Governance, Costs, and Revenue Raising to Address and Prevent Homelessness in the Portland Tri-County Region

A report by the Portland State University Homelessness Research & Action Collaborative, & Northwest Economic Research Center

Acknowledgements

Table of Contents

List of Tables & Figures

Tables

Figures

FOREWORD

This report takes a comprehensive look at the scale of homelessness and housing insecurity experienced in the Portland tri-county area. Our goal in producing this report is to help community members understand the scope and scale of the challenges we face when addressing homelessness and housing insecurity. We examine governance options, provide cost estimates for providing housing, supports, and services, and present revenue-raising options for our local governments to address homelessness and housing insecurity.

Before getting too far into the report, we want to make sure to note a few things. Many of the available counts of those experiencing homelessness use a narrow definition. We believe this leaves people behind. For example, the official Point-in-Time counts do not include those living doubled up, those sometimes described as the hidden homeless or precariously housed. This vulnerable population is sleeping on friends' couches or cramming in unsafe numbers into bedrooms. Because homelessness is experienced differently within communities of color, a narrow definition of who has experienced homelessness leaves people of color out. Larger estimates like we have conducted in this report will help better achieve racial equity and give a more complete picture overall.

Because these figures are comprehensive and include multiple jurisdictions, some might be shocked by the homelessness count and the cost. These numbers are on a scale that we are not used to seeing when talking about homelessness in the Portland region. Here are a few considerations to put the numbers in perspective. The overall count of people experiencing homelessness is about 2% of the population, many of whom are already receiving some type of services. Who is receiving what types of services and at what level is beyond the scope of this report; however, we know that some of the necessary investments have already been made, and will continue to be made. For example, the estimates do not account for the impact of the 2018 Metro and 2016 Portland affordable housing bonds, which total approximately $911 million combined.

When turning to the costs for homelessness prevention and housing insecurity, we assume that the costs we estimate for people experiencing homelessness are spent and the interventions are successful, and that the planned rent assistance for prevention would happen immediately. Obviously, this would not happen in practice. The type of modeling needed to capture the inflow and outflow of people experiencing homelessness is complex, data intensive, and time consuming.

We opted to go in the opposite direction, and created replicable, straightforward estimates completed in just a few months. Our goal was to provide a general sense of the number of households and associated costs, and we believe that adding layers of complexity where assumptions are added to assumptions would not get us to a better estimate. These estimates for the costs and revenue-raising options are ballpark figures based on counts, data, and

assumptions from currently available sources. They are not meant to be exact, and should only be used as guideposts. The numbers provide a starting point for conversations on the resources necessary to tackle this issue in the tri-county area, and how we might go about raising the revenue to do so. Similarly, the governance section provides case descriptions about regional governance for homelessness in other areas, and considers options for the tri-county region. We urge the tri-county region to collectively decide how to move forward, and to define the problem we are trying to solve—homelessness or housing? Supporting people experiencing homelessness who are unsheltered will not solve affordable housing, and affordable housing is integral to helping them. However, without weighing trade-offs, we cannot know for sure exactly which is the best path to addressing affordable housing.

Lastly, we know that governance, costs, and revenue are just the beginning of the work we must undertake in our community to provide a safe, quality, affordable home with supportive services to every community member in need. At the PSU Homelessness Research & Action Collaborative, we look forward to understanding the policies that have given rise to and perpetuate homelessness. We know that only through long-term strategic planning and structural improvements can we both resolve homelessness for people today, and ensure it does not continue to happen in the future. We hope you find this report helpful, and we look forward to discussing with you how we can best address homelessness in our region.

Marisa A. Zapata, PhD

INTRODUCTION/EXECUTIVE SUMMARY

In the Portland, Oregon metropolitan region, homelessness has become increasingly visible on our streets and in our media headlines. Conflicting rates of who is experiencing homelessness, differing definitions of who is at risk, and varying cost estimates to help those without a stable place to live leave community members confused about the scale and scope of the challenge that we face. Our overarching goal in this report is to provide information that helps the public better deliberate about how to support people experiencing homelessness, and to prevent future homelessness. We thread together three areas of work—governance, costs, and revenue—to help the region discuss how to collectively move forward.

We start with a discussion about governance for a regional approach to address homelessness. We then offer two sets of conceptual cost estimates. These ballpark figures are meant to help the community understand the number of people experiencing homelessness and facing housing insecurity. Lastly, we examine a range of revenue-raising options for the tri-county region to give communities an idea of how to find resources to address and prevent homelessness. In all three sections our goal is to paint a picture with a broad brush of the landscape in which we are operating.

Key Takeaways

We present core findings from each of three substantive sections in the report.

- Regional governance can play an effective and important role in addressing homelessness and increasing capacity to improve the lives of people experiencing homelessness or housing insecurity. Solving homelessness requires affordable housing, and housing markets to operate regionally. Service needs do not follow jurisdictional boundaries, and coordinating regionally can reduce inefficiencies and allow for cost sharing.

- Political advocacy matters for raising awareness about an issue while also informing, influencing, and building power among multiple stakeholders. These stakeholders include people experiencing homelessness, elected officials, government actors, businesses, service providers, advocates, people experiencing housing insecurity, and other community members.

- Multi-stakeholder processes can help build power across groups and create advocacy networks and coalitions. Multiple groups operating in government or civic society can help create broader commitments to work toward a common goal, in this case addressing homelessness.

- Some of the most successful governance groups included in this report focused on homelessness centered on racial equity. Poverty and race are inextricably linked, and communities of color face disproportionate rates of homelessness. In the four cases we describe, Black community members consistently experienced disproportionately higher rates of homelessness.

- 38,000 people experienced homelessness in the tri-county area in 2017. This estimate is based on annualized Point-in-Time data, numbers served in each county, and K-12 homelessness reports. Communities of color, specifically Black and Native American communities, are represented at disproportionately higher rates in the homelessness population when compared to their total population in the region.[1]

- The cost to house and support this population ranges from $2.6 billion to $4.1 billion over ten years based on a range of options presented in the cost section of this report. The costs include the development and/or acquisition of new units. These estimates assume these populations remained static, with no new additional homeless households. These figures do not account for the impact of Metro and Portland bonds totaling approximately $911 million for affordable housing, or ongoing service-level funding.

- Services, rent assistance for privately leased units, building operations for publicly developed units, and program administration would cost about $592 million–$925 million in 2025,[2] when costs are at their highest, and an average of $97 million–$164 million per year thereafter.[3] These figures do not include the costs for building or acquiring units, and vary by scenario. These numbers also include non-permanent supportive housing (non-PSH) households receiving 100% rent support and moderate services for two years. In all

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[1] The focus on Black and Native American populations reflects that more and better data were available and should not be an indication that other communities do not face serious disparities. For example, in the case of Latino communities, fears about immigration status means limited requests for help. Asian Pacific Islander communities have significantly different demographic profiles based on which sub-population to which they belong. Also note that systemic and persistent data collection issues results in undercounts in many communities of color. See Runes, C. (2019). *Following a long history, the 2020 Census risks undercounting the Black population*. Urban Institute. Retrieved from https://www.urban.org/urban-wire/following-long-history-2020-census-risks-undercounting-black-population)

[2] We assumed programming would begin in 2024. We selected 2025 as it included completion of unit acquisition/development.

[3] Cost variance is due to the proportion of units that are publicly developed (versus acquired and leased on the private market). The top end of the range represents the scenario in which higher service costs are assumed and local public entities construct all permanent supportive housing units, while the lower end of the range includes lower service cost assumptions, and increases the number of units rented through private leases. These numbers also include non-PSH households receiving 100% rent support and more moderate services. Should the non-PSH homeless households become fully self-sufficient, service and operation costs drop to $97 million - $164 million per year. In all likelihood many non-PSH homeless households will achieve some level of self-sufficiency but may continue to need some level of support; this report does not calculate those expense estimates.

likelihood many non-PSH homeless households will achieve some level of self-sufficiency, but may continue to need some level of support after two years. Should all non-PSH homeless households continue to receive 100% rent assistance and services, our high-end estimates for every additional two years that non-PSH households receive full rent subsidies and services totals $1.6 billion. Again, these numbers do not include current funding commitments.

- As many as 107,000 households faced housing insecurity or were at risk of homelessness in 2017 in the tri-county area due to low incomes and paying more than 30% of their income on housing costs, commonly described as housing cost burdened. This number includes households that made 0–80% of median family income (MFI), and paid more than 30% of their income on housing costs. About 83,000 households from the same income brackets paid more than 50% of their income on housing costs in 2017. Focusing on the lowest wage earners (0–30%), about 52,000 households paid more than 30% of their income on housing costs.

- Communities of color face much higher rates of rent burden, and lower median income when compared to White counterparts. The median salary for Black households in the Portland area is half that of the overall median—a significant disparity, and a sign of the current and historic systemic racism faced by this population in the region.

- Providing rent assistance for all of these households would help resolve housing insecurity and reduce the risk of becoming homeless. We estimated costs to create such a program, using a range of rents and addressing households that earn 0–80% of the median family income (MFI) for their household size. To help severely cost-burdened households over ten years would cost $8.7 billion–$16.6 billion. That's about $870 million–$1.66 billion per year, or $10,000–$20,000 per household per year. These numbers do not account for what is already being spent in the tri-county area to relieve the cost burden for households in need.

- There are a range of revenue options that the tri-county region could explore collectively, through Metro, or at individual jurisdictional levels. All have trade-offs; all should be carefully examined for equity and regressivity, with particular attention to the impacts on communities of color and low-income communities.

Key Recommendations

These recommendations were developed by working through available data sets, interviewing people from other communities, reviewing literature, and professional practice here in Portland.

- We recommend the tri-county area form an exploratory committee or task force of an inclusive and committed set of stakeholders that is led by a government entity, or set of government entities, to examine in which ways better regional planning, policies, and

program coordination around homelessness could help all jurisdictions meet their goals. This task force would do the following:

- Deliberatively identify the "problem" to be solved. Two examples of how to frame the problem: 1) Focusing on unsheltered homelessness; or, 2) Creating safe, quality, and affordable housing for all community members. Clarity about which problem(s) we are attempting to solve is essential to the success of any effort. We recommend the region carefully consider if we are trying to "solve" homelessness, or if we are trying to "solve" affordable housing. We argue for the second framing, focusing on affordable housing. The second framing could include the first identified problem framing. *Supporting people experiencing homelessness who are unsheltered will not solve affordable housing, and affordable housing is integral to helping them. However, without weighing trade-offs, we cannot know for sure exactly which is the best path to addressing affordable housing.*

- Include decisions and discussions about program and service coordination, policy making and implementation, and revenue raising and distribution.

- Build on existing collaborative efforts, but not usurp them, and hold processes in an inclusive and equitable manner where equity refers to communities of color and people who have or are experiencing homelessness or housing insecurity. Transparency will be central to ensuring democratic governance as well as public support. Encourage processes occurring in civic society to continue their work independently.

- Have an identified decision-making date where the group will make formal recommendations about how the region should move forward.

- Define the homelessness community to include people who are doubled up. This is a substantial population that cannot be easily dismissed.

- Center the process on racial equity. The racial disparities for communities of color experiencing homelessness or housing insecurity do not exist by accident, and the only way to really address and prevent homelessness will be to focus on their needs. By focusing on achieving racial equity, other racial groups that do not experience disparities will also be served.

- Given the conceptual nature of the population and cost estimates in this report, we encourage identifying key areas where additional, more concrete estimating may be appropriate. *We caution against spending significant resources on complicated and in-depth dynamic modeling and cost estimates unless their utility is clear.* Much of the data and estimates related to homelessness can be problematic, and intensive drill downs may not make cost estimates more reliable.

- Use the information from this report to help map strategic next steps. We encourage stakeholders to break down pieces from the cost studies and think about manageable ways to go about addressing different parts of the issues. For instance, Metro and the City

of Portland have bonds that are projected to produce more affordable housing units. A corresponding revenue-raising mechanism for operating costs and services for those units may be an appropriate next step, and the tables in the costs section of the report include the figures to make such an estimate.

- A racial equity decision-making tool should be created and used when making decisions about how to analyze data, estimate costs, and raise revenue.[4] We were unable to estimate additional costs to support the specific needs of communities of color; however, based on preliminary analysis providing appropriate and effective services for communities of color would not significantly raise the final cost estimates provided here. Any programming should include funding to support work that achieves racial equity.

In the rest of this section, we provide some basic definitions that you will encounter in the report and research methodology. Additional definitions are found throughout the report, and in the glossary. Each section has more detailed methodological notes as research methods varied based on topic. We conclude this section with a summary, including summary tables about costs and revenue, of each of the three substantive sections after the terminology primer.

Terminology

Homelessness has been created by a series of interconnected systems, but is fundamentally about a lack of affordable housing. This report focuses on the costs over ten years to provide housing and relevant services to those experiencing homelessness while also working to prevent additional homelessness and deep housing insecurity. However, to fully address and prevent homelessness, our community will need to consider more significant and robust policy change. This report helps readers more fully imagine how the Portland region can continue its work to address homelessness while also understanding costs and possible revenue options for housing and relevant support services. In this first section of the report, we introduce definitions, data, and concepts related to homelessness. Then we provide summaries of the other sections of the report.

Key Definitions

There are many definitions of homelessness, housing insecurity, supportive services, and other terms you encounter when reading about homelessness. We include a brief primer on the

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[4] A Racial equity lens has been adopted by Metro, Multnomah County, the city of Portland, and Meyer Memorial Trust. In short, a racial equity lens provides a series of questions to research and consider on policies and programs to identify their disparate impacts on communities of color. See Dr. Zapata's Creating an Equity Lens at Institutions for Higher Education for an overview about lenses and examples on how to apply one (2017. Working Paper. Portland State University. https://works.bepress.com/marisa-zapata/10/).

differences between some of these core terms, focusing on how we employ them in this report. You will find plenty of references to read more, and recommendations to other glossaries. Always remember that how a given government entity defines a term is how they determine who is eligible for the programmatic services they administer.

Homelessness

Despite considerable recent attention to homelessness, no one definition of homelessness unites the work. The McKinney-Vento Homeless Assistance Act is the source of funding for all homeless services across all of the federal agencies. Each federal agency creates their own definition through their own regulatory process.

The Department of Housing and Urban Development (HUD) controls a significant portion of the federal funding for homelessness, and their definition focuses on people living unsheltered, in emergency shelter, and transitional housing. The HUD definition for homelessness does not include people living doubled up with other people.

The Department of Education (DOE) does include school-aged children and youth, unaccompanied or with their families, who are sharing other peoples' housing (commonly referred to as doubled up) in their definition of homelessness. This definition does not include adults without school-aged children who are doubled.

The multi-jurisdictional governance structure within Multnomah County that addresses homelessness, A Home for Everyone, adopted a local definition of homelessness allowing people who are unsafely doubled up to qualify for local homelessness funds.

Note that regardless of how any local or state government defines homelessness, the relevant federal definition determines who can access federal funds.

For this study, we defined homelessness as an individual or household who lacks a fixed, regular, and adequate nighttime residence including people sharing someone else's housing because of economic or other hardships. This definition expands who is "counted" as homeless, and leads to a number considerably larger than the HUD homeless Point-in-Time count figures. However, because of how the federal government defines homelessness dictates who is counted as homeless, we are only able to create estimates for people who are counted in HUD and DOE data sources. This means we do not have the ability to count those who are doubled-up adults without children in our calculations.

At risk of homelessness

Identifying who is at risk of homelessness can again reference a broader definition, or a much more narrow definition. HUD provides detailed criteria across three categories to determine who is at risk of homelessness, starting with those making 30% or below of median family income

(MFI) in the area.[5] In their reports, ECONorthwest defined being at risk of homelessness that started with 50% of MFI and at least 50% housing cost burdened, following the definition of "worst-case housing needs" from HUD.[6]

We reviewed academic literature, held discussions with community partners, examined the significant increases in housing values in the region, and decided to include more households in our analysis. Because the literature demonstrates that evictions are a significant cause for homelessness, and not having enough money to pay for rent is a leading cause for eviction, we start our analysis of how many people need assistance by identifying people who are cost or rent burdened, meaning they pay more than 30% of their income for housing costs.[7] Because some making over the median family income may be cost burdened, but still able to afford basic necessities, we examined who is housing cost burdened and making less than 80% of median family income. While not all of these households are at risk of homelessness, they are most likely housing insecure, and for the purposes of our analyses it does not matter for estimating costs. Further, as discussed below, housing insecurity results in significant negative life outcomes. We break down the analysis in a way that allows readers to create more restrictive definitions and calculate their own related population sizes and costs.

Housing insecurity and housing instability

Similarly to "homeless," housing instability or insecurity can refer to a range of household situations. In the American Housing Survey (AHS), a joint venture between HUD and the US Census Bureau, housing insecurity "encompasses several dimensions of housing problems people may experience, including affordability, safety, quality, insecurity, and loss of housing".[8] Housing insecurity and instability play significant roles in life-time learning, earnings, and health outcomes.

Because a more detailed analysis of who is housing insecure was beyond the scope of this report, we use housing insecurity to mean those households between 0–80% of area median income (AMI) paying more than 30% of their income to housing costs. We break down the analysis in a way that allows readers to create more restrictive definitions and calculate their own related population sizes and costs. We use housing insecurity and instability as synonyms.

[5] To see the additional criteria, see U.S. Department of Housing and Urban Development. (2012). Criteria for definition of at risk of homelessness [web page]. Retrieved from https://www.hudexchange.info/resource/1975/criteria-for-definition-of-at-risk-of-homelessness/.

[6] Watson, N. E., Steffen, B. L., Martin, M., & Vandenbroucke, D.A. (2017). *Worst case housing needs: Report to Congress 2017* [PDF file]. Retrieved from https://www.huduser.gov/portal/sites/default/files/pdf/Worst-Case-Housing-Needs.pdf.

[7] Collinson, R. & Reed, D. (2018). *The effects of evictions on low income households* [PDF file]. Retrieved from https://www.law.nyu.edu/sites/default/files/upload_documents/evictions_collinson_reed.pdf and Desmond, M. & Gershenson, C. (2016). Who gets evicted? Assessing individual, neighborhood, and network factors. *Social Science Research, 62*, 362-377.

[8] U.S. Department of Housing and Urban Development [HUD]. (n.d.). *Measuring housing insecurity in the American Housing Survey.* Retrieved from https://www.huduser.gov/portal/pdredge/pdr-edge-frm-asst-sec-111918.html

Median income

Median income identifies the point where 50% of people make over that amount and 50% make less than that amount. Median income can be calculated for different groupings of people such as different geographies, family size, household size, race, etc. In this report, we use median family income (MFI) in our calculations. Determining who is described as low-income depends on what part of the income spectrum a family falls. If you make less than 80% MFI, you would be considered low- or moderate-income. HUD uses US Census Bureau data to calculate their own median incomes. Their definition is based on family income.[9]

Housing cost or rent burdened

According to HUD, "Families who pay more than 30% of their income for housing are considered to be cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care."[10] In addition to rent or mortgage payments, housing cost burden includes housing costs such as insurance and utilities. Families paying more than 50% of their income on housing costs are classified as severely cost burdened. Housing costs are considered things like rent or mortgage, utilities, and renter's or homeowner's insurance. Housing cost and rent burden are often treated as synonyms.

Doubled Up

Families or individuals who live doubled up with friends or family members due to the loss of housing or economic hardship are considered homeless. Sometimes described as the hidden homeless, this population is not counted in Point-in-Time but is included in Department of Education counts for unaccompanied youth or youth in families. Neither count includes doubled-up adult households. Doubled up can refer to a range of complex living arrangements.

Chronic homelessness

HUD defines chronic homelessness as "an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or has had at least four episodes of homelessness in the past three years."[11] Most likely, people who are chronically homeless are the people you see on the streets.

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[9] See U.S. Department of Housing and Urban Development [HUD]. (2019). *Estimated median family incomes for Fiscal Year (FY) 2019* [PDF file]. Retrieved from https://www.huduser.gov/portal/datasets/il/il19/Medians2019r.pdf.

[10] See U.S. Department of Housing and Urban Development [HUD]. (n.d.). Affordable housing. Retrieved from https://www.hud.gov/program_offices/comm_planning/affordablehousing/.

[11] National Low Income Housing Coalition [NLIHC]. (2019). HUD publishes final rule on definition of "chronic homelessness". Retrieved from https://nlihc.org/resource/hud-publishes-final-rule-definition-chronic-homelessness

Unsheltered Homeless

HUD defines unsheltered homeless as people experiencing homelessness "who sleep in places not meant for human habitation (for example, streets, parks, abandoned buildings, and subway tunnels) and who may also use shelters on an intermittent basis."[12]

Permanent Supportive Housing

HUD defines permanent supportive housing as permanent housing with indefinite leasing or rental assistance paired with supportive services to assist homeless persons with a disability or families with an adult or child member with a disability achieve housing stability.[13]

Point-in-Time Count

"The Point-in-Time Count provides a count of sheltered and unsheltered homeless persons on a single night during the last ten days in January"[14] that must be completed every two years by jurisdictions over a single night to avoid double counting. The guidelines for conducting the PIT Count differentiate between sheltered and unsheltered individuals, and require basic demographic breakdowns. The PIT Count is a snapshot at a single point in time, and has several well-documented flaws.[15]

Affordable Housing

Affordable housing can refer to a wide range of housing types and pathways to housing. In this report, we define housing as affordable when households pay less than 30% of their income on housing costs. Affordable housing may be developed and owned by the government, subsidized by the government and built by a private developer, or obtained through rent assistance to lease units on the private market. Some buildings might have a mix of market rate units and other units that are designated for specific moderate to lower income groups. Other affordable housing is "naturally occurring," meaning it is affordable to people with lower incomes without any type of intervention. Our focus is on whether community members can attain safe and quality housing based on their income at a level that promotes housing stability, and not on a particular type of affordable housing or unit type.

