” list and establishing an improvement team.⁵ This is an enormous undertaking that will help provide more real-time data for decision-makers.

³ Point-in-Time Count reports are available at <http://ahomeforeveryone.net/streetcount>. The most recent available data is from 2019; the current year Point-in-Time Count will be published later in the spring. CBO understands that it is expected that the 2022 count will show an increase in people who are living outside or in vehicles.

⁴ <https://community.solutions/built-for-zero/>

⁵ Built for Zero update to A Home for Everyone, retrieved from <https://tinyurl.com/yck6jmmv>.

DECISION PACKAGES

Ongoing Services Funded with One-Time Only Funding

DP 13120, \$6,592,453, 0.00 FTE

Request Summary

This decision package represents a continuation of one-time funding that has been historically allocated to the Joint Office for a variety of services. The \$6.6 million is 19% of the total FY 2022-23 City JOHS Requested General Fund Budget for ongoing services (excluding the Service Coordination Team) and is expected to provide the following:

- 300 year-round emergency shelter beds serving approximately 1,600 people
- Placement of at least 110 people from shelter into permanent housing
- 25 units of youth transitional housing with 24/7 support
- 45 units of supportive housing
- Preventing 675 people from becoming homeless through diversion and employment assistance
- Support for a multidisciplinary outreach team providing placement services and rent assistance

CBO Analysis

This request has been put forward annually for the last six years, and Council has approved its funding each year through serial one-time General Fund allocations. CBO has consistently recommended to either plan for scaling down services, reallocating resources from other programs, or identify a new sustainable funding source to continue current service levels in a stable, ongoing way. Ongoing service levels and funding support is an important part of the negotiations over the renewal of the Joint Office of Homeless Services intergovernmental agreement. Once a new agreement is finalized, the Council should ensure stable ongoing funding for committed service levels. In the interim, given that the current homeless services system assumes these resources and Council's priority for addressing houselessness, CBO recommends funding this request.

CBO Recommendation: \$6.6 million one-time

City and County Fall Strategic Investments in Houselessness

DP 13140, \$2,425,000, 0.00 FTE

Request Summary

This decision package continues allocations made by the City and County in Fall 2022. Along with the State of Oregon, the City and County both experienced unanticipated additional General Fund revenue due to Business License revenue coming in higher than expected in FY 2020-21, and jointly invested a large portion of these resources to expanded services for people who are houseless. At the time, leadership agreed that some of these investments would continue into the next fiscal year, and the Joint Office was directed to request funding in FY 2022-23 for direct engagement with high-need unsanctioned encampments (\$1,375,000), Street Services Coordination Center staffing (\$50,000), and service provider

hiring and retention incentives (\$1.0 million, ongoing).

CBO Analysis

The first portion of this request **continues funding for 20 additional outreach workers** to engage with the large number of unsanctioned encampments in high-needs areas. Split with the County, the total annual cost for these services is \$2.75 million, including \$250,000 for staff support at the Joint Office. With these resources, the Joint Office will have funding for 105 outreach workers, up from 47 just two years ago. Although this has been scoped as a one-time commitment, given the level of need and number of engagements typically required to help individuals move into shelter or housing, it seems likely that this enhanced level of service will be expected moving forward. As such, CBO recommends that both jurisdictions work with Metro to help determine how many outreach workers are needed system-wide to help reach shared goals for safety on and off the streets and placement into housing. For FY 2022-23, CBO recommends funding this request as it has been assumed to be committed for contract and staffing plans, and notes that there may be current year underspending that could be put toward next year's anticipated costs.

The second portion of this request continues funding for **positions in the Joint Office that will support the City's new Street Services Coordination Center (SSCC)**, which is proposed to create a unified command structure for the decentralized programs across City and County programs for houseless individuals, families, encampment impacts, and people living in their vehicle. The challenges of managing these various programs were discussed in a June 2018 Government Accountability, Transparency, and Results (GATR) Work Session, but due to lack of dedicated staffing and leadership, the recommendations from that convening struggled to move forward. The landscape has changed since that time, but the core issues of a decentralized response remain. In particular, the Street Services Coordination Center proposal focuses on immediate needs for facilitating designated access to shelter and sobering capacity for first responders and outreach workers. This is an important issue that impacts the effectiveness and wraparound support for programs like Portland Street Response and Community Health Assess and Treat (both in Portland Fire & Rescue). In addition, the Portland Bureau of Emergency Management has identified consistent need for coordination at emergency shelters on property owned by the City during inclement weather activations (snow, heat, and smoke). CBO has recommended one-time resources in PBEM to support shelter coordination, and notes that a longer-term service or support for emergency shelter is inevitable and should be considered part of the shelter service continuum in our conversations with partner agencies.

In addition to three positions in the Joint Office, partially funded by \$50,000 in City resources, there will be an estimated at least \$300,000 in City costs for a City position to provide management and oversight of the SSCC along with an administrative support position. Some of this may be funded via carryover, as the City does not expect the SSCC to launch until later in the Spring. CBO notes that, if successful, there will likely be interest in continuing this structure beyond FY 2022-23. CBO recommends funding the Joint Office request for \$50,000 if current year underspending is not available, but notes that there is not currently a request on the table for City costs.

The remaining request is for **\$1.0 million for ongoing service provider hiring and retention incentives**. The goal is to help attract and retain qualified employees to fill workforce shortages in shelter, outreach, behavioral support partners, and houseless services organizations. The County is undertaking a pay equity study to review compensation across all human services providers, which may influence how these funds are allocated. In FY 2021-22, the Joint Office of Homeless Services appropriated some of the ongoing Metro Supportive Housing Services measure funds to increase provider operating budgets by 5%.

Currently, there is only \$200,000 in new ongoing General Fund resources forecasted for FY 2022-23. As this pay increase would be an ongoing cost, CBO does not recommend one-time General Fund resources. If this action moves forward, CBO recommends that Council either identify a source of ongoing funding or work with the County and Metro to determine how to fund this within the larger JOHS budget.

CBO Recommendation: \$1.4 million one-time, with the potential for carryover to be allocated through the Spring Supplemental Budget