[12] U.S. Department of Housing and Urban Development [HUD]. (2008). *A guide to counting unsheltered homeless people* [PDF file]. Retrieved from
https://files.hudexchange.info/resources/documents/counting_unsheltered.pdf
[13] U.S. Department of Housing and Urban Development [HUD]. (2019). *Continuum of Care (CoC) program eligibility requirements.* Retrieved from https://www.hudexchange.info/programs/coc/coc-program-eligibility-requirements/
[14] U.S. Department of Housing and Urban Development [HUD]. (2019). *CoC homeless populations and subpopulations reports.* Retrieved from https://www.hudexchange.info/programs/coc/coc-homeless-populations-and-subpopulations-reports/
[15] National Law Center on Homelessness and Poverty. (2017). *Don't count on it: How the HUD Point-in-Time Count underestimates the homelessness crisis in America* [PDF file]. Retrieved from
https://nlchp.org/wp-content/uploads/2018/10/HUD-PIT-report2017.pdf

Racial Equity

Because of the legacies of structural, institutional, and interpersonal racism, many communities of color experience significantly disproportionate rates of negative community indicators such as lower educational attainment rates, median incomes, and employment rates. Using a racial equity lens when analyzing policies and programs helps decision makers identify how to create effective and appropriate programming to surface disparate impacts to these communities, reveal unintended consequences, and identify opportunities to redress inequities. The ultimate goal of discussions about racial equity is to ensure that communities of color do not continue to negatively experience policy-making and programs.

Research Process

This report emerged from discussions with community partners about what the newly created PSU Homelessness Research & Action Collaborative (HRAC) could help contribute in a short period of time to inform public discourse about homelessness. We chose to focus on the Oregon tri-county Portland metropolitan area because the three counties are inextricably linked. We did not extend our analysis across the border to Washington because of the different regulatory contexts. Each section of the report has its own research methodology, and the specific processes and data sources are detailed there. The data sets and cost estimates from which we build in this report posed unique challenges, and we detail challenges and concerns elsewhere.

Findings Summary

Governance

Planning and governing regionally offer important opportunities to create policies and programs to address interconnected and cross-jurisdictional issues. Such efforts can reduce inefficiencies, reduce spatial disparities, and lead to more thriving regions. Planning and governing structures that work at a regional level require investment, politically and fiscally, and can take considerable time to structure justly and effectively. Identifiable leaders in government and civic society are needed to advance solutions for homelessness. They each play instrumental roles in building public support, and in raising revenue for addressing homelessness.

Organizing and advocacy matter. The power of collaborative efforts is realized when they collectively advocate for policy and funding. Collective organizing increases network power, and does not have to fully be subsumed within government-driven processes. Community organizing plays an essential role in successful revenue measures. The best governance structure will not be effective if resources are too scarce to act on identified solutions. However, governance structures linked to or with advocacy agendas embedded could help identify resources and apply pressure to obtain them. In addition, governance that centers on racial equity and builds power with people who have lived experience as homeless fulfills not only democratic goals, but

ensures that governance and resulting plans, policies, and programs serve the communities at the center of the work.

Costs

Based on the available data, we estimate that during 2017 about 38,000 people (or about 24,000 households) experienced homelessness across the three counties. We also estimate that in 2017, up to 107,000 households were experiencing housing insecurity or were at risk of homelessness. Based on ongoing housing market and income trends, we do not anticipate the number to have dramatically decreased.[16] Neither of these counts account for services that households may have already been receiving. We do not want to assume existing service levels go forward in the future, nor that the services being received are adequate. Reporting the possible total of people needing support allows for better planning and preparation for the region.

We calculated two sets of costs. First, we considered what the costs would be to support those 38,000 who experienced homelessness. We estimated how many households would need permanent supportive housing (PSH), and how many would need housing with lighter supportive services (non-PSH). Depending on the scenario selected, we estimate the total costs for 10 years to between $2.6 billion and $4.1 billion, or an average of $107,000 to $169,000 per household over 10 years (NPV over ten years). Additional findings are summarized below:

[16] ECONorthwest (2018). *Homelessness in the Portland region: A review of trends, causes, and the outlook ahead* [PDF file]. Retrieved from
https://m.oregoncf.org/Templates/media/files/publications/homelessness_in_portland_report.pdf.

Table 2.1: Summary of Results for People Experiencing Homelessness in 2017: Housing and Services[17]

Group	Population Size[18]	Resources	Costs
Total population experiencing homelessness (PSH[19] and Non-PSH)	38,263 individuals (or 24,260 households)	Housing construction and acquisition (one-time per unit)	$190,000–$218,000 (0–1 bedroom unit) $190,000–$338,000 (2–4 bedroom unit)
		Rent assistance (per year)	$11,352–$18,960 (0–1 bedroom) $14,904–$41,000 (2–4 bedroom)
		Rent assistance administration (annual)	$800 per household
		System support and employment services (annual)	$450 per household
		Administrative costs (annual)	2.4%
With Permanent Supportive Housing (PSH) Need	5,661 individuals (or 4,936 households)	PSH services (annual)	$8,800–$10,000 per household
Without PSH Need	32,602 individuals (or 19,324 households)	Services (annual)	$5,700 per household
Total		$2.6 billion– $4.1 billion, or an average of $107,000–$169,000 per household (NPV over ten years)	

17 All data come from 2017.
18 Where possible, we provide individual and household estimates. Some data are collected on an individual basis, other on the household basis. We use household size estimates from the American Community Survey 2017 5-Year Estimates to convert individuals to households as needed.
19 Permanent Supportive Housing: Approximately 15% of the homeless population is assumed to require permanent supportive housing services, and costs for this group are calculated separately from the costs associated with the 85% that does not require said services.

We then estimated what a universal rent assistance program might cost for all households facing housing insecurity. Depending on which segments of the population are selected for support, costs range from $8.7 billion–$21 billion.[20] The findings are summarized below and in:

Table 2.2: Summary of Results for Universal Rent Assistance (Homelessness Prevention and Housing Stability)

Group	Population Size	Resources	Costs
Cost burdened (spend >30% of income on rent, earn <80% MFI[21])	107,039 households (*includes severely cost burdened, below*)	Universal housing rent assistance, homelessness prevention programs	$10.7 billion–$21 billion (NPV[22], 2024–2033)
Severely cost burdened (spend >50% of income on rent, earn <80% MFI)	82,576 households	Universal housing rent assistance, homelessness prevention programs	$8.7 billion–$16.6 billion (NPV, 2024–2033)

There are some important considerations to keep in mind when reviewing the above tables. The datasets related to homelessness are limited, and as discussed above, driven by how homelessness is defined. Furthermore, conflicting data definitions, incomplete data sets, weak justifications for estimates, and reports with limited to no access to their full methodologies were not uncommon. In other circumstances we might lower our confidence about our work. However, the goal of this report was to create a range of estimates that help frame a regional discussion about the general scope of the work we face in homelessness. Our goal was not to produce the most precise number. Rather, we sought to identify a reasonable estimate or series of estimates to help people make sense of the scale of homelessness.

We provide several sets of options as well as detailed tables to allow for people to identify population sizes and associated costs on their own. Any additional use of these figures should include additional resources to support the specific needs of communities of color. What drives the population estimates and cost estimates is how many people need to be served. If you use the HUD homeless definition, your overall costs would be much less than if you also include doubled-up populations in your homelessness work. The same is true on the housing insecurity and homelessness prevention side of the work. If you focus resources on people making 0–30%

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[20] See tables in the costs section if you want to calculate serving people experiencing cost burden in an income bracket lower than 0-80%.

[21] Median Family Income, accounting for family size.

[22] Net Present Value: This report often presents program costs in net present value, which estimates the present value of an investment by accounting for the discount rate (10%) and therefore the time value of money; as well as inflation when appropriate. This method most clearly allows sums to be considered comparatively, at the present time. (Note that nominal cash, or cash in the year in which it is used, is often presented as well.)

of MFI versus 0–80% of MFI, you will likely spend less and will serve fewer people. We do not have enough data, nor did we have the time to complete additional analyses that would help inform focusing on one struggling population over another. We also believe that community members and groups should be involved in any decision about whom to serve.

We are also concerned that in policy and program implementation the question of who is most at risk of homelessness or whether doubled-up "counts" as homeless reinforces a pathway where there are highly limited resources given to those identified as most at risk, and others given nothing. People may be living in unsafe housing and thus be housing insecure, but not most likely to become homeless. We do not want to implicitly take a position that one population deserves support while another does not. More inclusive definitions provide us important guideposts for when those types of questions have to be asked.

Revenue

We reviewed 11 revenue-raising options, examined examples, and then estimated what rate or fee would be necessary to reach $100 million in annual revenue. The findings are summarized in Table 3.1 below:

Table 3.6: Revenue-raising options summary

Tax Policy	Description	Relevant examples	Tax Base	Tax Rate/Fee to reach $100 Million per year
Corporate Tax	A tax on business profits	Exists in Oregon, Multnomah County, and Portland	Clackamas and Washington County Business Profits	$91.5 million by expanding Multnomah BIT to Clackamas and Washington
Business License Tax or Fee	A fee charged per establishment	City of Portland Business License Tax	Business Fee	$1,755.54
Gross Receipt Tax	A tax on business revenue	City of Portland and San Francisco	Business Revenue	0.055% (0.056% excluding groceries)
Sales Tax	A tax on a good or service levied at the point of sale	Does not exist in Oregon, but most other states	Price of Purchased Goods	1.45%
Individual Item Tax/Luxury Tax	A tax on a specific good, levied at the point of sale	Exists in Oregon in the form of sin taxes	Retail Price of the Good (Unit or Ad Valorem)	Varies significantly by good (see pg. 100 of full report for details)
Flat Rate Tax	A tax on individual income	Portland Art	Tax filers	$119.78 per taxpayer
Payroll Tax	A tax on wages paid out by all businesses	TriMet Payroll and Self-Employment Tax	Payroll Wages	0.176%
Income Tax on the Highest Earners	Increases in income tax rate for top earners	California "Millionaire's Tax"	Tax filers with AGI over $250 thousand	0.505% of adjusted gross income
Bond Measure	Funded through an increase in property taxes	Metro Affordable Housing Bond Measure	Assessed Property Values	---------------------------
Reset Assessment of Commercial Assessed Values	Increase in taxable property value	---------------------------	Commercial Properties	$352 million in revenue from Multnomah County alone
Real Estate Transfer Tax	A tax on property sales and transfers	Washington County Transfer Tax	All Property Sales	$6.52 per $1,000 in sale value

Conclusion

We hope this report helps readers develop a better understanding of the scale and scope of the challenges we face when talking about homelessness and affordable housing as well as some pathways for moving forward. The work in front of us can seem daunting; however, through good governance, firm commitments, and hard work, we believe addressing homelessness and affordable housing is achievable.

I. GOVERNANCE

Introduction

In this section of the report, we describe various ways local governments might structure their responses to address homelessness, including ways to work together across jurisdictions. Governance may include formal arrangements between government and non-government entities to identify policies to address homelessness, or be a mechanism to administer a levy or bond. For context, we first discuss regional and collaborative governance, a familiar structure in the tri-county area. We then describe studies that focus on governance and homelessness specifically, though not all of those studies are regional in scope.

We then turn our attention to three places working on homelessness across the country. We focus most on Los Angeles (LA) County, California as our external example given its comprehensive efforts to address homelessness, and include shorter descriptions of Houston TX, Washington DC, and a local example, Multnomah County. We conclude by discussing what the guidance and examples of governance and homelessness could mean for the Oregon side of the Portland Metropolitan area.

Key Takeaways

- Planning and governing regionally offer important opportunities to create policies and programs to address inter-connected and cross-jurisdictional issues. Such efforts can reduce inefficiencies, reduce spatial disparities, and lead to more thriving regions.

- Planning and governing structures that work at a regional level require investment, politically and fiscally, and can take considerable time to structure justly and effectively.

- Identifiable leaders in government and civic society are needed to advance solutions for homelessness. They each play instrumental roles in building public support, and in raising revenue for addressing homelessness. They may work collaboratively or independently, or some combination of the two.

- Organizing and advocacy matter. The power of collaborative efforts is realized when they collectively advocate for policy and funding. Bottom-up organizing increases network power, and does not have to fully be subsumed within government driven processes.

- The best governance structure will not be effective if resources are too scarce to act on identified solutions; however, structures linked to or have advocacy agendas embedded in them could help identify those resources and apply pressure to obtain them.

- Some of the most successful governance groups included in this report focused on homelessness centered on racial equity. Poverty and race are inextricably linked, and communities of color face disproportionate rates of homelessness. In the four cases we describe, Black community members consistently experienced significant disproportionate rates of homelessness.

- We recommend the tri-county area form an exploratory committee or task force of an inclusive and committed set of stakeholders that is led by a government entity, or set of government entities, to examine in which ways better regional planning, policies, and program coordination around homelessness could help all jurisdictions meet their goals. This task force would do the following:

  - Deliberatively identify the "problem" to be solved. Problem identification should be the first step in both identifying who should be part of any future discussions as well as the first step of the group. Two examples of possible problem framings include: 1) Focusing on unsheltered homelessness; or, 2) Creating safe, quality, and affordable housing for all community members. Clarity about which problem(s) we are attempting to solve is essential to the success of any effort. We recommend the region carefully consider if we are trying to "solve" homelessness, or if we are trying to "solve" affordable housing.

  - We argue for the second framing, focusing on affordable housing. The second framing could include the first identified problem framing. *Supporting people experiencing homelessness who are unsheltered will not solve affordable housing, and affordable housing is integral to helping them. However, without weighing trade-offs, we cannot know for sure exactly which is the best path to addressing affordable housing.*

  - Include decisions and discussions about program and service coordination, policy making and implementation, and revenue raising and distribution.

  - Build on existing collaborative efforts, but not usurp them, and hold processes in an inclusive and equitable manner where equity refers to communities of color and people who have or are experiencing homelessness or housing insecurity. Transparency will be central to ensuring democratic governance as well as public support. Encourage processes occurring in civic society to continue their work independently.

  - Have an identified decision-making date where the group will make formal recommendations about how the region should move forward.

  - Define the homelessness community to include people who are doubled up. This is a substantial population that cannot be easily dismissed.

  - Center the process on racial equity. The racial disparities for communities of color experiencing homelessness or housing insecurity do not exist by accident, and the only way to really address and prevent homelessness will be to focus on their

needs. By focusing on achieving racial equity, other racial groups that do not experience disparities will also be served.

Regional Collaborative Governance

Planning and governing across jurisdictions requires coordination, and commitment. Early 20th century planning focused regionally, understanding that people and systems, urban ones in particular, did not adhere to jurisdictional boundaries. Over time, planning and governing work fell within jurisdictions, where city and county governments had regulatory control. However, recognizing the utility of cross jurisdictional work, issues from sharing fire and police services across county lines to developing 20-year land-use plans have been developed across jurisdictional boundaries.

Often referred to as regionalism, some of these efforts happen through one off planning processes, others build regional governance structures to implement plans and continue governing regionally. Early examples of regional governance structures include county-city mergers and council of governments. One of the best-known regional approaches to planning and governing is the Portland Oregon government Metro. Voted to function as a home-rule entity in 1993, Metro remains the only regional government in the country with directly elected representatives.[23]

Best practices for developing and running regional governance abound in the academic and practitioner literature. Across the literature findings emphasize the importance of: 1) shared problem identification; 2) Actor willingness, interest, capacities, and resources; and, 3) inclusiveness of diverse actors in a well-designed process with clear leader(s) identified. See Figure 1.1 for a model of collaborative governance. Note that this model does not apply an equity lens, something that research has found important in successful governance cases.[24]

While many of these best practices could apply in any planning process or governance structure, process design and actor relationships matter in a different way at the regional scale. In a HUD study about regional collaborative planning, the report cited Foster (2010) saying: "because these relationships do not depend on legal authority to ensure that the goals are met,

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[23] See the following for a summary, and excellent summary table of regional governance options: Parr, J., Riem, J., & McFarland, C. (2006). Guide to successful local government collaboration in America's regions, Washington, DC: National League of Cities. As cited in: U.S. Department of Housing and Urban Development [HUD] (2015). *Strategies for regional collaboration.* Retrieved from: https://www.huduser.gov/portal/periodicals/em/fall15/highlight2.html#title

[24] Inclusive democratic practices and equity are not the same thing. Inclusiveness refers to the process, and how people experience it. Equity can refer the process where there are deliberate components put in place to address inequity, and also refers to the equity of the outcomes of the process. It is possible to have an inclusive process with no equitable outcomes.

collaborative arrangements must rely on other forces and skills to create the cohesion necessary to achieve objectives."

Figure 1.1: Model of Collaborative Governance [25]
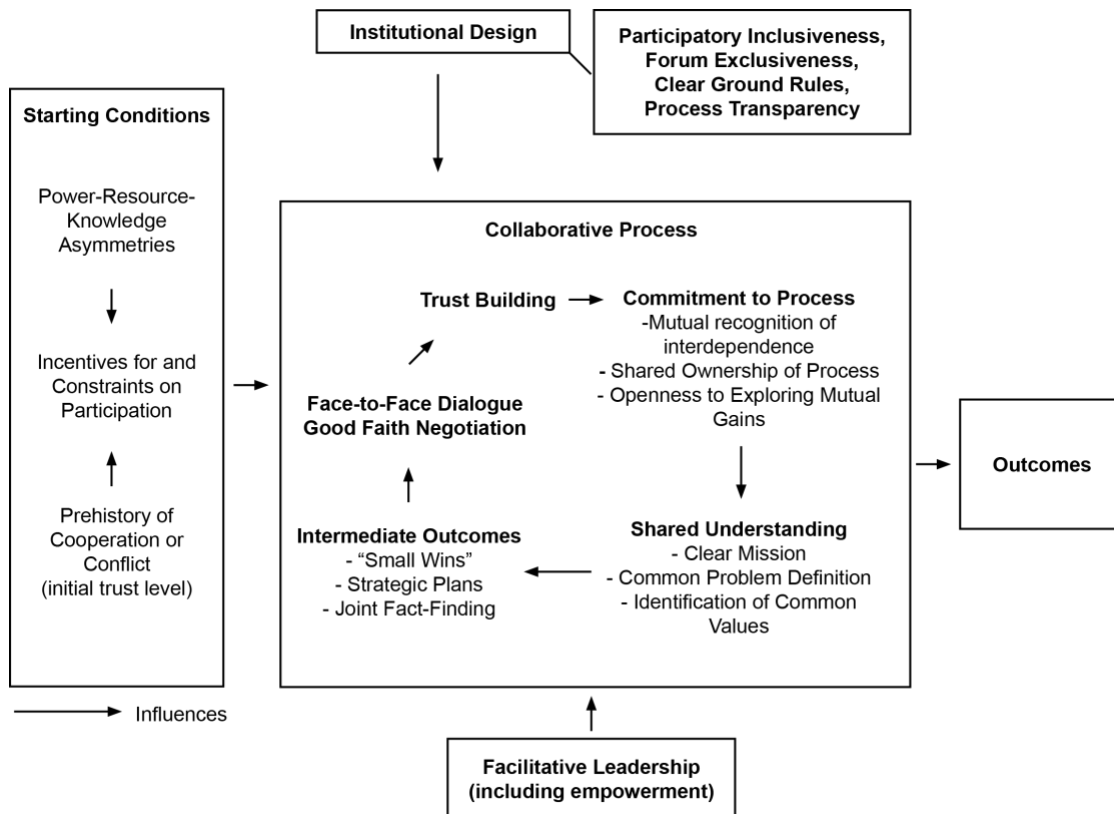
Homelessness Continuums of Care

Collaborative governance is not new within the field of homeless services. The McKinney-Vento Act of 1987 was the first federal law to specifically address homelessness, and the Act provides federal support for a multi-tiered system of homeless service programs at the local level.

The local multi-tiered system to address homelessness became known as the Continuum of Care (CoC) model in 1994. There were two ultimate goals for establishing CoCs: 1) better system alignment, efficiency, and coordination; and 2) developing plans and recommend policy to address homelessness. The CoC system was designed to facilitate coordination and integration of services, and enable a smooth transition for clients moving from one tier of service

[25] Ansell & Gash. (2008). Model of Collaborative Governance. From Bartenberger, M. & Grubmmller, V. (2014). The enabling effects of open government data on collaborative governance in smart city contexts. *SSRN Electronic Journal. 6.* DOI: 10.2139/ssrn.2474974.

to another on the path to permanent stable housing.[26] The system was also meant to recognize that the causes of homelessness for each individual are complex and include a variety of unmet needs, in addition to shelter itself. Today, CoCs are expected to develop and implement long-term strategic plans and planning efforts that evolve to meet changing needs of the various populations experiencing homelessness.

Three main programmatic branches made up, and continue to shape, the CoC model, and they were meant to operate as a series of stages. Emergency shelters were the point of entry in the system, and provide short-term housing in a crisis situation, for individuals in a variety of circumstances. Transitional housing was the next step, and entails service-intensive programming that aims to prepare clients to achieve self-sufficiency, aimed toward the next step. The final stage was either permanent supportive housing, or other housing options (market rate, subsidized), depending on the level of need. Permanent supportive housing serves individuals who are not able to live independently due to mental illness, substance abuse, physical disabilities, and/or other challenges.[20] While the need to progress across the system is not a central component, the range and types of organizations within homelessness are still viewed as a comprehensive network.

Shifting from allowing multiple applications, HUD now requires a community to submit a single application for funding rather than separate applications for each service provider.[27] HUD mandated that CoCs are governed by a range of stakeholders, including nonprofit organizations and government entities working on homelessness. The HUD guidelines are explicit about the importance of stakeholder engagement and collaboration in implementing homelessness services.[21]

Studies on Continuums of Care

Several studies focus on how CoCs have functioned as governance structures. In a survey of CoCs around the nation in 2014, researchers found that of the 234 CoCs that responded to the survey, their structures (e.g. size, membership, lead organizations) varied considerably.[28] The study further examined how those differences in structures, namely size, related to rates of reductions in service gaps. The study identified how group advocacy, networking opportunities, and government investment and support played pivotal roles in reducing service gaps.

[26] Wong, Y., L. I., Park, J.M., & Nemon, H. (2006). Homeless service delivery in the context of Continuum of Care. University of Pennsylvania. Retrieved from https://repository.upenn.edu/cgi/viewcontent.cgi?article=1038&context=spp_papers

[27] U.S Department of Housing and Urban Development [HUD]. (2009). *HUD's Homeless Assistance Programs: Continuum of Care 101* [PDF file]. Retrieved from https://files.hudexchange.info/resources/documents/CoC101.pdf

[28] Jarpe, M., Mosley, J. E., & Smith, B. T. (2019). Understanding the collaborative planning process in homeless services: Networking, advocacy, and local government support may reduce service gaps. *Journal of Public Health Management and Practice, 25*(3), 262-269.

For larger CoCs, like Multnomah and Washington counties, networking opportunities along with group advocacy were the strongest predictors of reductions in service gaps. The importance of advocacy mattered in service level reductions even when networking was low. For medium sized CoCs, which Clackamas County would have been at the time, reductions in services gaps were predicted by higher levels of government investment and support.

A study about Chicago's CoC reinforced the importance of networking as a space for community building and advocacy.[29] Representing a shift from past practices of non-profit organizations (NPOs), the NPOs in this CoC reported participating in advocacy work within the CoC intermediary organization, The Chicago Alliance to End Homelessness, as well as a traditional advocacy organization. Each group played important, and distinct, roles in influencing and operating within the Chicago policy context.

Based in Canada, the most in-depth and extensive study about collaborative governance and homelessness examined six different structures across three cities. The creation of a Canadian model similar to the HUD CoC program helped spur different collaborative models. One of the study's core findings illuminated that the more institutionalized processes were and the more inclusive they were, the better their systems were coordinated and created more innovative policy solutions. The study also illustrates the importance of having dual collaborative efforts where one can fulfill the CoC duties and another can take on greater advocacy. Lastly, the study examined overall policy-making environment assessing their degree of flexibility and how much the environment was influenced by the relevant CoC. The authors found that greater flexibility in policy-making and CoC visible influence on decision-making led to better outcomes.

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[29] Mosley, J. E. (2012). Keeping the lights on: How government funding concerns drive the advocacy agendas of nonprofit homeless service providers. *Journal of Public Administration Research and Theory, 22*(4), 841-866.
[30] Jarpe, M., Mosley, J. E., & Smith, B. T. (2019). Understanding the collaborative planning process in homeless services: Networking, advocacy, and local government support may reduce service gaps. *Journal of Public Health Management and Practice, 25*(3), 262-269.

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Below we discuss four contemporary examples of homelessness governance systems. Each case example includes: Background about the region, actors working on homelessness, governance structures, revenue-raising efforts (where relevant), and progress to date (where possible). We devote the most attention to LA County as they are similar to Portland in several ways. They are: 1) located on the West Coast; 2) have several groups planning and acting for homelessness; and 3) have recently adopted revenue measures.[32] Table 1.4 summarizes general aspects of the four cases on the following page.

[31] Mosley, J. E. (2012). Keeping the lights on: How government funding concerns drive the advocacy agendas of nonprofit homeless service providers. *Journal of Public Administration Research and Theory, 22*(4), 841-866.

[32] Each site had a slightly different methodology. For LA County, We interviewed and consulted with several representatives of key actors in Los Angeles, and reviewed public documents, news articles, reviewed non-governmental reports, and PIT reports and US Census data. For Harris County and Washington DC we conducted the same secondary data analysis. We were unable to obtain interviews with people in these two locations, but did receive answers to questions via email from Harris County. We also asked people in Multnomah County for their views about the three places. For Multnomah County, one of the report authors, Dr. Zapata, is heavily involved in the governance structure and CoC for the county, and has written papers and given presentations about it. She asked for feedback from that section from Multnomah County stakeholders; however, she made the ultimate decision on what was incorporated.

Table 1.1: Basic Facts about Cases

Name	Size	Total Population	PIT Count 2019	PIT Count 2017	2019 PIT Sheltered	2019 PIT Unshelter.	2019 PIT/Total pop.	African Americans % 2019 PIT vs. % tot. pop.	Key Distinctions
Los Angeles County (All CoCs)	4,084 sq mi	10,441,090	58,936	52,765	14,722	44,214	0.56%	33% HUD homeless vs. 8.3% tot. pop.	Extremely limited amount of housing affordability and supply
Harris County et al CoC	3,771 sq mi	6,047,402	3,640	3,866	2,112	1,528	0.06%	55% HUD homeless vs. 20% tot. pop.	Lower comparative housing values + higher comparative vacancy rates
Washington DC CoC	68 sq mi	633,427	6,521	7,473	5,913	608	1.03%	87% HUD homeless vs. 41% tot. pop.	Legal right to shelter in <32 or >95 degree weather
Multnomah County et al CoC	466 sq mi	811,000	4,015	4,177	1,978	2,037	0.52%	16.1% HUD homeless vs. 7.2% tot. pop.	Comparatively recent significant increases in property values and rents

* African Americans consistently present with high levels disproportionate rates of homelessness across the country. Other communities of color may be too small in some areas to report, or not have disproportionate rates

Los Angeles County

Los Angeles County, and its included jurisdictions, has developed a network of formal and informal governance structures. These structures include relationships between entities as well mechanisms to oversee the distribution of raised revenue.

Background

LA County is a massive county, spanning 4,084 square miles with more than 10 million people and 88 municipalities. LA County is divided into service planning areas to facilitate planning and service delivery for homelessness efforts (see figure 2.1: LA County Planning Areas).[33]

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[33] County of Los Angeles. (n.d.). Statistics [web page]. Retrieved from
https://www.lacounty.gov/government/geography-statistics/statistics/#1481130319389-8a1c0344-8add

Figure 1.2: Los Angeles Planning Areas[34]
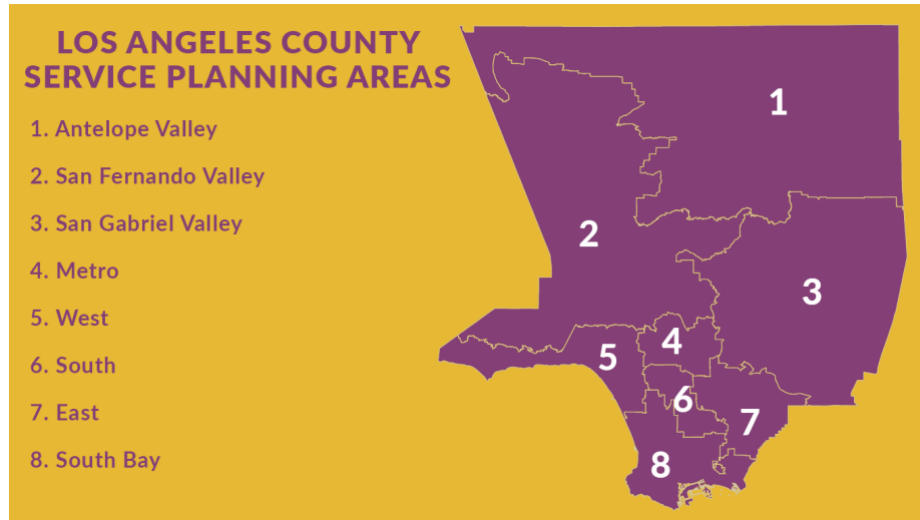
Los Angeles County has one of the highest homelessness rates in the nation. Persistent efforts to coordinate a response to the growing problem began several decades ago, and various government and non-government entities have played important roles in bringing entities together to identify shared ideas of how to address homelessness. Notably, discussions about racial equity have only recently entered into discussions about addressing homelessness.

The 2019 PIT Count revealed a 12% increase in the homeless population in LA County for a total of nearly 60,000 people.[35] About 63% are experiencing homelessness for the first time, and 53% of that cohort cite economic barriers to retaining housing as a root cause.[36] About 36% of individuals experiencing homelessness are Latino (47.7% of total population), 33.2% are Black (8.3% total population), 24.5% are white (27.8% of total population), and 0.8% are Asian (13.5% of total population), along with smaller percentages of other populations. This means Black people are four times more likely than Whites to experience homelessness.[37]
This increase comes even with an estimated 21,631 individuals who were housed through county programs, and 27,080 who were able to reenter housing independently. That represents a daily rate of 131 people exiting homelessness and 151 entering homelessness. About 75% of individuals experiencing homelessness have lived in LA County for at least five years, and 71% do not have a serious mental illness and/or report substance abuse. Meanwhile, a series of

[34] Los Angeles County Homeless Initiative. (2019). Measure H funded contracts [web page]. Retrieved from http://homeless.lacounty.gov/measure-h-funded-contracts/
[35] Los Angeles Homeless Services Authority (2019). *2019 Greater Los Angeles homeless count results.* Retrieved from https://www.lahsa.org/news?article=557-2019-greater-los-angeles-homeless-count-results
[36] Chiland, E. (2018). When will LA's big homelessness strategy start paying off? *Curbed LA*. Retrieved from https://la.curbed.com/2018/4/13/17229430/los-angeles-homeless-strategy-measure-h-results
[37] Los Angeles Homeless Service Authority. (2019). About LAHSA. Retrieved from https://www.lahsa.org/abo

state-level bills that would have ameliorated California's housing crisis failed in rapid succession, despite a Democratic supermajority (Walker, 2019). Several jurisdictions have enacted temporary emergency caps on rent increases, including the City of Glendale, and LA County, while the City of Inglewood formally adopted a rent control ordinance in 2019 (Chandler, 2019).

Select Entities Working on Homelessness

In LA County, a number of different organizations address homelessness. As government entities have the ultimate implementing role, we focus our attention on those organizations, and include a few non-governmental groups. This list is not exhaustive.

LAHSA

The Los Angeles Homeless Services Authority is an independent, joint powers authority, and is the lead agency in the Los Angeles Continuum of Care. It was created by the Los Angeles County Board of Supervisors, the Los Angeles mayor, and City Council in 1993. Its creation solved a lawsuit between the city and county over who was responsible for addressing homelessness.[38] LAHSA provides funding, program design, outcomes assessment, and technical assistance to more than 100 nonprofit partner agencies that serve those experiencing homelessness. This entails coordinating and managing over $300 million annually in federal, state, county, and city funds.

LA County

The Los Angeles County Board of Supervisors (CBOS) created the Homeless Initiative in 2015, as a response to the escalating crisis. The Homeless Initiative is situated within the Chief Executive Office (CEO), and provides the CEO with guidance on how to allocate and deploy funds gathered through the Measure H sales tax. The Homeless Initiative Action Plan is organized around six key areas: Prevention, subsidized housing, increasing income, case management and services, coordinated system, and affordable housing.[39] Twelve lead agencies for the sub-areas of each of the key strategy areas administer the funds to community-based organizations, with support from collaborating County departments and agencies.[40] Additionally, in 2017 the Board approved $2 million in funding for cities in the Los Angeles Continuum of Care to develop their own homelessness plans, as well as $500,000 for regional coordination services by Councils of Governments.[41] These figures do not include Measure H funding, which is explained below.

[38] Burt, M.R. (2007). *System change efforts and their results: Los Angeles, 2005–2006* [PDF file]. Urban Institute. Retrieved from https://www.urban.org/sites/default/files/publication/46426/411449-System-Change-Efforts-and-Their-Results-Los-Angeles---.PDF

[39] Los Angeles County Homeless Initiative (n.d.) The Action Plan [web page]. Retrieved from http://homeless.lacounty.gov/the-action-plan/

[40] Los Angeles County Homeless Initiative. (n.d.). Measure H funded contracts. Retrieved from http://homeless.lacounty.gov/measure-h-funded-contracts/

[41] Los Angeles County Homeless Initiative. (2018). *City homelessness plans*. Los Angeles County. Retrieved from http://file.lacounty.gov/SDSInter/lac/1043966_AllCitiesHomelessPlans_8.31.18--pdf.pdf

Nongovernmental Actors
- The United Way of Greater Los Angeles has been instrumental over the last decade in helping partners articulate the fundamental role housing plays in preventing and ending homelessness. It launched the Everyone In campaign to engage community members in the Homeless Initiative in a variety of ways.[42] The project website clearly frames homelessness as a housing crisis, and their objective is to elevate hidden stories of progress, galvanize residents to fight for housing in their neighborhoods, and apply political pressure for solutions. They also provide grants to nonprofit service providers through a request for proposals process.
- Corporation for Supportive Housing (CSH) is a key partner for service provider resources, supportive housing funding, program development, and policy advocacy.
- The LA Community Action Network (LA CAN) is a grassroots, volunteer-led organization based in Downtown LA, that aims to build collective political power through leadership consisting exclusively of the low-income constituents they serve.

Revenue Raising

The two most recent and largest revenue mechanisms within LA County include Measure H and Measure HHH. LA County runs the former, and the City of LA runs the latter.

Measure HHH
In 2016 LA City voters passed Bond Measure HHH, a $1.2 billion bond that aims to create 10,000 affordable residences over ten years in the City of LA. LA CAN launched a phone bank in support of Measure HHH in October 2016, and their results overwhelmingly indicated support of the measure, which passed in November 2016 with 76% of the vote. LA CAN attributes Measure HHH's success to strong coalition-building across sectors, with City Hall, business elites, philanthropic organizations, churches, stakeholders, and community-based organizations all on board.[43]

Measure H passed in a midterm election shortly after, in spring 2017. Measure H builds on the objectives of Measure HHH by creating the service infrastructure needed for supportive housing, which makes up a portion of the funding allocation for the bond: housing developers cannot secure bond money until service providers have been secured.[44] As of April 2019, 33 developments were approved, with 457 affordable residences, and 1,637 supportive residences. The total number of housing units in some stage of the housing pipeline is 7,400.[45]

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[42] Everyone In (2019). [United Way campaign]. Retrieved from https://everyoneinla.org/

[43] Los Angeles County Board of Supervisors. (2017, February 7). *Motion by Supervisors Mark Ridley-Thomas and Sheila Kuehl.* Retrieved from http://homeless.lacounty.gov/wp-content/uploads/2017/03/Board-Motion_-Measure-H-Planning-Process-Strategies_2-7-17.pdf

[44] LA Times Editorial Board. (2017, March 3). Measure H is the key to finally ending homelessness in Los Angeles County. *The Los Angeles Times.* Retrieved from https://www.latimes.com/opinion/editorials/la-ed-measure-h-vote-for-it-20170303-story.html

[45] Garcetti, E. (2019). Rising to the challenge: helping homeless Angelenos. City of Los Angeles. Retrieved from: https://www.lamayor.org/rising-challenge-helping-homeless-angelenos

Measure H

Measure H was a Los Angeles County ballot measure in which voters approved a ¼ of a cent sales tax increase to pay for homeless services in 2017.[46] This measure implements strategies approved by County Board of Supervisors the previous year, which are mostly rooted in a "Housing First" approach. The tax increase will last ten years, and raise about $355 million annually, and includes prevention services. The funds are administered by the Los Angeles County Homelessness Initiative.

Origin

The work of two regional bodies led to the creation of Measure H. First, the LA County Board of Supervisors adopted a set of 47 strategies to combat homelessness in 2016. They were devised through a comprehensive planning process led by the Homeless Initiative, which included 18 policy summits in 2015, that brought together 1,100 participants from 25 county departments, 30 cities, and over 100 community stakeholder organizations, including 4 focus groups with individuals with lived experience.[47]

> **Housing First**
>
> HUD defines Housing First as an "approach to quickly and successfully connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment or service participation requirements. Supportive services are offered to maximize housing stability and prevent returns to homelessness as opposed to addressing predetermined treatment goals prior to permanent housing entry."[1]

LAHSA conducted an analysis of housing gaps for people experiencing homelessness in LA County. This report estimated a $450 million funding gap, with a need of over 15,000 units of permanent supportive housing.[48] The LA County Board of Supervisors approved the creation of Measure H, to fund the Homeless Initiative strategies, per the funding gap.[49] Measure H would increase sales tax by ¼ cent for ten years, and proposed to generate enough funds to house 45,000 people experiencing homelessness and help another 30,000 people avoid losing their

[46] Chiland, E. (2017). Measure H: A voter guide for LA County's homelessness prevention ballot measure. March 7, 2017. *Curbed Los Angeles.* Retrieved from https://la.curbed.com/2017/3/6/14829792/ballot-measure-h-march-election-los-angeles-homelessness

[47] Ridley-Thomas, M. & Kuehl, S. (2017, February 7). *Motion: Measure H collaborative revenue planning process.* Los Angeles County. Retrieved from http://homeless.lacounty.gov/wp-content/uploads/2017/03/Board-Motion_-Measure-H-Planning-Process-Strategies_2-7-17.pdf

[48] Los Angeles Homeless Services Authority. (2016). *Report on homeless housing gaps in the county of Los Angeles.* Retrieved from https://www.cacities.org/Resources-Documents/Policy-Advocacy-Section/Hot-Issues/Homeless-Resources/League-CSAC-Task-Force/Nov-28,-2016/la_county_housing_gap_analysis.aspx

[49] Ridley-Thomas, M. & Hahn, J. (2016, December 6). *Motion: Securing ongoing funding to address the homeless crisis.* Los Angeles County. Retrieved from http://file.lacounty.gov/SDSInter/bos/supdocs/109803.pdf

homes.[50] It narrowly passed in the March 2017 special election, with just over the required two-thirds of the vote.[51]

Citizens' Oversight Advisory Board (COAB)
Measure H is overseen by a community board. The COAB is comprised of five individuals, each of whom was nominated by a County Supervisor. The COAB meets quarterly, and meetings are open to the public. The board includes people from the nonprofit, foundation, and public service fields.

The COAB's official functions are threefold: semi-annual review of all expenditures from Measure H; annual accounting of allocations; and periodic evaluations of expenditures. Per Phil Ansell, director of the Homeless Initiative, the COAB may also incorporate other functions into their work.[52] Quarterly meetings typically feature presentations from lead agencies and committees (e.g. Ad hoc Committee on Black People Experiencing Homelessness), discussion and questions from the Board, with opportunity for public comment and questions.

Progress to Date
The United Way of Greater Los Angeles said that funding has enabled them to quadruple the number of outreach teams on the streets, add 600 shelter beds, and provide subsidies to prevent 1,000 people from becoming homeless. The LA County Board of Supervisors has also approved $20 million from the mental health budget for veteran services, and funding from the concurrent City of Los Angeles Measure HHH bond is funding low-income housing development.[53] In August of 2018, LAHSA reported 7,448 people had been placed in permanent housing through Measure H, and 13,524 in interim housing.[54] That number rose to 9,635 and 18,714 in November 2018.[55] For a current snapshot on Measure H, please see Figure 2.2.

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[50] Gumbel, A. (2017, March 8). Los Angeles set to tax itself to raise billions for homelessness relief. *The Guardian*. Retrieved from https://www.theguardian.com/us-news/2017/mar/08/los-angeles-homelessness-sales-tax-approved

[51] County of Los Angeles, Chief Executive Office. (2018, May 15). *Fiscal Year 2018-19 Measure H funding recommendations (All Supervisorial Districts)*. Retrieved from http://homeless.lacounty.gov/wp-content/uploads/2019/02/FY-2018-19-Measure-H-Funding-Recommendations-.pdf

[52] The Los Angeles County Homeless Initiative. (2017, Dec 7*). Measure H Citizens' Oversight Advisory Board Meeting Minutes* [PDF file]. Retrieved from http://homeless.lacounty.gov/wp-content/uploads/2018/03/12.7.17-COAB-Minutes_FINAL.pdf

[53] Denkmann, L. (2018, May 31). Veteran homelessness in LA has dropped by 18 percent. *KPCC: Member-supported news for Southern California*. Retrieved from https://www.scpr.org/news/2018/05/31/83625/veteran-homelessness-in-la-has-dropped-by-18-perce/

[54] CBS LA. (2018, August 17). 7,400 LA homeless now in permanent housing through Measure H, officials say. *CBS Local*. Retrieved from https://losangeles.cbslocal.com/2018/08/17/7400-la-homeless-permanent-housing-through-measure-h/

[55] NBC City News Service. (2018, November 2018). Measure H helped 10,000 homeless people into permanent housing, officials say. *NBC*. Retrieved from https://www.nbclosangeles.com/news/local/Measure-H-Helped-Homeless-Into-Permanent-Housing-501312852.html

Figure 1.3: Measure H Dashboard[56]
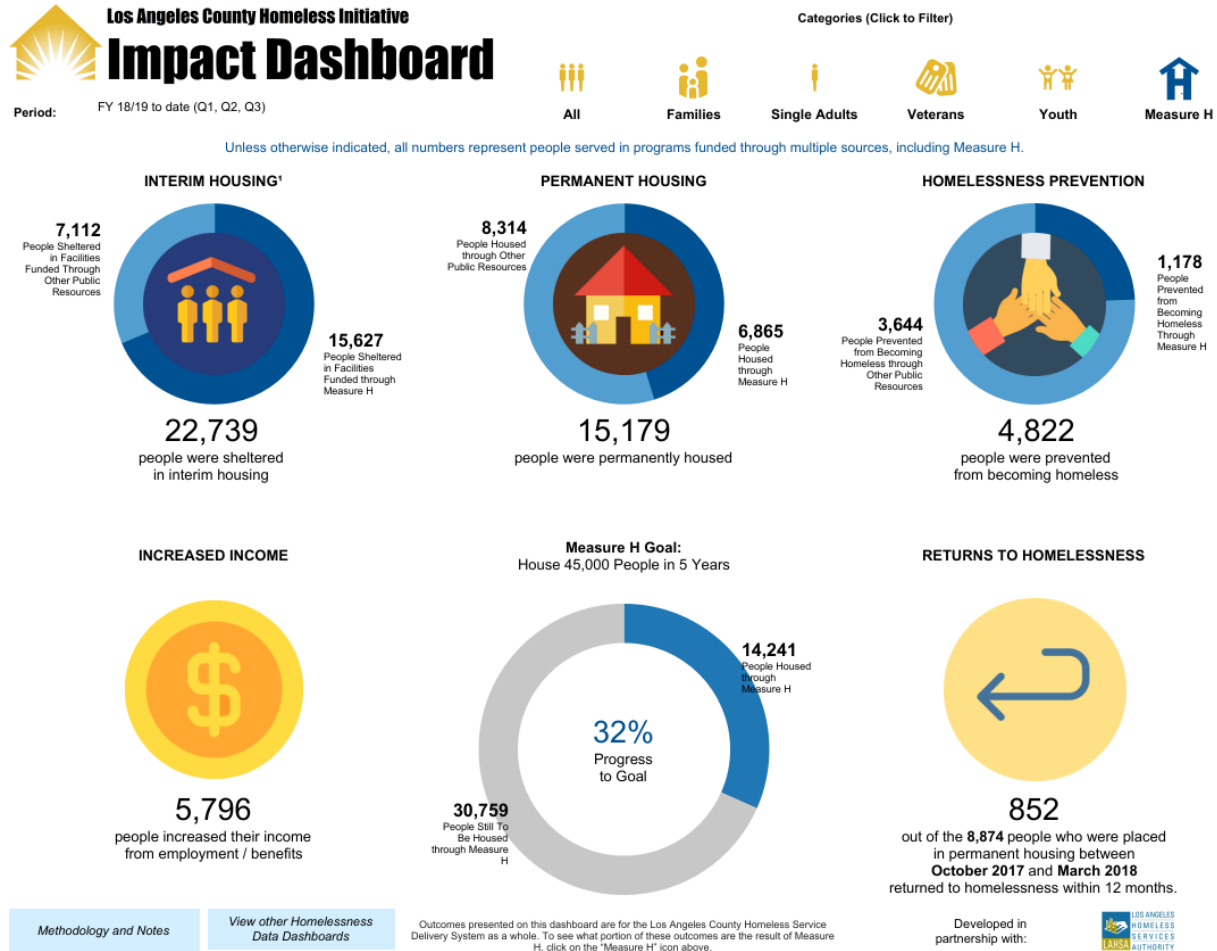
The overall homeless population countywide decreased by 3% in 2018, but the number of people experiencing homelessness for the first time increased. This perhaps foretells the 2019 PIT Count, where the enormous number of people entering homelessness for the first time pushed the total population up 12% county-wide, despite significant progress in re-housing. Unlike the 2018 PIT Count, 2019's data show increases in every service planning area. As such, these efforts have not been without criticism. Foreshadowing the numbers of 2019, a February 2018 article in *The LA Times* reported the homeless population was increasing faster than the projected supply of new housing. Furthermore, the Homeless Initiative was facing a $73 million annual budget shortfall which could more than triple. Providing permanent housing would require building 20,000 homes, which is 5,000 more than projected. The latest version of

56 The Los Angeles County Homeless Initiative. (2019). Homeless initiative impact dashboard [web page]. Retrieved from http://homeless.lacounty.gov/impact-dashboard/

the Housing Gap Analysis report[57] also estimated a shortage of emergency rental subsidies, and needed shelter beds also increased by double digit percentages.[58] To add to these challenges, construction costs in Los Angeles have increased by 20% since housing Measure HHH passed, diminishing the total potential impact of the funds.[59]

Implementation Limitations
Additionally, there were concerns in early 2018 that LAHSA did not have the capacity to manage the extensive scope of the work. The County Auditor-Controller found the organization short on staff and late on payments to community group contractors. In response to these findings, LAHSA director Peter Lynn said the agency is already in a much stronger position than during the audit, with new staff and workflow systems.[60] Some local homeless advocates were also growing restless at what they perceive as a lack of substantive response to a crisis situation. Mel Tillekeratne of the Monday Night Mission and Shower of Hope felt that some cities were doing nothing at all.[61]

Lastly, after criticism, the government entities working on homelessness pushed to integrate racial equity into their work. LAHSA created the Ad Hoc Committee on Black People Experiencing Homelessness. In early 2019 the 26-member committee released a groundbreaking report that details how institutional racism is driving the enormous disparity in the percentage of Black people experiencing homelessness.[62] The report offers 67 recommendations to advance equity.

[57] Los Angeles Homeless Services Authority. (2018). *Report on homeless housing gaps in the county of Los Angeles: A homeless crisis response system model.* Retrieved from https://www.sbceh.org/uploads/4/5/0/7/45075441/1865-2018-report-on-homeless-housing-gaps-in-the-county-of-los-angeles.pdfhttps://www.lahsa.org/documents?id=1865-2018-report-on-homeless-housing-gaps-in-the-county-of-los-angeles.pdf

[58] Smith, D., Holland, G., & Smith, D. (2018, May 31). Homelessness dips in L.A. and countywide, but Garcetti warns 'a real challenge' still remains. *Los Angeles Times.* Retrieved from https://www.latimes.com/local/lanow/la-me-ln-homeless-count-20180531-story.html

[59] McGahan, J. (2019, March 8). Will a measure to help L.A.'s homeless become a historic public housing debacle? *Los Angeles Magazine.* Retrieved from https://www.lamag.com/citythinkblog/proposition-hhh-debacle/

[60] Los Angeles County Auditor-Controller (2018). Los Angeles Homeless Services Authority, Measure H, *Phase 1 – Fiscal operations assessment review* [PDF file]. Los Angeles County. Retrieved from http://file.lacounty.gov/SDSInter/auditor/cmr/1036006_2018-04-03LosAngelesHomelessServicesAuthority-MeasureH-PhaseI-FiscalOperationsAssessmentReview.pdf

[61] Chiland, E. (2018, April 13). When will LA's big homelessness strategy start paying off? *Curbed LA.* Retrieved from https://la.curbed.com/2018/4/13/17229430/los-angeles-homeless-strategy-measure-h-results

[62] Los Angeles Homeless Services Authority. (2019, February 26). Groundbreaking report on Black people and homelessness released. Retrieved from https://www.lahsa.org/news?article=514-groundbreaking-report-on-black-people-and-homelessness-released

The Greater Houston Area

Background

The Greater Houston area is a sprawling metropolitan region, home to almost 7 million people. It includes nine counties, and covers about 10,000 square miles. The City of Houston itself has a population of over 2 million people, and includes 669 square miles. The cost of housing is among the lowest in major US metro areas, at 9.3% below the national average, and 47.8% below the 20 most populous metros.[63] The Continuum of Care for Houston includes three of the most populous counties in the Greater Houston area (Harris, Fort Bend, and Montgomery Counties), representing about 3.1 million people from the metropolitan region.

The 2018 PIT Count recorded 4,143 individuals experiencing homelessness in the Houston area. Of these, 1,614 individuals were unsheltered, and 2,529 were living in shelters.[64] The 2019 PIT Count shows a 5% decrease since 2018, which represents a 54% overall decrease since 2011.[65] However, Hurricane Harvey continues to make an impact, with 1 in 9 people citing the natural disaster as their reason for being unhoused.[66] The CoC received $38,155,969 in federal funding for FY 2018; the largest amount to be awarded to the region to date. This includes funding renewals for 43 existing homeless services programs, and an expansion of CoC's Coordinated Access program. It also includes new funding for several domestic violence housing programs.[67]

Primary Actors Working on Homelessness

The Way Home
The Way Home, Houston's Continuum of Care, serves the City of Houston and City of Pasadena as well as Harris, Fort Bend, and Montgomery Counties.[68] Their mission statement is "...to create a collaborative, inclusive, community-based process and approach to planning for and managing homeless assistance resources and programs effectively and efficiently to end

[63] Jankowski, P., and Verhoef, M. (2019). Cost of living comparison. Greater Houston Partnership. Retrieved from https://www.houston.org/houston-data/cost-living-comparison
[64] Coalition for the Homeless (2018). *2018 Homeless count & survey fact sheet* [PDF file]. Retrieved from http://www.homelesshouston.org/wp-content/uploads/2018/05/Final_2018_PIT_FactSheet_Digital_3.pdf
[65] Coalition for the Homeless (2019). *2019 Homeless count & survey fact sheet* [PDF file]. Retrieved from http://www.homelesshouston.org/wp-content/uploads/2019/05/2019-PIT-Fact-Sheet-Final-for-Digital.pdf
[66] Edwards, S. (2019, May 17). New data shows promising decline in greater Houston homelessness. *Houstonia*. Retrieved from https://www.houstoniamag.com/articles/2019/5/17/2019-homelessness-count-houston-harris-county-coalition-for-the-homeless-way-home
[67] Wright, A. (2019, Feb 27). The U.S. Department of Housing & Urban Development announces final awards from FY 2018 [web page]. The Way Home. Retrieved from http://www.thewayhomehouston.org/the-u-s-department-of-housing-urban-development-announces-final-awards-from-fy-2018/
[68] The Way Home. (2019). Continuum of Care [web page]. Coalition for The Homeless. Retrieved from http://www.homelesshouston.org/continuum-of-care/

homelessness in the jurisdiction…"[69] They partner with over 100 agencies to provide services, with a 'Housing First' approach to stabilizing individuals experiencing homelessness.[70] HUD recently merged Montgomery County's CoC into The Way Home due to infrastructure and efficiency concerns.

The CoC is governed by a Steering Committee comprised of representatives from across the community. These sixteen members are selected from the various counties served, and from the private, nonprofit and public sectors.[71] According to the CoC's charter, each member of the Committee must have fiscal and program authority of the organization they represent.[72] Organizations and jurisdictions on the Committee appoint their own representatives, while provider representatives are selected by the CoC Provider Forum, and Consumer representatives are selected from the Consumer Input Forum participants.

The Steering Committee's decisions are informed by service provider recommendations, which are discussed at the quarterly CoC Provider Forums.[73] These forums are the "primary policy, input and planning group for the CoC provider community",[74] and membership is comprised of homeless service provider agencies in the district. The Consumer Input Forum is a means to gather knowledge from the consumer population, and is composed of people with lived experience with homelessness, both past and present. It convenes no less than twice a year. Other components of the CoC are: The HMIS forum, the HMIS Support Committee, Provider Affinity Groups, Population Specific Work Groups, and Task Specific Work Groups.[75]

[69] The Way Home. (2017). *The Way Home Continuum of Care Charter.* Page 1. Coalition for The Homeless. Retrieved from http://www.homelesshouston.org/wp-content/uploads/2017/08/CoC-Charter-Revised-8-2017.pdf

[70] Manouse, E. (2018, Oct 8). Houston's homeless situation - Working on a solution. *Houston Public Media*. Retrieved from https://www.houstonpublicmedia.org/articles/news/in-depth/2018/10/08/307243/houstons-homeless-situation-working-on-a-solution/

[71] The Way Home. (2019). Continuum of Care Steering Committee [web page]. Coalition for the Homeless. Retrieved from http://www.homelesshouston.org/continuum-of-care/steering-committee/

[72] The Way Home. (2017). *The Way Home Continuum of Care Charter* [PDF file]. Coalition for the Homeless. Retrieved from http://www.homelesshouston.org/wp-content/uploads/2017/08/CoC-Charter-Revised-8-2017.pdf

[73] The Way Home. (2019). Continuum of Care Provider Forum [web page]. Coalition for the Homeless. Retrieved from http://www.homelesshouston.org/continuum-of-care/coc-provider-forum/

[74] The Way Home. (2017). *The Way Home Continuum of Care Charter* [PDF file]. Page 4. Coalition for the Homeless. Retrieved from http://www.homelesshouston.org/wp-content/uploads/2017/08/CoC-Charter-Revised-8-2017.pdf

[75] The Way Home. (2017). *The Way Home Continuum of Care Charter* [PDF file]. Coalition for the Homeless. Retrieved from http://www.homelesshouston.org/wp-content/uploads/2017/08/CoC-Charter-Revised-8-2017.pdf

In recognition that funding was not being effectively applied and a new overarching strategy was needed, The Way Home released their Action Plan in 2014.[76] Their new approach relies on data-driven decision making to allocate resources, and is organized by homeless population segment (e.g. veterans), rather than by strategies. This decision was made in accord with the Federal Plan, "Opening Doors," which provides a framework for ending homelessness by subpopulation, with an emphasis on veterans and the chronically homeless.[77]

In July 2019, The Way Home launched a new Eviction Prevention Program Pilot, in partnership with the Coalition for the Homeless, CSH, Harris County Community Service, Harris County Precinct 7, Texas Southern University's Urban Research and Resource Center, and consultant Barbara Poppe (former Executive Director of the U.S. Interagency Council on Homelessness). The program aims to help low- and moderate-income tenants avoid eviction through three key strategies: homelessness prevention funding; short-term case management; and research on strategies for avoiding eviction that can be replicated on a wider scale. The program was initiated by Judge Jeremy L. Brown, who felt a need to look toward preventative solutions in response to the staggering volume of eviction cases passing through the court system. [78]

The Coalition for the Homeless
The Coalition for the Homeless is the lead agency within the CoC. It was established in 1982, incorporated as a 501(c)(3) in 1988, and has four program areas: Research, project management, system capacity building, and public policy.[79] Their role is to create a system that facilitates collaboration between service providers, government agencies, and community partners for the provision of services to people experiencing homelessness.[80] This collaborative model integrates partner service provider organizations with public sector efforts, under the direction of the Mayor's Office for Homeless Initiatives.[81]

The Mayor's Office for Homeless Initiatives
The MOHI[82] coordinates the efforts of agencies like the Housing and Community Development Department, the Health and Human Services Department, the Houston Police Department,

[76] The Way Home. (2016). *Action plan: 2015-2017 Update* [PDF file]. Coalition for the Homeless. Retrieved from http://www.homelesshouston.org/wp-content/uploads/2016/08/1617_Action_Plan_Final_Digital_082216.pdf

[77] U. S. Interagency Council on Homelessness (2015). *Opening doors: Federal strategic plan to prevent and end homelessness*. Retrieved from https://www.usich.gov/tools-for-action/opening-doors

[78] Wright, A. (2019, July 3). Eviction prevention pilot launches in Houston [web page]. The Way Home. Retrieved from http://www.thewayhomehouston.org/eviction-prevention-pilot-launches-in-houston/

[79] Coalition for the Homeless (2019). About us [web page]. Retrieved from http://www.homelesshouston.org/about-us/who-we-are/

[80] Coalition for the Homeless (2019). About us [web page]. Retrieved from http://www.homelesshouston.org/about-us/who-we-are/

[81] Mayor's Office for Homeless Initiatives [web page]. (2019). City of Houston. Retrieved from www.houstontx.gov/homeless/

[82] Ibid

which has a Homeless Outreach Team.[83] They also develop public policy for the City of Houston; guide the City's participation in regional planning around homelessness; and coordinate with federal, state and regional governments, national experts and local housing authorities. [84]

Figure 1.4: Approach to redesigning the system[85]
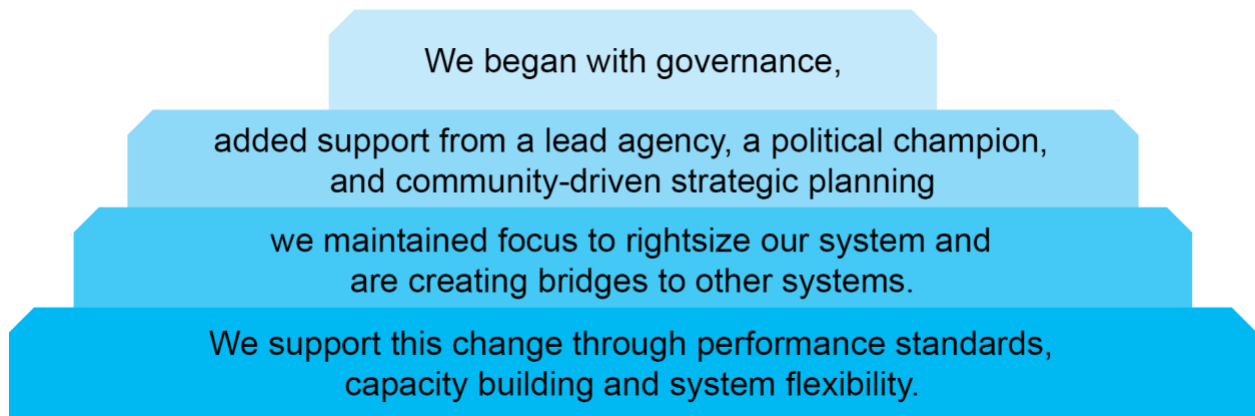
We began with governance,

added support from a lead agency, a political champion, and community-driven strategic planning

we maintained focus to rightsize our system and are creating bridges to other systems.

We support this change through performance standards, capacity building and system flexibility.

[83] Houston Police Department, Mental Health Division. (2019, April 2). Homeless outreach team [web page]. Retrieved from: https://www.houstoncit.org/test/
[84] Mayor's Office for Homeless Initiatives [web page]. (2019). Retrieved from www.houstontx.gov/homeless/
[85] The Way Home. (2016). *Action Plan: 2015-2017 Update.* Retrieved from www.homelesshouston.com

Figure 1.5: The Way Home Homeless Response System[86]
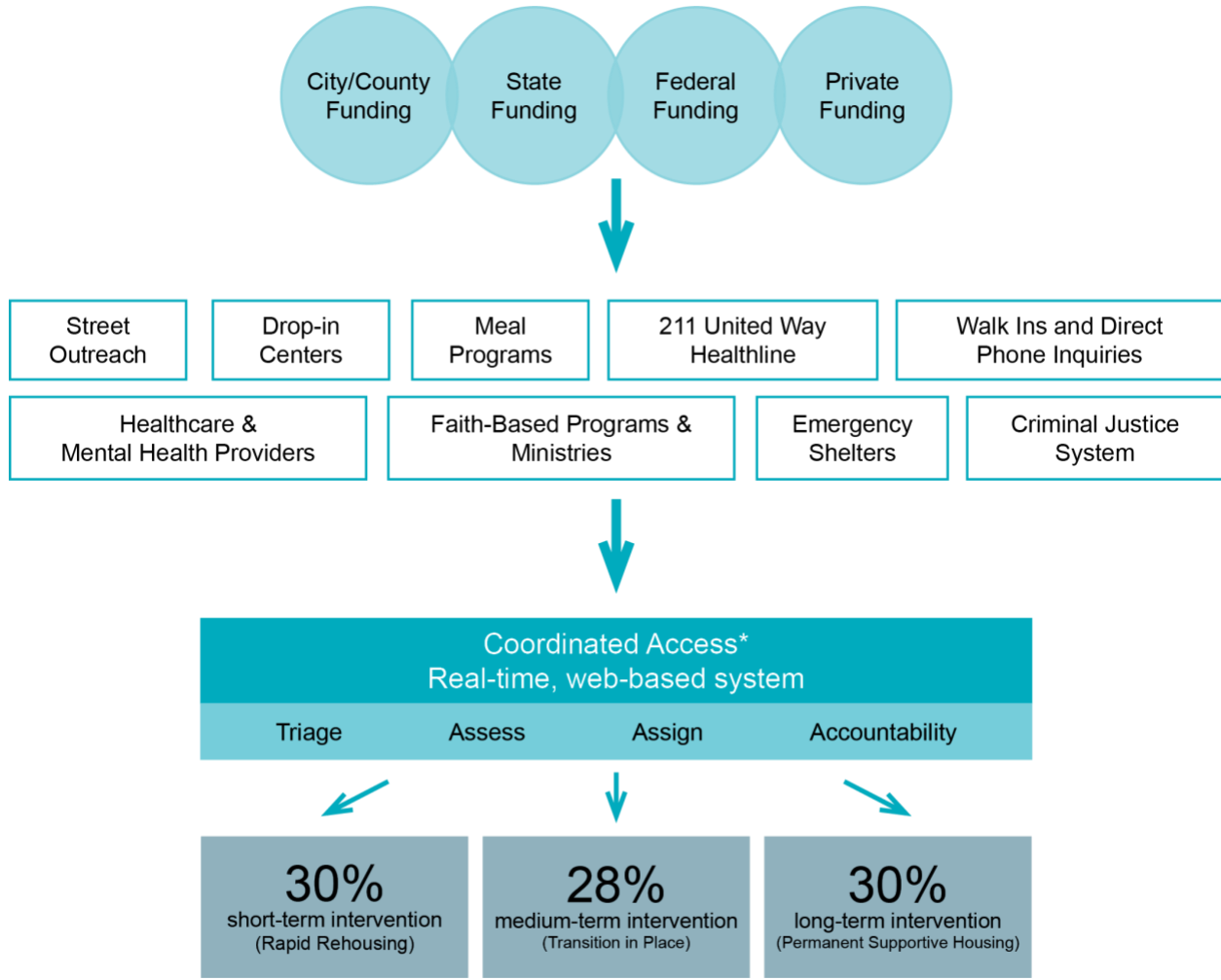
*12%of the homeless population will solve homelessness on their own

Progress to Date

Houston reports significant declines in their homelessness population. They credit increased support from HUD starting in 2011, and an articulated focus on a single population (veterans).[87] Lower housing values and land prices also factor into Houston's successes. The last Point-in-Time count showed another decline in homelessness, after an uptick attributed to Hurricane

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86 The Way Home. (2016). *Action Plan: 2015-2017 update.* Retrieved from www.homelesshouston.com
87 Garnham, J. P. (2019, July 2). Why homelessness is going down in Houston but up in Dallas. *The Texas Tribune.* Retrieved from https://www.texastribune.org/2019/07/02/why-homelessness-going-down-houston-dallas/

Harvey.[88] In a recent visit to Houston, the City of Anchorage Alaska's mayor noted the ability of government and private sector actors to work together in addressing homelessness as a component of their successes in reducing the overall numbers of people experiencing homelessness.[89]

Washington DC

Background

The District of Columbia has a smaller geographic footprint compared to the other case studies, at only 68 square miles. The population, however, is not far below Multnomah County, with 702,455 residents, making it the densest of the four areas studied. The PIT Count data discussed in this report refers to the city itself. Washington DC is situated within the Washington metropolitan area, which includes portions of Maryland and Virginia, and is the most educated and affluent region in the US.[90] The total population of the region is 5,441,979 people. The District is the fifth most expensive US city, with housing costs 2.7 times the national average.[91] Renters are the majority in the city, representing 62% of households, yet 48% of renters are cost-burdened.[92] Washington DC is the only of our case examples with a right to shelter at any time of the year.

Washington DC has an unusual governmental structure and history, due to its status as an independent city without a state. It was only in 1973 that the District of Columbia Self-Government and Governmental Reorganization Act was passed, which provided for an elected mayor and 13-member Council. The act allows Congress to review and overturn any legislative act of Council within 30 legislative days. In 1997 Congress stripped financial authority from locally elected representatives in the face of mismanagement, and transferred control to the federal government. Local authority under the Home Rule Charter was restored in 2001.[93] The city's budget is created through an iterative process between the Mayor and the Council, and

[88] Edwards, S. (2019, May 17). New data shows promising decline in greater Houston homelessness. *Houstonia.* Retrieved from https://www.houstoniamag.com/articles/2019/5/17/2019-homelessness-count-houston-harris-county-coalition-for-the-homeless-way-home

[89] Howard, A. (2019, June 13). Anchorage mayor cites Houston model for best practices to end homelessness. *JHV.* Retrieved from http://jhvonline.com/anchorage-mayor-cites-houston-model-for-best-practices-to-end-homelessness-p26128-89.htm

[90] Homan, T. (2010, December 14). Washington suburbs are richest, most educated in U.S. *Bloomberg.* Retrieved from https://www.bloomberg.com/news/articles/2010-12-14/washington-d-c-metropolitan-area-is-wealthiest-most-educated-u-s-region

[91] Burrows, D. (2019, April 216). 20 most expensive U.S. cities to live in. *Kiplinger.* Retrieved from https://www.kiplinger.com/slideshow/real-estate/T006-S001-most-expensive-u-s-cities-to-live-in-2019/index.html

[92] National Equity Atlas. (2017). *When renters rise, cities thrive.* National Equity Atlas, PolicyLink & USC Program for Environmental and Regional Equity. Retrieved from https://nationalequityatlas.org/node/50176

[93] Richards, M. (2002). History of local government in Washington, D.C. D.C. vote: Strengthening democracy. Retrieved from https://www.dcvote.org/inside-dc/history-local-government-washington-dc

must be approved by Congress. DC residents have long complained of "taxation without representation," as they have no official representative in the Senate.

Two years ago, the nation's capital had one of the highest rates of people experiencing homelessness in the country,[94] with an increase of 50% between 2000 and 2015. That number represents almost 1% of all District residents, or 101 people per square mile. According to the 2019 PIT Count, 6,521 individuals were experiencing homelessness, which represents a 6% decrease from the previous year, and an 11% decrease since 2015. The count shows 608 of those individuals were unsheltered, 4,679 were in an emergency shelter, and 1,234 were in transitional housing. The decrease is primarily attributed to a reduction of families in the population, which diminished by 11.8%, and 45.3 % in 2016.[95]

Selected Actors Working on Homelessness

The Metropolitan Washington Council of Governments
The Metropolitan Washington Council of Governments' (MWCOG) is comprised of 300 elected officials from 24 local governments, the Maryland and Virginia state legislatures, and the U.S. Congress. The council's Homeless Services Planning and Coordinating Committee manages the annual PIT Count, and convenes to share strategies "in addressing common challenges that are unique to living in a high-cost housing market such as metropolitan Washington."[96] The MWCOG also provides training, discussions and speaking events for members of the Committee. Membership is extended to representatives from human services departments of the various jurisdictions in the MWCOG, and to employees of nonprofit members of the CoC. They hold monthly public meetings in Washington D.C.

The District of Columbia Interagency Council on Homelessness
The District of Columbia Interagency Council on Homelessness (ICH) is the Continuum of Care, and includes representatives from government agencies, service providers, advocates, constituents, the private sector, and the CoC. Council members also meet as the following committees: Emergency Response and Shelter Operations, Youth, Strategic Planning, and Housing Solutions.[97]

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[94] Weiland, N. (2017, Jan 1). D. C. Homelessness doubles national average as living costs soar. *New York Time*s. Retrieved from https://www.nytimes.com/2017/01/01/us/washington-dc-homelessness-double-national-average.html
[95] Chapman, H. (2019). *Homelessness in metropolitan Washington: Results and analysis from the annual Point-in-Time (PIT) count of homeless persons.* Retrieved from https://www.mwcog.org/documents/homelessnessreport/
[96]Metropolitan Washington Council of Governments. (2019). Homeless Services Planning and Coordinating Committee. Retrieved from https://www.mwcog.org/committees/homeless-services-planning-and-coordinating-committee/
[97] District of Columbia Interagency Council on Homelessness (n.d.). *About us.* Retrieved from: https://ich.dc.gov/page/about-ich

At the behest of newly elected mayor Muriel Bowser, the council developed *The Homeward DC Strategic Plan (2015-2020).*[98] The overarching vision of the plan is to end long-term homelessness in the District by 2020. Within that vision there are three major goals: End homelessness among veterans by the end of 2015; End chronic homelessness among individuals and families by the end of 2017; and to be able to rehouse any household experiencing a loss of housing within 60 days, by 2020. The plan is organized around five key strategy areas:

1. Develop a more effective crisis response system;
2. Increase the supply of affordable and supportive housing;
3. Remove barriers to affordable and supportive housing;
4. Increase the economic security of households in our system; and
5. Increase prevention efforts to stabilize households before housing loss occurs.[99]

The collaborative process was led by the ICH, and took place between June 2014 and March 2015. It involved government representatives, nonprofit partners, advocates, people with lived experience, members of the business and philanthropic communities, and consultants from the Corporation for Supportive Housing (CSH), Abt Associates, and Community Solutions.

The Plan mainly utilizes data collected through the HMIS, and is supplemented by additional data from other agencies. In keeping with ICH practice, standing committee and work group meetings were (and remain) open to the public, and during the process of developing the plan there were additional public meetings to solicit stakeholders' feedback. In total, twenty-six public meetings were held as part of the planning process, which took place at various locations and focused on different topics.

The Community Partnership for the Prevention of Homelessness
The Community Partnership for the Prevention of Homelessness (TCP) manages the Continuum of Care for the District of Columbia, and the HMIS database. They were established in 1989, and their mission is to "utilize community resources to create innovative strategies that prevent homelessness in our city."[100]

[98] District of Columbia Interagency Council on Homelessness. (2015). *Homeward DC 2015-2020.* Retrieved from https://ich.dc.gov/sites/default/files/dc/sites/ich/page_content/attachments/ICH-StratPlan2.7-Web.pdf
[99] District of Columbia Interagency Council on Homelessness. (2015). *Homeward DC 2015-2020.* Retrieved from https://ich.dc.gov/sites/default/files/dc/sites/ich/page_content/attachments/ICH-StratPlan2.7-Web.pdf
[100] The Community Partnership for the Prevention of Homelessness. (n.d.). About us [web page]. Retrieved from: http://community-partnership.org/about-us

The Way Home

The non-governmental organization The Way Home (no relationship to the Houston organization) has been leading an independent campaign to end chronic homelessness in the city for several years. The campaign is partnered with nearly 100 local and national organizations, from healthcare providers to the private sector.[101] One of their key efforts is advocating for housing and services funding allocations in each year's Fiscal Year budget. This year they are requesting $20.6 million, in addition to the $35 million in the proposed 2020 budget.[102] In addition to more funding for housing and services, they are asking for funding specifically for a homeless street outreach network.[103] The organization's position is situated in the belief that Washington D.C.'s homelessness strategy is *working,* per the 2019 PIT Count numbers, and needs robust continued funding.[104] Their direct action, A People's Budget Action to End Homelessness, convened in front of the DC Council building May 8 to demand increased funding.

Funding and Progress to Date

In April of 2019 the ICH met publicly to discuss the draft Homeward D.C. progress report, which will be submitted to Mayor Bowser as a required precursor to the creation of Homeward D.C. 2.0. According to ICH Executive Director Kristy Greenwalt, the greatest strides have been made in reducing the number of families experiencing homelessness, which has gone down by 38% in two years. Greenwalt also stated the difficulties of contending with changing externalities like rising rents, while implementing the plan.[105]

The mayor's proposed Fiscal Year 2020 budget includes $103 million in housing funding, of which $35 million would be explicitly dedicated to Homeward D.C., with the remainder going to affordable and workforce housing. The $35 million will go toward supporting short-term family shelters, rapid rehousing, and permanent supportive housing. These spending increases are enabled by making the commercial property tax of $1.89 permanent ($25 million) and increasing the deed and recordation tax on commercial properties over $2 million from 1.45% to 2.5% ($78

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[101] The Way Home District of Columbia. (n.d.). Retrieved from
http://thewayhomedc.org/miriamskitchen/?0
[102] Ibid
[103] Rabinowitz, J. (2019, April 12). FY20 budget increases funds to end chronic homelessness, falls far short of need [web page]. The Way Home: Ending chronic homelessness in DC. Retrieved from http://www.thewayhomedc.org/app/document/32967864
[104] Rabinowitz, J. (2019, May 1). Decrease in chronic homelessness shows DC on is on the right track, more funding needed [web page]. The Way Home: Ending chronic homelessness in DC. Retrieved from http://www.thewayhomedc.org/app/document/33156804
[105] Collins, A. (2019, April 17). In progress report, ICH looks at successes and shortcomings of plan to end homelessness. *Street Sense Media*. Retrieved from https://www.streetsensemedia.org/article/in-progress-report-ich-looks-at-successes-and-shortcomings-of-plan-to-end-homelessness/

million).[106] Equity continues to be a major issue in the District, as 97% of families experiencing homelessness are African American, while that group makes up only 40% of the total population.[107]

In June of 2019, Mayor Bowser, the ICH, and the Greater Washington Community Foundation launched the Partnership to End Homelessness.[108] The initiative aims to galvanize private sector investment, and coordinate the public and private sectors around a central strategy to address homelessness and housing insecurity in the city. ICH director Kristy Greenwalt cites the need for a "formal structure for better mobilizing and aligning the contributions of private sector partners" (ICH, 2019). The new partnership will increase philanthropic and private sector capital opportunities to nonprofits, in order to accelerate efforts under the Homeward DC strategic plan.

Multnomah County

Multnomah County has worked with the City of Portland, the City of Gresham, nonprofits and faith, philanthropic, and business communities and developed several mechanisms for addressing housing and homelessness in the area.

Background

Multnomah County, Oregon is home to eight incorporated cities, including the cities of Portland and Gresham, unincorporated land, and is 466 square miles. Multnomah County is the center of the Portland metropolitan statistical area, which includes seven counties and spans two states (Oregon and Washington). Four of the counties are located in Oregon (Multnomah, Clackamas, Washington, and Yamhill Counties). While all seven of the counties' housing and labor markets are inextricably linked together, the regulatory environments are distinct. Policy work and program delivery related to housing and homelessness is further complicated by having two different state legislatures.

Unique in the nation, the regional government, Metro, serves as the MPO for three of the counties on the Oregon side of the border, which includes Multnomah, Clackamas and Washington counties. Here, representatives are directly elected to Metro council, and the representation system reflects traditional local government systems, as opposed to the more complex regional governance structures found across the country. About 811,000 people live in Multnomah County, or 46% of the tri-county regional population.

[106] Telerski, N. (2019, April 17). The mayor's budget proposal contains $103 million in support for affordable housing production and preservation. *Street Sense Media.* Retrieved from https://www.streetsensemedia.org/article/dc-mayor-budget-support-affordable-housing-production-preservation/

[107] Collins, A. (2019, April 17). In progress report, ICH looks at successes and shortcomings of plan to end homelessness. *Street Sense Media*. Retrieved from www.streetsensemedia.org

[108] The Greater Washington Community Foundation. (n.d.). Partnership to end homelessness [web page]. Retrieved from https://www.thecommunityfoundation.org/partnership-to-end-homelessness

Efforts to coordinate a response to homelessness in Multnomah County go back about two decades with the creation of a 10-year plan to end homelessness (adopted in 2004).[109] At that time, Multnomah County worked with the homeless family system, and the City of Portland supported houseless single adults. While the plan faced implementation challenges, this early work on collaboration helped create connections among stakeholders addressing homelessness. In recent years, a flurry of governance agreements and revenue-raising tools have been adopted. According the 2017 Point-in-Time count, almost 4,200 people met the definition to be described as homeless according to HUD, about 0.5% of the population.

Selected Actors Working on Homelessness

Joint Office of Homeless Services (JOHS)
Created in 2016, the JOHS coordinates homelessness services from Multnomah County and the City of Portland. The JOHS also manages the CoC, A Home for Everyone. The JOHS's IGA has a five-year term.

A Home for Everyone (AHFE)
Created in 2013, AHFE is a multijurisdictional governance structure to end homelessness in Multnomah County. The participating government partners include Multnomah County, the cities of Portland and Gresham, and the area housing authority, Home Forward. The entire structure brings together various stakeholders, including government, nonprofit, private sector, and community members who have experienced homelessness, to make plans, policy, and budget recommendations to address homelessness through a collaborative governance process. AHFE serves as the Multnomah County and Portland's CoC.

AHFE consists of several committees, boards, and task forces. The executive committee includes elected officials from the three participating jurisdictions, the local housing authority, philanthropic organizations, the coordinating board co-chairs, and selected civic leaders. The coordinating board includes about 40 stakeholders from social service agencies, government agencies (elected officials and staff), and community members who have experienced homelessness. The coordinating board makes recommendations to the executive committee based on their deliberations and input from other committees. The executive committee then makes decisions about what to recommend that jurisdictions do to address homelessness. Ideally, the elected officials on the executive committee take the recommendations back to their home jurisdictions and advocate for the decisions of the executive committee. The majority of the AHFE work focuses on making budgetary recommendations to the relevant jurisdictions, developing shared standards of care, recommending regional policy to address homelessness,

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[109] Citizens Commission on Homelessness. (2004). Home again: A 10-year plan to end homelessness in Portland and Multnomah County [PDF file]. Retrieved from
http://www.mentalhealthportland.org/wp-content/uploads/2015/10/FULL-ACTION-PLAN.pdf

and acting as the US Department of Housing and Urban Development (HUD) Continuum of Care.

Early in its work, AHFE created *A Home for Everyone: A United Community Plan to End Homelessness* that included five supporting strategic plans for housing, health, employment, veterans, and safety off the streets.[110] This work also includes accessing services, system coordination, and several vulnerable populations such as veterans. Similarly to other locations, AHFE has made significant progress in housing veterans in part thanks to funding focused on this population made available during the Obama administration.

AHFE includes a stated goal to racial equity, and employs a racial equity lens. In 2018, AHFE created a standing equity committee, at the recommendation of its equity task force. A JOHS staff membered started full-time in 2019 to help implement the goals of the equity committee.

As of August 2019, the IGA for AHFE has expired, and AHFE is undertaking a strategic planning process.

> **Racial Equity Lens**
>
> A decision-making tool that helps people consider the disparate impacts and equity-making opportunities for policies, plans, programs, and projects.

Multnomah County
Before the formation of the JOHS, Multnomah County managed the homeless family system, having responsibility for families, youth, and domestic violence services. In addition, the County maintained and maintains many of the mainstream programs that provide care to people who otherwise would be homeless—e.g. Aging Disability and Veterans Services, Mental Health and Addictions Services— and also oversees a range of anti-poverty programs, including school based anti-poverty programs that help stabilize families with children at risk of homelessness. While JOHS is a joint venture between Multnomah County and the City of Portland, the JOHS staff are classified as county employees.

City of Portland
As the largest city in the Portland region, the city is also home to significant influx of new community members, escalating housing prices, new luxury housing, and redevelopment catering to the upper end of the housing market. In 2015, the city declared a housing emergency to expand its powers to address the spiraling housing market. In 2016, trying to address the ever-shrinking amount of affordable housing, city residents approved a seven year $258.4 million bond to provide housing. The City of Portland continues to have primary responsibility for developing affordable housing, and until the creation of the JOHS, managed

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[110] A Home for Everyone. (2013). *A Home for Everyone: A united community plan to end homelessness for Portland/Multnomah County.* Retrieved from http://ahomeforeveryone.net/the-plan.

the adult homelessness system. The city continues to maintain the Homeless Management Information System (HMIS), both for Multnomah County and for CoCs across Oregon state.

Metro
The regional government sponsored a housing bond that passed in 2018 to raise $652.8 million in revenue to build permanently affordable housing. The bond signified Metro's interest in expanding its role in addressing the housing crisis, requiring a revision of its charter.

Home Forward
Home Forward is the housing authority from Multnomah County, but goes beyond the traditional role of a housing authority. HF is an active participant in AHFE, and part of an integrated network of government entities committed to addressing homelessness.

Nongovernmental Actors
A wide range of faith, philanthropic, business, and nonprofit organizations have rallied in support of housing solutions to homelessness in the tri-county area. In the interest of space and to avoid leaving any partners out, we decided to talk about nongovernmental actors in more general terms. These partners are pivotal in many ways including oversight of governance, support for revenue measures, complementing regional efforts, advancing racial equity, and educating and encouraging the public to see housing solutions to homelessness.

Revenue Raising
Revenue in the Portland region has been raised through two funding mechanisms: a Portland housing bond and a regional housing bond. The City of Portland's Housing Bond was passed by voters in November 2016, and allocates $258.4 million to create more affordable housing. The Portland Housing Bureau (PHB) is leading the effort in collaboration with city officials and community partners. The bond aims to create 1,300 affordable homes for 650 households making no more than 60% Area Median Income (AMI), over a five- to-eight-year period. At the time the bond was passed, state law stipulated that only a public entity could own housing built with bond proceeds, and Home Forward stepped into the role. This law changed in November of 2018, when voters passed a constitutional amendment allowing bond funds for affordable housing to be loaned to private entities. All housing under construction up until that time will be owned by Home Forward.

Allocation of funds is shaped by the 22-member Stakeholder Advisory Group (SAG), which was convened in April 2017. Members were mainly representing community partners from the nonprofit sector, with a few public sector participants. The group met nine times over six months to develop the Housing Bond Policy Framework, which will be used to guide decision-making, and to evaluate expenditures in annual reporting. After the framework was in draft form, Portland Housing Bureau conducted five weeks of community outreach to solicit comments,

which numbered nearly 1,000.[111] The Policy Framework established production goals, community values, communities to be served, services, reporting metrics, and guidelines for ongoing community engagement.

Oversight of the bond funds is handled by Portland's Housing Bond Oversight Committee (BOC), as stipulated by City Council when they referred the measure for the ballot.[112] The five-member committee is appointed by the commissioners and mayor, and is responsible for reviewing bond expenditures, and providing annual reports. This includes tracking implementation metrics against the Housing Bureau's Racial Equity Plan, and monitoring utilization of disadvantaged, minority, women, and emerging small business to support community benefits.

In November 2018, voters in the Metro area passed the nation's first regional housing bond, which sets out a goal of creating 3,900 affordable homes in five to seven years, using $652.8 million in funds.[113] About 1,600 of these will be set aside for households earning 30% AMI or less. Overall, the bond aims to house between 7,500 and 12,000 people. Unlike Portland's Housing Bond, the framework was developed in advance of the Metro Council referring it to the ballot. Core values are leading with racial equity; prioritizing people least served by the market; increasing access to public goods and preventing displacement; and creating fiscally sound and transparent investments.[114] This framework was developed through months of engagement with partners and community members.

Between February and June 2019 a separate community engagement process was conducted. This effort focused on local strategies to address housing needs, providing a forum for stakeholder feedback, and identifying opportunities to create affordable housing. Public meetings were held in each of the jurisdictions, and facilitated by either nonprofit community partners or local governments.

The Metro Council voted to appoint thirteen members of the committee that will oversee the region's affordable housing program. They will be tasked with tracking construction of the 3,900 homes planned under the bond measure. Annual independent audits will also be conducted. The members of the committee are a mix of professionals from the private and nonprofit sectors. The committee meets once a month.

[111] Bond Stakeholder Advisory Group for the Portland Housing Bureau. (2017). *Portland's Housing Bond Policy Framework* (pp. 1-71). Retrieved from
https://www.portlandoregon.gov/phb/article/659537
[112] Portland Housing Bureau. (2017). *Portland's Housing Bond Oversight Committee: Charter and protocols.* Retrieved from https://www.portlandoregon.gov/phb/article/692098
[113] Homes for Greater Portland. (2018). *Implementing Metro's affordable housing bond* [PDF file]. Retrieved from https://www.oregonmetro.gov/sites/default/files/2019/02/12/housing-bond-fact-sheet-02122019.pdf
[114] Oregon Metro. (2018). *Affordable homes for greater Portland: Metro Chief Operating Officer recommendation.* Retrieved from: https://www.portlandoregon.gov/phb/article/708741

Progress to Date

Since the creation of AHFE, the following goals have been achieved: (1) expansion of system capacity to prevent and end homelessness using local general funds; (2) doubling the publicly funded shelter system; (3) because of the strength of the governance structure, investing and programming in alignment with AHFE identified values/priorities/practices, including culturally specific and responsive programs; and, (4) integrating disparate data collection, entry, and reporting practices to allow for system-level reporting.

A June 2019 audit of the Portland Housing Bond finds positive early results of the implementation process, with consistent project selection criteria.[115] To-date, 662 homes have been completed or are in-progress. The audit recommends greater attention to veterans, disabled and senior populations, and evaluating the target populations of each project.

The recently released Point-in-Time count found a small, but overall decline in homelessness in Multnomah County, but an increase in unsheltered people experiencing homelessness. African American and Native American men saw significant increases in chronic homelessness. At the same time, A Home for Everyone served over 35,000 people experiencing or at risk for homelessness in fiscal year 2017–2018.

Moving Forward in the Portland Tri-County Area

The purpose of this report is to examine homelessness issues and possible responses for the Portland tri-county area, and its three CoCs (one in each county). Developing just and meaningful regional governance takes time, and requires both political and financial support. However, given the pivotal role housing and labor markets play in homelessness, and that these markets are regional in nature, identifying collaborative opportunities for the tri-county region could be instrumental in addressing homelessness. Further, service provision will likely be more effective if it occurs on a regional scale, mirroring how people and the relevant systems operate.

Multnomah, Washington, and Clackamas counties and cities within their boundaries, along with Metro, should convene a task force or working group to examine the potential benefits of addressing homelessness through regional coordination. Such a group should have a clear deadline for making decisions and recommendations about how the region should move forward. The group should consider which issues and/or programs in particular could be better coordinated regionally related to homelessness. Problem identification will be essential in any coordinating work or long-term governance process. If the solution to homelessness is housing, then homelessness and housing discussions should be integrated while explicitly working to understand how any efforts to serve one part of the population needing affordable housing

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[115] Caballero, M., & Guy, K. (2019). *Portland Housing Bond: Early implementation results mostly encouraging.* Portland City Auditor: Audit Services.
https://www.portlandoregon.gov/auditservices/article/734894

impacts others. ***Solving affordable housing is not the same thing as solving chronic
homelessness***. To address the need for affordable housing, we need to consider housing
across the income spectrum, and weigh trade-offs and interaction effects between interventions.
Solving chronic homelessness would mostly focus on creating permanent supportive housing
through a Housing First model. Both creating more access to affordable housing for all relevant
income groups, and supporting people who are chronically homeless are necessary. Achieving
both would be remarkable, but doing so at the same time can only happen through deliberate
and careful planning.

Metro, and its participating jurisdictions, started this work at the regional level with its affordable
housing bond. However, this bond only covers capital costs and only for about 12,000 of the
people in need across the region. A significant resource gap still exists in serving everyone
experiencing homelessness and housing insecurity in the region.

A logical next step to the Metro housing capital bond, would be to raise revenue across the
region to pay for services to match the capital bond. Section 3 of this report provides details on
various ways that revenue could be raised in addition to Metro. Regardless of how revenue is
raised and which government entity raises it, it is essential to have a transparent process that
determines how the revenue will be spent including a public-facing body to oversee it that is
based on a racial equity lens framework. Long-term planning work, and shorter-term work such
as exploring other revenue measures could occur in tandem. For instance, the region moves
forward on existing efforts such as the Regional Supportive Housing Impact Fund, which is
dedicated to raising funding for permanent supportive housing. At the same time, a government-
driven process could begin to identify next steps in the region.

Government-led discussions must occur transparently and include those who are most
marginalized in the region and have experienced homelessness or housing insecurity. These
discussions should build on existing coordinating discussions about homelessness such as A
Home for Everyone, other county CoCs, and groups like the Regional Housing Impact Fund,[116]
but continue to allow these groups to work independently. For example, Los Angeles County
represents a complex and intensive set of coordinated efforts to address homelessness. The
efforts of different public and private actors in LA County created an overlapping set of activities
largely focused on the belief that providing stable housing is the best path to addressing
homelessness. Their present-day efforts build on over a decade of work to coordinate
responses to addressing homelessness. In the tri-county area, encouraging the work of civic
society groups, non-profit organizations, and advocacy movements, are, thus, also necessary to
address and prevent homelessness across the region. Solutions to affordable housing and

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[116] CSH. (2019). *Tri County equitable housing strategy to expand supportive housing for people
experiencing chronic homelessness* [PDF file]. Retrieved from https://d155kunxf1aozz.cloudfront.net/wp-
content/uploads/2019/03/Metro_SupportiveHousing_Report_WithAppendices_March_Final.pdf

homelessness may not rely on one large multi-stakeholder table, but rather rest on several small to medium-sized tables.

II. COSTS OF ADDRESSING HOMELESSNESS

Background

In this section of the report, we estimate the number of people experiencing homelessness as well as those who need support to prevent homelessness. We then provide a set of cost estimates that include housing those experiencing homelessness, assisting those at risk of homelessness, and providing appropriate services to both groups.

Key Takeaways

- Communities of color (namely Black, Latino, and Native American communities) are disproportionately represented in the homelessness counts and/or renter cost-burdened rate.[117] One reason is income disparity. For example, the median income for Black households in the Portland area is half the overall median income.[118] While calculating additional costs to support people of color was not feasible in the time frame for this study, we want to note that ensuring that supporting these communities may require are living doubled up in other peoples' residences. Integrating these counts produce a more realistic estimate of people experiencing homelessness in the region.

- The numbers for doubled-up populations only include families with children due to limited methodological tools to estimate adults who do not have children living with them. The number of doubled-up individuals is likely higher.

- About 15% of those experiencing homelessness likely need permanent supportive housing.

- We examine three scenarios for providing housing and necessary supports for people experiencing homelessness. Costs over ten years range from $2.6 billion to $4.1 billion in net present value to cover housing and services depending on the scenario. Each scenario includes a high cost and low-cost estimate. These estimates are not reduced to account for either housing revenue measure being administered by Metro (Measure 26-199) or the

[117] We do not report on Asian & Pacific Islander (API) communities here because they are often not experiencing disparate rates of homelessness. However, the data for the API community is especially problematic. First, the number of APIs in the data set is small, leading to high margins of error. Second, because of the small numbers, we cannot meaningfully disaggregate data to examine rates for API subgroups. However, we know that there are marked differences between API populations in relation to socio-demographic and economic factors, where some populations are likely to experience disparate rates of homelessness.

[118] The reason for this income disparity, is of course, the legacy and continuation of structural, institutional, and interpersonal racism.

City of Portland (Measures 26-179). The Metro bond is specifically dedicated to construction, acquisition, and rehabilitation; not services.[119]

● Services[120] alone account for about $825 million–$910 million of the cost for resolving homelessness over the ten-year analysis period.

● Overall, the region does not have enough affordable housing for households making 0–80% Median Family Income (FMI). Many in this group are cost-burdened, which means they pay more than 30% of their income toward rent. There is an unmet need for affordably-priced units of all sizes. Units are available at higher price ranges (from 30% up to 80% of MFI) in most cases; notable shortages are present in studios and one-bedroom apartments, as well as three or more bedroom units. This means that construction of new units will be necessary to meet those housing needs even with rent assistance. However, if households are permitted to rent larger units than their households might normally be eligible for, the shortage for studios and one-bedrooms disappears.

● Further research is needed to determine whether the spatial distribution and quality of available units is sufficient. Assessing unit quality was beyond the scope of this work; however, we are aware that some of the units counting toward housing inventory may have serious issues. Likewise, previous research demonstrates that low-income households are being displaced to the outer edges of the region. We address this to the best of our ability by using a range of rents that reflect regional variation.

● Supporting low-income (below 80% MFI), cost-burdened households for 10 years would cost between $10.7 billion and $21 billion (net present value) for all cost-burdened households (paying more than 30% of their income toward rent). Supporting just the low-income, severely cost-burdened households (those who pay more than 50% of their income toward rent) would cost between $8.7 billion and $16.6 billion.

● Due to the two-pronged nature of this analysis, the rent subsidy value should not be summed with the costs necessary to support individuals experiencing homelessness; see below.

In our analysis we consider three main groups: those experiencing homelessness who would not require permanent supportive housing (PSH), those who would require PSH, and households at risk of experiencing homelessness due to low incomes and paying 30% or more

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[119] City of Portland Auditor Mary Hull Caballero. (2016). Affordable Housing Bond Measure - 26-179 [web page]. Retrieved from: https://www.portlandoregon.gov/auditor/article/581552; See also: Metro. (2018). *Notice of measure election* [PDF file]. Retrieved from https://multco.us/file/74022/download.
[120] Services include those for PSH and non-PSH households, but do not include rent assistance or building operating costs.

of their income toward rent. These groups, and the resources and associated costs are summarized in Tables 2.1 and 2.2 below. It is important to note that the per-household costs might seem low, but this is because the value is an average of two groups with very different needs: those who need PSH and those who do not. Households in PSH are assumed to have housing constructed and services over the entire period, while those without receive only two years of rent assistance and services in existing housing.[121] We know that many homeless households will continue to need some type of assistance beyond two years; however, we were unable to identify a reasonable set of assumptions to calculate the amount of longer-term support necessary. Instead, we include how much it would cost overall for all households to continue to receive the same amount of support for two additional periods.

> **Permanent Supportive Housing**
>
> HUD defines permanent supportive housing as permanent housing with indefinite leasing or rental assistance paired with supportive services to assist homeless persons with a disability, or families with an adult or child with a disability, to achieve housing stability.

Table 2.1: Summary of Results for Homeless: Housing and Services[122]

Group	Population[123]	Resources	Costs
Total population experiencing homelessness (combined PSH[124] and Non-PSH)	38,263 individuals (or 24,260 households)	Housing construction and acquisition (one-time cost)	$190,000–$218,000 (0–1 bedroom unit) $190,000–$338,000 (2–4 bedroom unit)
		Rent assistance (per year)	$11,352–$18,960 (0–1 bedroom) $14,904–$41,000 (2–4 bedroom)
		Rent assistance administration (annual)	$800 per household
		System support and employment services (annual)	$450 per household
		Administrative costs (annual)	2.4%

[121] For example, in 2024, expenses per household for those in PSH are $174,613, and $41,633 for those not in PSH. The values are similar for 2025, and thereafter the expenses for non-PSH households fall to zero (as our cost modelling provides for two years of rent assistance and services), and with construction complete, PSH costs per household fall considerably as well (reaching just over $26,000 in 2033, or a total of $128.7M).

[122] For consistency, all data come from 2017.

[123] Where possible, we provide individual and household estimates. Some data are collected on an individual basis, other on the household basis. We use household size estimates from the American Community Survey 2017 5-Year Estimates to convert individuals to households as needed.

[124] Permanent Supportive Housing: Approximately 15% of the homeless population is assumed to require permanent supportive housing services, and costs for this group are calculated separately from the costs associated with the 85% that does not require these more intensive services.

With Permanent Supportive Housing Need	5,661 individuals (or 4,936 households)	PSH services (annual)	$8,800–$10,000 per household
Without PSH Need	32,602 individuals (or 19,324 households)	Services (annual)	$5,700 per household
Total			$2.6 billion– $4.1 billion, or an average of $107,000– $169,000 per household (Net present value for ten years)

Table 2.2: Summary of Results for Universal Rent Assistance (Homelessness Prevention)

Group	Population	Resources	Costs
Cost burdened (spend >30% of income on rent, earn <80% AMI$_{125}$)	107,039 households (*includes severely cost burdened, below*)	Universal housing rent assistance	$10.7 billion - $21 billion (NPV$_{126}$, 2024-2033)
Severely cost burdened (spend >50% of income on rent, earn <80% AMII)	82,576 households	Universal housing rent assistance	$8.7 billion - $16.6 billion (NPV, 2024-2033)

Limitations

There are several things to keep in mind while reading this section. First, existing rigorous research for some of these topics is limited. Second, data sets about homelessness have limitations, and in some cases we have no data.

Third, these analyses are not iterative or interactive. We assume that rent assistance is successful at limiting people becoming homeless, and that the resources provided are enough, and effective at moving people into housing. In other words, no one else becomes homeless, and everyone exits homelessness. Our goal was to produce a general framing series of estimates to help people understand the scope of the issue. A more complicated analysis would be required to consider realistic timing of bringing new affordable units on line and scaling up services and rent voucher programs, and how these programs would reduce costs of the emergency shelter system. Such analyses would also examine how creating access to more

[125] Area Median Income: average household income adjusted for family size, as used by US HUD to determine aid thresholds.
[126] Net Present Value: This report often presents program costs in net present value, which estimates the present value of an investment by accounting for the discount rate (10%) and therefore the time value of money; as well as inflation when appropriate. This method most clearly allows sums to be considered comparatively, at the present time. (Note that nominal cash, or cash in the year in which it is used, is often presented as well.)

housing would affect the housing market overall. These analyses were beyond the scope of this work.

Fourth, based on current practices there are limited methods for assessing how addressing racial equity may increase costs. We draw attention to the significant inequities several communities of color experience. Further research will help demonstrate if that type of work translates into significant additional costs.

Lastly, the costs presented in the table above and throughout *__may not be aggregated to arrive at a single number__*. For example, households not requiring permanent supportive housing are assumed to receive two years of rent assistance and services and then exit the system and the cost scenario. However, they might end up requiring the type of housing voucher discussed for the at-risk group, which would increase that estimate, as only housed individuals are considered in that group at this time. Another example: previous work by local consultant ECONorthwest found that housing unaffordability is a major driver of homelessness.[127] If vouchers were used to make such housing affordable, then the number of homeless individuals would be much lower. Presumably the non-PSH group would likely move from homeless to the at-risk-category receiving rent assistance, requiring fewer interventions. These estimates are meant to be considered separately, not added together, because of the complex interactions that would result if these policies were deployed simultaneously: the entire landscape from which the data used in this report was drawn would shift in ways that fall beyond the scope of this assessment.

Homelessness and other Key Terms

Different organizations and institutions use varying definitions of homelessness, adding an additional level of complexity to already complicated datasets. As discussed in the introduction, the federal government lacks a unified definition of homelessness. The HUD definition of homelessness focuses on people living unsheltered or sleeping in a place not designed for sleep, living in shelter designed to serve people without permanent housing, people who will lose their housing, and some additional types of unaccompanied youth and families. HUD has also changed their definitions of homelessness as well as specific subtypes of homelessness over the years.[128]

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[127] ECONorthwest. (2018). *Homelessness in the Portland region: A review of trends, causes, and the outlook ahead* [PDF file]. Retrieved from
https://m.oregoncf.org/Templates/media/files/publications/homelessness_in_portland_report.pdf

[128] Signed into law in 2009, the HEARTH Act reauthorized the McKinney-Vento as and included substantive changes to the homelessness definition (among other things).
In 2012, a final rule offered additional substantive definitional changes for what constituted homelessness. The definition for chronic homelessness was changed yet again in 2015. For a discussion about the differences in definitions, and the supporting federal statutes, see: U.S. Department of Housing and Urban Development [HUD]. (n.d.). *Homeless Emergency Assistance and Rapid Transition to Housing Act.* Retrieved from https://www.hudexchange.info/homelessness-assistance/hearth-act/.

For the purposes of this report, the major way in which homelessness definitions vary is whether or not an organization defines homelessness as including people living doubled up with family or friends due to loss of housing or economic hardship. In this report, we define homelessness to include people living doubled up. Including doubled up populations is particularly important for racial equity as communities of color often experience homelessness in this way. As explained in the introduction of this report, all the categories come with specific conditions, and sub-categories with additional criteria.

Additional terms that have multiple meanings include permanent supportive housing, support services, and supportive affordable housing. Traditionally, permanent supportive housing referred to providing housing and supportive services for those experiencing chronic homelessness and people with severe mental illnesses experiencing homelessness (this includes addiction services). The most commonly known model that has demonstrated effectiveness at moving and keeping people without stable housing into housing is known as Housing First.

As the word "permanent" implies, this model assumes that some people may need access to support services for their lifetime. Ideally as people become more stable in housing, the degree and intensity of supportive services will decrease, and for some will disappear altogether. Keep in mind that some people develop addictions and mental illness while living as homeless. In this instance, the model indicates that intense services at the beginning and no-barrier housing could result in a person managing/in remission/etc. from their addiction.

In Portland, local government, practitioners, and advocates have argued for expanding PSH and the concept of support services more broadly. First, permanent supportive housing models are based on research with individuals experiencing homelessness. Portland is applying this concept to families who also need permanent supportive services. Second, support services means services that people may not need permanently (such as medical care for chronic illness), but do need shorter terms services to support moving forward. Examples include job training, etc.

In this report, we follow Portland's lead in using PSH to include individuals and families in need of PSH and to ensure inclusion of support services for all people experiencing homelessness.

Understanding Homelessness in the Portland Tri-County Region

There have been a number of reports assessing homelessness in the region in recent years. We summarize the most salient ones that pertain to the cost estimates of the study.

Point-In-Time (PIT) Reports
In order to receive federal funding, local areas termed Continuums of Care (CoCs) must conduct "Point-in-Time" Counts (PIT) of all homeless individuals and families in their jurisdictions at least every two years. These counts must take place during the last 10 calendar days of January. The count occurs over a single night. The required PIT Count requires a census-style count of people living unsheltered, in emergency shelter, or in transitional shelter.

Some jurisdictions also report a doubled-up count that come from a range of sources, and in the case of Multnomah County are provided by school homelessness liaisons. The doubled-up data provided by schools for PIT Counts are not the same data required for annual homelessness reporting for the schools. The doubled-up counts, meaning individuals living with friends or family for economic reasons (e.g. someone living on a friend's couch) are usually based on annual surveys of schools. This is separate from the annual school data reported (which is what we used for our analysis). The PIT Count Figure 2.1 combines results from the most recent PIT Count reports for Multnomah, Washington, and Clackamas Counties. Remember changes in definitions make data not perfectly comparable.

Figure 2.1: Timeline of PIT Counts Estimate in Clackamas, Multnomah, and Washington Counties by Housing Situation

	2009 C	2009 W	2009 M	2011 C	2011 W	2011 M	2013 C	2013 W	2013 M	2015 C	2015 W	2015 M	2017 C	2017 W	2017 M
Doubled up	N/A	N/A	12,190	N/A	N/A*	10,908	N/A	721	11,476	N/A	185	12,453	1,295	N/A	9,522
Sheltered	N/A	150	2,554	N/A	200	2,937	N/A	200	2,546	N/A	196	1,914	192	175	2,509
Unsheltered	N/A	1,058	1,591	N/A	1,156	1,718	478	232	1,895	484	395	1,887	746	369	1,668
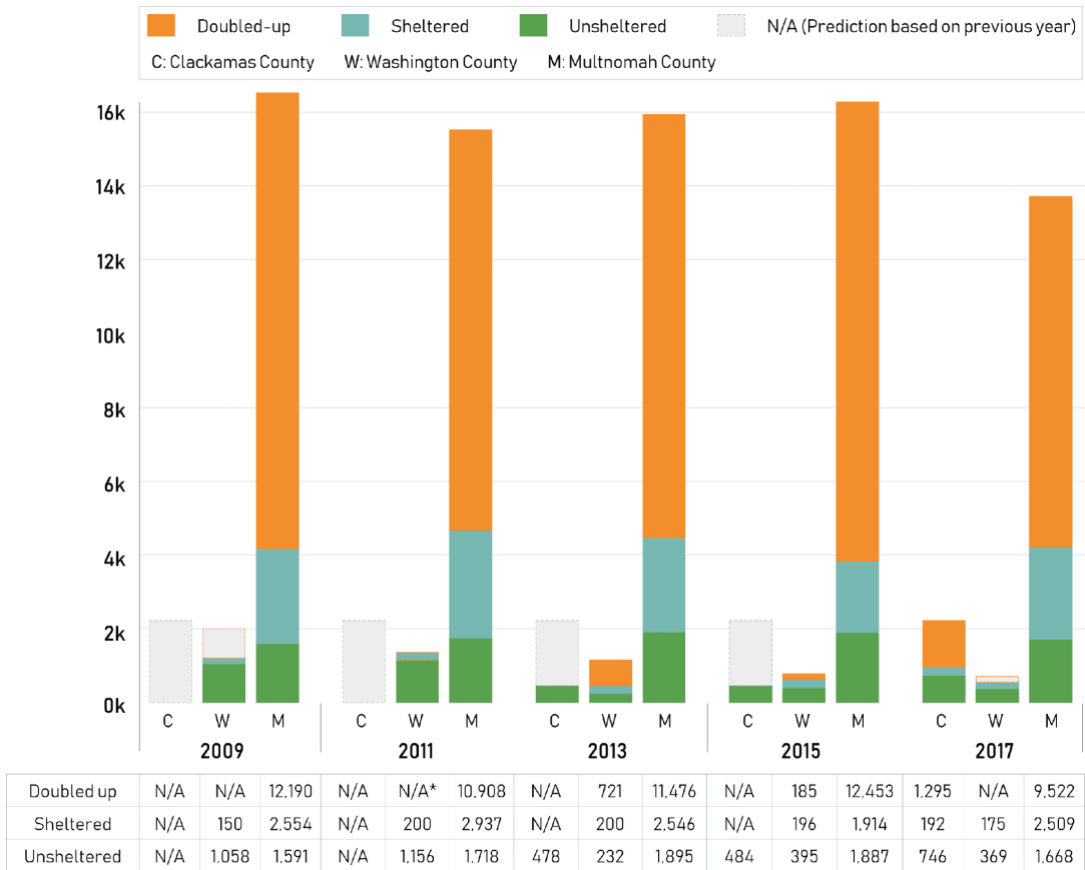
Figure 2.2 shows the number of chronically homeless individuals[129] in each county by year. Changes in methodology mean that these numbers are not always directly comparable from year to year. Note that methodologies for conducting the PIT Count may differ between counties as well.

Figure 2.2: Chronically Homeless Counts and Definitions by Year and County

	2009			2011			2013			2015			2017	
	C	W	M	C	W	M	C	W	M	C	W	M	C	W	M
N/A	182	N/A	N/A	189	786	191	173	1,150	205	128	1,033	294	150	1,290
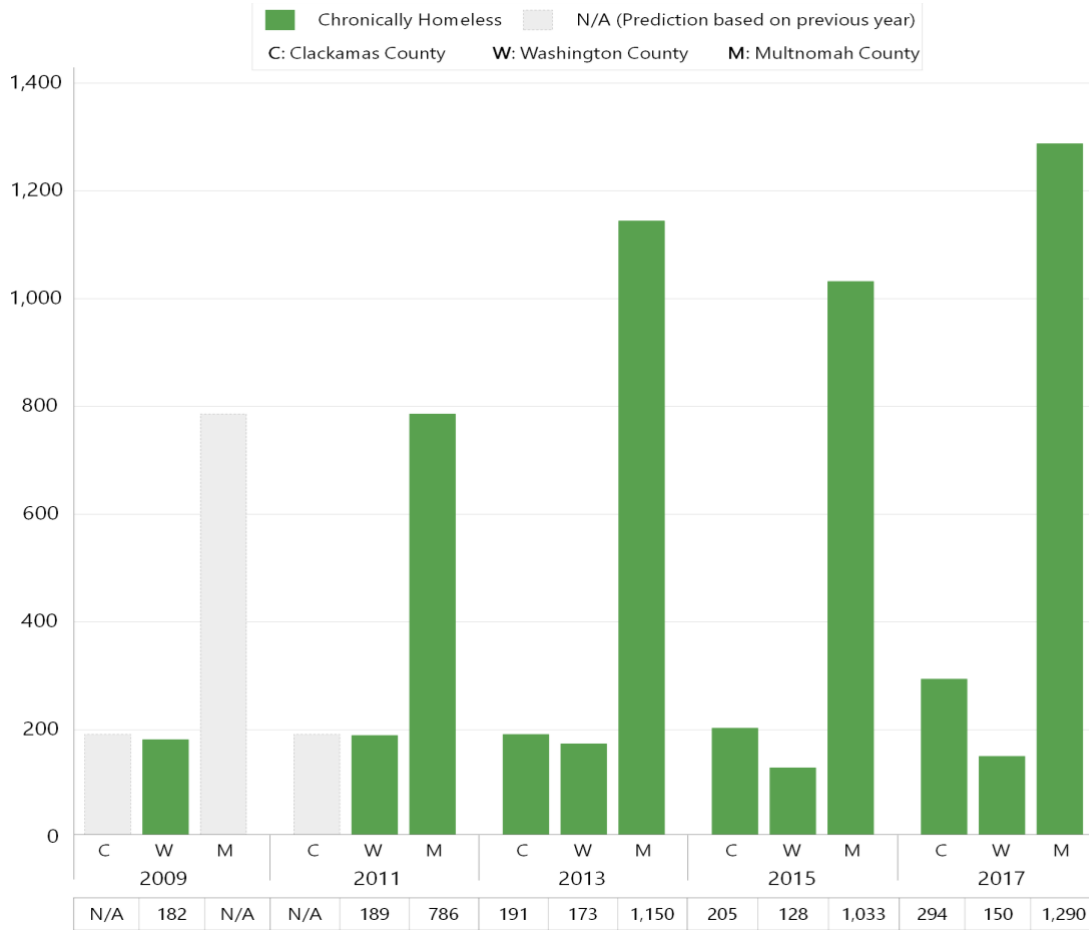
[129] A chronically homeless individual is one who has experienced homelessness for at least one year, or who has experienced four episodes of homelessness over the previous three years totaling one year, and who has a disabling condition (Department of Housing and Urban Development, 2018 Annual Homeless Assessment Report to Congress).

Reports from the Oregon Department of Education
As required by federal statute, Oregon public school districts employ student liaisons who identify and provide direct support to students experiencing homelessness, and their families. Records kept by school districts on homeless students are a valuable resource, above and beyond the PIT Count, to track child homelessness, especially as they use a different methodology (and therefore can capture students who may not be counted in the census-style PIT); and are done namely through individual identification by teachers and liaisons. Figure 2.3 shows the number of homeless students by housing situation and county in the 2017-2018 academic year.[130]

Figure 2.3: School District Homeless Students by County and Housing Situation, 2017-2018 Academic Year
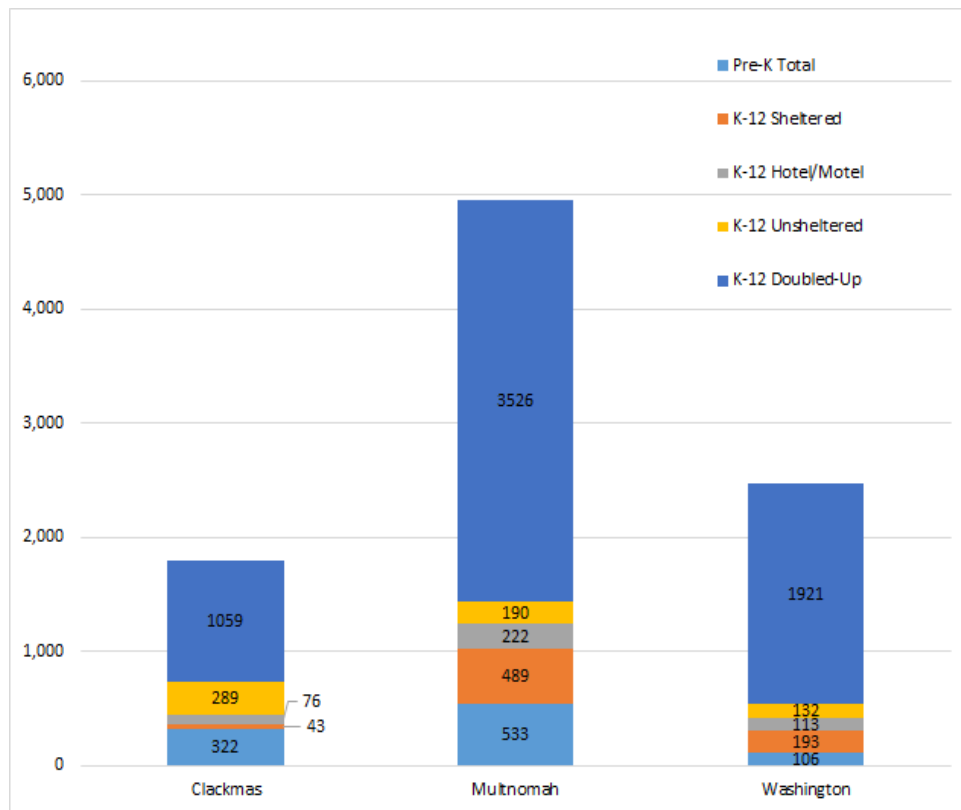
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[130] Oregon Department of Education. (2018). McKinney-Vento Act: Homeless Education Program [web page]. Retrieved from: https://www.oregon.gov/ode/schools-and-districts/grants/ESEA/McKinney-Vento/Pages/default.aspx

Reports from the Corporation for Supportive Housing (CSH)
Over the last two years, CSH has produced two reports assessing Portland's supportive affordable housing. The first, released in September of 2018, is titled *Scaling Smart Resources, Doing What Works: A System-Level Path to Producing 2,000 Units of Supportive Housing in Portland and Multnomah County*, and used an approach combining stakeholder input, data analysis, and a review of best practices to produce a plan that can close the supportive housing gap in Portland. Costs total $592 million to $640 million over the first ten years, with annual investments of $43 million to $47 million thereafter for building operations and service costs.

The second CSH report, titled *Tri-County Equitable Housing Strategy to Expand Supportive Housing for People Experiencing Chronic Homelessness* and released in February 2019, expands the analysis to include the entire Metro area, while focusing on chronically homeless individuals. Additionally, the report models costs for supportive housing, in order to show the savings feasible under the required investment: a chronically homeless individual imposes an average annual cost, via use of public systems, that is nearly double the cost of providing supportive housing services. Units are distributed between counties according to need, and total costs over a ten-year period are $923 million to $998 million.

Addressing Housing Needs for Population Experiencing Homelessness

In this section, we estimate ranges of costs to provide housing and supportive services (temporary and permanent) to the population experiencing homelessness in the tri-county region (Clackamas, Multnomah, and Washington Counties). We start with the various counts of the total population without housing (including sheltered, unsheltered and doubled-up individuals) to create a reasonable estimate of people experiencing homelessness in 2017. We then estimate the number of people who will need permanent supportive housing (PSH) and the number of people who do not need PSH. Based on assumptions of families and household sizes, these numbers are then converted into numbers of households (family and individual households). Costs of housing provision (including capital and ongoing operating costs), service provision and administrative costs are estimated on a per household basis. Finally, we calculate a range of costs to provide housing to the homeless population based on several scenarios with different assumptions.

Assessing the true size of the homeless population is a tremendous challenge due to limited data. It is difficult to determine the population of a group that is not consistently engaged with public systems, is constantly in flux as individuals enter and exit homelessness, and lacks stable residential addresses (some non-profits will receive mail for their clients). Snapshot counts, such as the widely-used PIT Count cited below, miss individuals living doubled up as well while other methods require that households and individuals access services in order to be counted—services that are constrained by budgetary and staffing levels to assist only a certain number, and are rife with institutional and implicit biases. Stakeholders and entities engaged in working with

the homeless and financially disadvantaged population express that they are not able to assist every family and individual who requires their services. Further not all nonprofits providing services participate in government system data tracking. Based on in-person interviews, we know that at least some individuals will not show up in the government reports, and we have no way to account for their services. In short, counts derived from service provision can be assumed to be low as well.

At the same time, there is no central database shared among the data collectors, so it is possible for households and individuals to be counted multiple times. Lacking a cohesive central database across the region and consistent long-term definitions and reporting methods, this challenge is likely to continue.

With these things in mind, note that all counts presented in the below sections must be considered educated guesses. It is possible to state precise individual numbers from the datasets we used, (i.e., "The 2017 PIT records 1,668 unsheltered individuals in Multnomah County") but it is not possible to state the exact number of households (a category not often used in counts) and overall individuals experiencing homelessness in the Portland tri-county area. This report takes the most straightforward approaches possible to estimate an overall count, rather than adding assumptions to assumptions in an attempt to zero in on a degree of precision that is not realistically achievable regardless of the amount of data points or statistical technique.

When estimating the costs we have tried to be as consistent with other reports as possible. Unfortunately with several of the reports, precise methodologies were not possible to locate. Further, where we were able to identify assumptions, we found that some of those assumptions are also best educated guesses based upon available data and stakeholder input. If we found new research, or new thinking by some of those same stakeholders, we changed assumptions. This still means that our calculations are also not precise in a way you might see in other types of studies, and are best used as an educated and informed estimate. Our work here is to help people in the Portland region understand the magnitude and scope of the affordable housing and homelessness challenges we face.

Our most important deviation from other reports about homelessness is a definition of homelessness that includes doubled-up populations. This definition is consistent with other federal agencies such as the Department of Education, and with A Home for Everyone, the inter-jurisdictional initiative to address homelessness within Multnomah County.

Population Experiencing Homelessness in 2017

In order to estimate the costs of providing housing to the population experiencing homelessness, we estimate the size of that population in the tri-county region. This estimate utilizes several data sources discussed in the previous section of this report, including the biennial Point-in-Time (PIT) counts, annual homelessness assessment reports (AHAR) along with related reports provided by each Continuum of Care (CoC) to HUD, and annual Oregon Department of Education counts of homeless children and youth. Table 2.3 below summarizes

the various homeless population counts from these data sources in calendar year 2017 or fiscal year 2017.

Table 2.3: Homeless Population Data Summary, 2017

	2017 Point-in-Time (PIT)			2017 PIT	FY 2017 Annual Homelessness Assessment Report[1]	2016-2017 Oregon Dept of Education Homeless Children & Youth[2]
	Unsheltered	Sheltered	Doubled Up	Chronically Homeless		
Clackamas	746	192	1295[3]	294	723	1789
Multnomah	1668	2509	9522[4]	1290	11648	4960
Washington	369	175	5778[5]	150	764	2465

[1] Annual Homelessness Assessment Reports (AHAR) are reports to HUD and include unduplicated individuals served in emergency shelters (ES) or transitional housing (TH) between 10/1/2016-09/30/2017.
[2] Oregon Dept of Education counts includes both Pre-K and K-12 homeless populations. Within the K-12 homeless population, the number is further broken down into sheltered, doubled up, hotel/motel and unsheltered counts.
[3] Clackamas County doubled up population includes 385 people counted as living in doubled up or unstable housing, and 910 children in the same situation (counted by Homeless School Liaisons).
[4] Multnomah County doubled up population (reported in the 2017 Multnomah County PIT Report) is based on the Dept of Education doubled up population and household size assumptions (by school district).
[5] The Washington County doubled up population was not reported in its 2017 PIT report. We estimate this number by using the Dept of Education Pre-K homeless, K-12 doubled up and K-12 hotel/motel (equal to 2,140), and assuming an average household size of 2.7 (2017 ACS 5-year averages for Washington County).

We used these data sources to help calculate the total homeless population for the purpose of estimating the range of costs to provide housing for the entire population, including all unsheltered homeless, sheltered homeless (in emergency shelters or transitional housing), and all doubled-up individuals. The AHAR counts of individuals served in emergency shelters (ES) and transitional housing (TH) and the doubled-up population estimates are annualized estimates (accounting for all individuals who might have experienced homelessness during the year), while the PIT Counts are snapshot estimates. Two main adjustments are applied to the data as follows:

- An annual extrapolation factor of 1.9[131] was applied to convert the snapshot unsheltered homeless PIT Counts into an annualized unsheltered estimate. This is a low extrapolation factor, selected because of its use by the Multnomah County Joint Office of Homeless Services. A 2001 attempt arrived at extrapolation factors ranging from 2.5 up to as high as 10.2, meaning that our numbers may be low (although it is important to note that the level of services available is an important determinant; in areas with more awareness and services a lower number is more appropriate).[132]

[131] This factor was used in JOHS's calculations to annualize street PIT Counts, and is the factor used in the Rapid Results Institute program.
[132] Metraux, S., Culhane, D., Raphael, S., White, M., Pearson, C., Hirsch, E. & Cleghorn, J. S. (2016). Assessing homeless population size through the use of emergency and transitional shelter services in 1998: Results from the analysis of administrative data from nine US jurisdictions. *Public Health Reports.*

● Clackamas County and Multnomah County utilized different estimation methodologies to calculate the total doubled-up population reported in their PIT reports. To be consistent across the tri-county region, we use the Department of Education Pre-K homeless, K-12 doubled-up and K-12 hotel/motel counts (last column of Table 3.1 above) for each county, multiplied with the county average household size (2017 ACS 5-year averages) to estimate the doubled-up population for the purposes of our cost estimates.[133]

Because our doubled-up data is derived from schools, it does not include doubled-up individuals who are adults, aside from those with children. Adults who are temporarily cohabiting with friends and family due to financial hardship are not represented in our data at all, and it is known that the size of this population is fairly significant: the 2011 American Housing Survey found 25 million individuals living with relatives who were not their spouses or children, 11.5 million living with nonrelatives, and 3.6 million households with more than one family in them (541,000 of which were not related) nationwide.[134] We assume not all of these are voluntary arrangements, and the AHS may not be including adults who are not able to live on their own but whose friends and families decide not to turn them out. The best data available at the time of writing was that from schools, and it seems likely that families with children are more likely to cohabit out of necessity rather than choice, so we use the referenced schools' data, but offer it with the caveat that it by definition represents a subsection of the actual doubled-up population.

These homeless population estimates are summarized in Table 2.4, totaling 38,263 homeless individuals in the tri-county region.

Table 2.4: Homeless Population Estimates, 2017

	FY2017 AHAR Count (ES & TH)	2017 Unsheltered PIT x Annual Extrapolation Factor	FY2017 Doubled-Up Estimate	Total Estimated Homeless Population
Clackamas	723	1,417	3,788	5,928
Multnomah	11,648	3,169	10,274	25,091
Washington	764	701	5,778	7,243
Total	**13,135**	**5,287**	**19,840**	**38,263**

[133] People can sometimes inexpensive lodging at low cost motels. Motels usually do not include access to a kitchen, and are not considered permanent housing.
[134] U.S. Department of Housing and Urban Development [HUD]. (2011). American housing survey reveals rise in up households during recession. *PD&R Edge.* Retrieved from: https://www.huduser.gov/portal/pdredge/pdr_edge_research_012714.html

Homeless Individuals with Permanent Supportive Housing (PSH) Need

We further break down the estimate of the total population experiencing homelessness into two categories—those who need permanent supportive housing (PSH), and those who do not need PSH. The Corporation for Supportive Housing (CSH)'s 2018[135] report to the Multnomah County Board of Commissioners and Portland City Council estimates that 90% of individuals experiencing chronic homelessness and 10% of all households experiencing homelessness will need permanent supportive housing (pg. 11).

Following consultation with local experts, we received conflicting advice about whether these estimates for PSH could be applied to the doubled-up population. Some stated that this rate would be lower for doubled-up populations based on a belief that many people who require PSH do not cohabit successfully. However, others countered that because we actually know so little about the doubled-up population we have no idea how many people may be able to survive doubled-up and have families and friends taking risks to house them.

We reviewed the available academic literature, of which there was little, consulted with a research psychologist, and examined national rates of disabilities that qualify for PSH (including mental illness, drug or alcohol use disorders, or physical and cognitive disabilities).[136, 137] We found no estimates about PSH rates for doubled-up populations, and decided that we would apply the ratios CSH identified for HUD defined homelessness to our broader definition that includes doubled-up populations.[138]

In the interest of simplicity we follow a similar methodology and estimate that the homeless population with PSH need is the sum of:

      (i)   Current homeless population with PSH need:
              90% of chronically homeless population (2017 PIT Counts) = 1,561

[135] CSH. (2018). *Scaling smart resources, doing what works: A system-level path to producing 2,000 units of supportive housing in Portland and Multnomah County* [PDF file]. Retrieved from: http://ahomeforeveryone.net/s/CSH-Supportive-Housing-Report_Sept7_FINAL.pdf

[136] National Institute of Mental Health. (2019). Mental illness. Retrieved from https://www.nimh.nih.gov/health/statistics/mental-illness.shtml

[137] Estimates for people who have disabilities that qualify for PSH are difficult to find as eligibility requires both a medical diagnosis and that people demonstrate that the "disability must also be of long and continuing duration, substantially impede the program participant's ability to live independently, and be improved by the provision of more suitable housing conditions." NIMH estimates that 4.5% of the adult population has a serious mental illness (https://www.nimh.nih.gov/health/statistics/mental-illness.shtml). Estimates of drug or alcohol use disorders vary. One study, funded by NIH, found that 10% of adults had a drug disorder in their lifetime, and 30% had an alcohol disorder (https://www.nih.gov/news-events/news-releases/10-percent-us-adults-have-drug-use-disorder-some-point-their-lives). National estimates for physical, intellectual, and emotional disabilities were not easily accessible, and where they were located, it was not possible to tell which might prevent independent living.

[138] We would like to note that CSH does not agree with this decision "because they do not have data nor have they done the analysis to support it" (personal note 8/5/2019).

10% of total estimated homeless population (Table 2.4) = 3,653[139]

To estimate the population of those who returned to homelessness after being in permanent supportive housing, we examine retention rates for this population. The rate of return to homelessness after exiting from permanent supportive housing within two years is reported at 3% in Clackamas County, 26% in Multnomah County and 9% in Washington County (HUD SPM 2017 reports). A Home for Everyone's (AHFE) FY2017 report cites 26% who are not confirmed still in housing after 12 months of their permanent housing placement. Because these retention numbers may include both those served in PSH and RRH (rapid re-housing) and are highly dependent on the ability to establish contact with this population after a certain period of time, we further obtain annual performance reports (APRs) from the three counties to estimate more accurate retention rates. We find a weighted average retention rate[140] of approximately 92.15%, which means that 7.85% of those previously served in PSH return back to homelessness.

(ii)   PSH inflow from reentry (estimated population of those who were previously served in PSH, but returned to homelessness) = 5,691 x 7.85% = 447

The estimated population lacking housing who need PSH in the tri-county region is equal to 5,661 individuals, about 15% of the total population experiencing homelessness.

Households Experiencing Homelessness

In order to estimate the costs of providing housing to the population experiencing homelessness, we estimate the number of homeless households, or amount of housing units needed, from the total homeless population estimate. We separately estimate the number of households for the homeless population with PSH need and the homeless population without PSH need.

Homeless Households with PSH Need

While FY2017 AHAR reports indicate that 38.7% of the chronically homeless population (which comprises a large component of the homeless population with PSH need) served in PSH were in families, the 2017 Multnomah County PIT Count showed that 3.9% of those chronically homeless are in families. This differential suggests that more PSH-related services are targeted toward families than individuals, meaning that the AHAR percentage may be biased to be higher than the actual number of families within this population. At the same time, expert consultation

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[139] Ninety percent of the chronically homeless population (1,734) is equal to 1,561. Ten percent of the remaining homeless population is determined using the total number of homeless (38,263) less the chronically homeless (1,734), a tenth of which is 3,653 (rounded).

[140] We utilized three alternative measures to calculate the retention rate using the APR data from each county (all of the following are calculated as a percentage of the total number of people served in PSH): (1) those who stayed in PSH; (2) those who stayed in PSH or exited to a permanent destination; (3) those who did not exist to a temporary or unknown destination. The weighted average retention rate is weighted by number of individuals served in PSH in each county.

indicates that the PIT undercounts families. We concluded that it is reasonable to split the difference, and use 21.35% to estimate the number of family households with PSH need:

- (i) Family households with PSH need = 5,661 x 21.35% / 2.5 = 483 family households
- (ii) (Note: We assume an average household size of 2.5 persons in the tri-county region using the 2017 ACS 5-year estimates.)
- (iii) Individual households with PSH need = 5,661 x 78.65% = 4,452 individual households (Note: an "individual household" is a household consisting of a single individual who resides alone.)

The estimated homeless households with PSH need in the tri-county region is equal to 483 family households and 4,452 individual households, totaling 4,936 households with PSH need.

Table 2.5: Number of People Served in PSH by Families/Non-families (Source: FY 2017 AHAR)

	FY 2017 AHAR Numbers Served in PSH		
	People in families[141]	People not in families	Family Percentage
Clackamas	163	178	47.8%
Multnomah	1888	2958	39.0%
Washington	154	350	30.6%

Homeless Households without PSH Need

The 2017 PIT reports from the three counties reported that 15% to 37.5% of the homeless population are in families. We use school data, where nearly all households are families (as the data points are children, typically accompanied by one or both parents). For simplicity we assume that all 19,840 doubled-up homeless are in families. We follow the CSH (2019) study in assuming that the 19% of the remainder of the homeless population are in family households (which is in line with the 15-37.5% range found in the PIT counts, here applied to the PIT and AHAR data). Recall that the 2017 AHAR report found 13,135 homeless individuals, and the 2017 PIT Count found 5,288. Therefore, the number of family and individual homeless households without PSH need can be found as follows:

- (i) Doubled-up households= 19,840 individuals / 2.5 = 7,936 family households; Individuals in families (AHAR, PIT) = (13,135 individuals + 5,288 individuals) x 19% / 2.5 = 1,400 family households
- (ii) Family households without PSH need (AHAR, PIT): 1,400 family households – 483 family households with PSH need = 917 family households
- (iii) Total family households without PSH need = 7,936 family households (doubled up) + 917 family households (AHAR, PIT) = 8,853 family households
- (iv) Individual households (AHAR, PIT) = (13,135 individuals + 5,288 individuals) x 81% = 14,923 individual households.
- (v) Individual households without PSH need: 14,923 individual households (AHAR, PIT) – 4,452 individual households with PSH need = 10,471 individual households

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[141] People in families = number of people in families.

The estimated homeless households without PSH need in the tri-county region is equal to 8,853 family households and 10,471 individual households. This totals 19,324 households without PSH need.

Cost Assumptions

The costs of providing housing to people experiencing homelessness can be divided into two essential categories: the cost of providing housing units (via development or acquisition) and the costs of services and administration.

Costs of Housing Provision

To meet the housing needs of those currently experiencing homelessness, public agencies and private organizations can choose to: build new housing units, acquire existing units, rehabilitate existing housing, or privately lease housing units on the rental market. Developing, acquiring, or rehabilitating housing units usually entails higher upfront capital costs, but have lower ongoing operating costs. The private lease of housing units entails costs that are more evenly spread through the analysis time periods (CSH, 2019).[142] However research has demonstrated that leasing units in the private market may lead to landlords charging more rent and lease units at higher rates than their quality warrants.[143]

Because rents vary considerably by neighborhood in the Portland region, we included a range of rents for consideration. Our goal here was to create estimates that would not imply the concentration of available units in just one area of the region (i.e., primarily in the outskirts of the region and lower-cost neighborhoods). A healthy community has a range of housing types and costs, and we used a range of rents to help encourage that.

Table 3.4 summarizes the housing cost assumptions below (page 76).

The costs of developing housing units, including new construction and rehabilitation, mainly follow the vetted assumptions from the CSH (2018 and 2019) reports (based on "actual costs reported by PHB and approved by stakeholder advisory groups"). The only adjustment comes from the Metro Affordable Housing Bond Program Work Plan (2019) and Regional Housing Bond Financial Modeling Summary Memorandum (2018). These sources peg the average construction cost of housing units at $215,000 (a weighted average for all housing unit sizes),

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[142] Per CSH 2019 p. 23: "Because the ongoing costs of providing rental assistance for private market units is greater than the annual operating costs of newly constructed supportive housing units, the total cost of leasing supportive housing units in the private rental market becomes significantly more expensive in the long run than building new units. Using the cost and inflation assumptions above, the ongoing cost of newly developed units becomes lower than the cost of leased units in year 30 for studio and one-bedroom units and in year 23 for two and three-bedroom units."

[143] Desmond, D, & Perkins, K. (2016). Are landlords overcharging housing voucher holders. *City and Community,* (15), 137-162.

and the cost of rehabilitation of existing units at $190,000 (including $150,000 building acquisition cost and $40,000 rehabilitation cost, all in 2018 dollars). CSH (2018) estimates that annual operating and maintenance costs run between $6,000 and $8,000 per unit. This range is similar to Portland area annual expenses reported by Multifamily NW's The Apartment Report (Spring 2019), which estimates a cost of $6.01 to $7.36 per square foot (a similar result when factoring in unit size). Note that these operating costs only pertain to the maintenance and operation of the buildings themselves, and do not include any additional support services that may be provided. Support service costs are estimated elsewhere.

We examined three main data sources to estimate market rents in the tri-county region: the FY 2017 HUD Fair Market Rent (FMR) for the Portland-Vancouver-Hillsboro, OR-WA MSA[144], 2017 Portland State of Housing Report[145], and FY 2017 HUD Hypothetical Small Area Fair Market Rent[146] for all regional zip codes. To avoid underestimation of rental prices, we pulled out both average rents by bedroom for the City of Portland and the maximum rent by bedroom from the individual neighborhood estimates in the Portland State of Housing Report. We also identified the maximum fair market rent in all zip codes covered by the HUD Hypothetical Small Area FMR document. Table 2.7 summarizes these rental prices, which are also generally consistent with the overall average rents reported in the MultiFamily NW (Spring 2019) report.

The ranges of annual rent assistance specified in Table 2.6 are the average and maximum annual rents for individual housing units (0 to 1 bedroom)[147] and family units (2 to 4 bedrooms) calculated from prices in Table 2.7. (For example, cost ranges for individual units are estimated using the average value of $946 and the upper-end value of $1,580 per month, for annual costs of $11,352 to $18,960. The information in these tables assume that 100% of the cost is paid on behalf of the renter, unlike rent calculations for housing rent assistance later in the report.)

Table 2.6: Costs of Housing Provision (development vs. private lease), 2017

Development of Housing Units	
Individual Units (0-1 bedroom)	$215,000 - $218,000 one-time cost per unit
Family Units (2-4 bedrooms)	$338,000 one-time cost per unit
Rehabilitation of existing units	$190,000 one-time cost per unit

144 U.S. Department of Housing and Urban Development [HUD]. (2017). Fair market rents [web page]. Retrieved from https://www.huduser.gov/portal/datasets/fmr.html#2017_data
145 Portland Housing Bureau. (2017). *State of housing in Portland.* Retrieved from https://www.portlandoregon.gov/phb/article/681253
146 U.S. Department of Housing and Urban Development [HUD]. (2017). *Small area fair market rents: FY2017 hypothetical small area FMRs.* Retrieved from https://www.huduser.gov/portal/datasets/fmr/smallarea/index.html#2017
147 0 bedrooms is a studio.

Operating Costs *(annual)*	$6,000–$8,000 per unit per year
Private Lease of Housing Units (rent assistance, annual)	
Individual units (0-1 bedroom)	$11,352–$18,960 per unit per year
Family units (2-4 bedrooms)	$14,904–$41,000 per unit per year

Table 2.7: 2017 Tri-county Region Rental Price Summary, monthly

	0 bed	1 bed	2 bed	3 bed	4 bed
2017 HUD FMR	$946	$1,053	$1,242	$1,808	$2,188
2017 Portland State of Housing Report					
City Average	$1,130	$1,350	$1,599	$1,717	$1,975
Neighborhood Average Max	$1,271	$1,546	$2,431	$2,971	$3,417
2017 HUD Hypothetical Small Area FMR					
Zip Code Max	$1,420	$1,580	$1,860	$2,710	$3,280
Note that we estimated 4 bedroom units to cost 15% more than 3 bedroom units for the Portland State of Housing Report numbers as this report does not include averages for more than 3 bedroom units.					

Cost of Services and Administration

The cost of services can vary significantly depending on the challenges and conditions that each household encounters, and administrative costs also vary in relation. We identify five categories of costs for services and administration. Some of our estimates may include limited overlaps across categories as we drew from different data and estimate sources. We sought to avoid overlap as much as possible.

1. *Overall system support, employment services = $450 per year per household*
   We estimated this cost using costs spent in these two areas according to the Multnomah County Homeless Services System Program Spending Dashboard (FY 2014–FY 2017)[148] in Fiscal Year 2017 and divided by the number of people served. The system support category in this dashboard consists of "programs that support the entire homeless services system, including administrative costs, information and referral, research and evaluation and benefits recovery programs." Employment services, according to the dashboard, consists of "programs connecting employment and housing resources for individuals and families experiencing homelessness." While this cost category covers a wide range of general and employment services provided to homeless households, our discussions

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[148] A Home for Everyone. (2017). *Homeless services system program spending.* Retrieved from
http://ahomeforeveryone.net/services-spending-dashboard

have highlighted that these services may not be provided at an adequate or efficient level due to funding or programmatic limitations.

2. *Services for homeless households with PSH need = $8,800 to $10,000 per year per household*
CSH (2018 and 2019) estimated annual supportive service costs for homeless households with PSH need to be $10,000, which reflects "the cost of tenancy support services at a ratio of one case manager to 10 clients for scattered site and one case manager to 15 clients for single site. This figure also includes flexible service funding for people with specific needs not covered by community-based and Medicaid-paid services including additional mental health care, substance use treatment and children's services." Using the Multnomah Spending Dashboard expenses targeted toward the chronically homeless population (who often have PSH needs), we estimate the low-end value service costs to be approximately $8,800, including services categorized in the "Supportive Housing" and "Housing Placement and Retention" general program areas.

3. *Services for homeless households without PSH need = $5,700 per year per household*
While higher levels of services are typically provided to households with PSH need, homeless households without PSH may also require services. This is estimated by taking all costs categorized in "Supportive Housing" and "Housing Placement and Retention" divided by the number of people served (from the Multnomah County Spending Dashboard and internal county documents provided to NERC).

4. *Administration cost for system = 2.4% of all service costs*
We estimated the administrative costs to oversee the system of providing PSH housing and non-PSH housing as well as associated services. In the absence of an operational system as described that covers the tri-county area, we utilized the administrative costs of the Joint Office of Homeless Services (JOHS) as a proxy. In FY 2017, the administrative costs of JOHS were $1.8 million, with a total service cost of $83.8 million. Note these administrative costs do not include the costs of individual programs, agencies or organizations that serve the homeless population, but rather the umbrella organization(s) that oversee and operate the system as a whole. Additionally, several stakeholders expressed concern that this number was an underestimation.

5. *Administration cost for rent assistance = $800 per household per year*
Home Forward, Portland's housing authority, estimated that administrative costs were approximately $800 per household for their Short Term Rent Assistance (STRA) in FY 2017.

Cost Scenarios & Results

In order to estimate the total costs to provide housing to the homeless population, we make a few more financial and scenario assumptions:
● Annual inflation rate = 2%[149]

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[149] Federal Reserve Bank of Philadelphia. (2019). Short-Term and Long-Term Inflation Forecasts: Survey of Professional Forecasters. Retrieved from https://www.philadelphiafed.org/research-and-data/real-time-center/survey-of-professional-forecasters/historical-data/inflation-forecasts

- Annual inflation for construction costs = 6% (CSH, 2019)
- Annual nominal discount rate = 3%
- Time frame for analysis = 2024 to 2033 (10 years)
- Capital costs for public development of housing units occur in 2024 and 2025 (50% in each year)[150]

We also assume that for each homeless household with PSH need, that these households are housed in a combination of public development, which may be new construction or acquisition and rehabilitation of existing units, and/or private lease of rental units. Public development is assumed to occur in years 2024 and 2025, and private lease of rental units are assumed to start in year 2024. We also assumed that these housing units are provided in conjunction with supportive services, which begin as soon as the households are housed.

For each homeless household without PSH need, we assume that these households would be housed through private lease of rental units on the market (via rent assistance) for an average of two years with associated services.[151,152] Currently, data for federal or regional rental assistance programs do not provide appropriate guidance for the length of time that households may need rent assistance or supportive services, as many of these programs are limited by the amount of funding or other eligibility requirements.[153]

Table 2.8 details the high and low-cost estimates for housing and services as well as supports and administration costs used to create the cost scenarios. Table 2.9 shows the cost scenarios of providing housing to homeless populations at net present value. For example, Scenario 2 would include 70% public development (developed in 2024 and 2025) and 30% private lease for PSH households with supportive services through 2033, as well as two years of private lease and services for non-PSH households experiencing homelessness with high- and low-cost estimates.

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[150] While construction will not take place over two years, it makes essentially no difference to the final results of the cost modelling in this case. For that reason, and to make our process as simple and straightforward as possible, we assume two-year construction period. Similarly, any units constructed could be used for households that do or do not need PSH. Their designation as new units was only for simplicity, and consistently with other reports.

[151] We make this assumption for simplicity. While the housing gap analysis portion of this report provides some insight into how many units of which types might need to be constructed, arriving at a value suitable for inclusion at this point requires analysis beyond the scope of this report.

[152] Gubits, D., Shinn, M., Wood, M., Brown, S. R., Dastrup, S. R., & Bell, S. H. (2018). What Interventions Work Best for Families Who Experience Homelessness? Impact Estimates from the Family Options Study. *Journal of Policy Analysis and Management,* 37(4), 835-866.

[153] Some programs with two-year end dates will allow for renewal; others are more stringent with the 24-month termination date. We chose to use a two-year funding period for the analysis to be consistent with HUD's short-term rent assistance program requirements. Each additional 24-month period would add approximately $1.5 billion - $1.6 billion to the NPV cost.

Table 2.8: High and Low-Cost Estimates for Scenario Analysis

	Low	High
Development/Acquisition of housing units (one-time)		
● Individual units (0-1 bedroom) ● Family units (2-4 bedrooms)	$190,000	$218,000 $338,000
Operating costs (per year)	$6,000	$8,000
Private lease of housing units (rent assistance) (per year) ● Individual units (0-1 bedroom) ● Family units (2-4 bedrooms)	$11,352 $14,904	$18,960 $41,000
Service cost for homeless households with PSH need (per year)	$8,800	$10,000
Service cost for homeless households without PSH need (per year)	$5,700	
Other system support and employment services for all homeless households (per year)	$450	
Administrative costs154 (per year) For all services For administration of rental assistance	2.4% $800 per household	

Table 2.9: Cost Scenarios for Housing Homeless Populations in Net Present Value (2019 dollars)

	Housing options (development vs. lease cost scenarios)	Additional costs	Low Cost	High Cost
Scenario 1	100% public development	services, rent assistance, operation, administration costs (2 years for non PSH and 10 years for PSH)	$2,975,323,364	$4,100,532,252.5
Scenario 2	70% public development and 30% private lease		$2,774,792,311	$ 4,092,731,516
Scenario 3	50% public development and 50% private lease		$2,589,051,959	$ 3,921,826,474

Table 2.10 (p. 78) provides additional details of all cost estimates by cost category, expressed in nominal dollars of the year that the expense is occurred. Note that the first two years of costs

154 Note that we received feedback that these rates were likely too low; however, we were not able to conduct additional research to produce a better estimate.

are high compared to ongoing costs due to the upfront capital costs associated with the public development of housing units, as well as due to the assumed two years of rent assistance and services that are provided to homeless households without PSH need. Because administrative costs are directly proportional to the service costs, they are also higher in the first two years of the cost analysis.

Additional Considerations

While the HUD homelessness definition includes individuals who will soon exit or have recently exited temporary institutions, such as those in the criminal justice and mental health system, our cost estimates do not include these populations. Data do exist for these groups, but they are small in terms of absolute size when compared to the overall homeless population. Additionally, concerns about overlap and likely demographic and household differences indicate that inclusion at this stage is not appropriate.

In addition, one major concern for homeless assistance programs is a low prevailing wage. Many individuals who work in necessary roles to assist with basic and social services (which are generally employed by non-profit organizations, contracted by local government agencies to provide direct services) earn a wage that cannot be considered a "living" or "housing" wage appropriate to the region in which they reside. NERC does not estimate costs for services that reflect an appropriate living wage, because while this is a very important issue, the analysis required would dramatically increase the cost of provision and would require an intensive survey of individual organizations to determine prevailing wages in different roles. Rather, the estimates in this report reflect current wages, as used by previous reports and currently available data. We encourage future projects to take the low prevailing wage into account, and develop better estimates for a living or housing wage in the region.

Major efforts to fund affordable and supportive housing are underway in the tri-county region. Some of these include the Portland Housing Bond passed by voters in 2017 which involves funding for a targeted 600 units affordable to households with 0–30% AMI (area median income), 300 of which will be permanent supportive housing units and 50% of all units will be family sized units. In addition, the Metro Affordable Housing Bond was passed at the end of 2018, creating a fund to build 3,900 affordable housing units, with 1,600 of those dedicated to households 0–30% AMI. The Metro bond includes funding only for the capital cost portions, but not operating or service costs associated with the housing, and will need to be leveraged with additional funding sources for those costs. As these programs are currently ongoing, we did not include the anticipated new units created through the bonds.

Another significant element not addressed by this report is the impact that providing housing assistance at a previously unprecedented level would have on the housing market. Obviously, a massive influx of government assistance into the rental market would have dynamic implications for pricing and supply. It is not possible at this stage to determine those impacts, and this report therefore takes a static approach to market analysis and assumes no change, rather than assuming an uncertain level of change.

Lastly, we have not calculated specific costs related to supporting communities of color. Addressing historic inequities associated with racism are essential in providing housing for people experiencing homelessness, because people of color are disproportionately represented in homelessness rates. These costs may include anti-racism training for service providers, capacity building in organizations that serve people of color but do not specialize in homelessness, more intensive healthcare services, etc. These additional or more intensive supports reflect the unequal treatment that people of color have received. Additional research is needed to understand the magnitude of additional costs which a homelessness services and housing system centered on the needs of people of color would cost.

Table 2.10: Detailed Cost Scenario Estimates by Cost Category (nominal dollars; not adjusted for inflation)

		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Scenario 1[LOW]											
Capital Cost		$665,148,521	$705,057,432	$0	$0	$0	$0	$0	$0	$0	$0
Operating Cost		$16,675,625	$34,018,275	$34,698,640	$35,392,613	$36,100,465	$36,822,475	$37,558,924	$38,310,103	$39,076,305	$39,857,831
Private Lease Cost		$288,104,039	$293,866,120	$0	$0	$0	$0	$0	$0	$0	$0
Service Cost (PSH)		$24,946,735	$50,891,339	$51,909,166	$52,947,349	$54,006,296	$55,086,422	$56,188,151	$57,311,914	$58,458,152	$59,627,315
Service Cost (non-PSH)		$126,524,050	$129,054,532	$0	$0	$0	$0	$0	$0	$0	$0
Service Cost (all)		$12,540,111	$12,790,914	$2,654,446	$2,707,535	$2,761,686	$2,816,919	$2,873,258	$2,930,723	$2,989,337	$3,049,124
Admin Cost		$21,694,023	$22,738,600	$1,309,527	$1,335,717	$1,362,432	$1,389,680	$1,417,474	$1,445,823	$1,474,740	$1,504,235
Scenario 1[HIGH]											
Capital Cost		$804,317,341	$852,576,381	$0	$0	$0	$0	$0	$0	$0	$0
Operating Cost		$22,234,167	$45,357,700	$46,264,854	$47,190,151	$48,133,954	$49,096,633	$50,078,566	$51,080,137	$52,101,740	$53,143,774
Private Lease Cost		$644,990,632	$657,890,445	$0	$0	$0	$0	$0	$0	$0	$0
Service Cost (PSH)		$28,348,562	$57,831,067	$58,987,689	$60,167,442	$61,370,791	$62,598,207	$63,850,171	$65,127,175	$66,429,718	$67,758,312
Service Cost (non-PSH)		$126,524,050	$129,054,532	$0	$0	$0	$0	$0	$0	$0	$0
Service Cost (all)		$12,540,111	$12,790,914	$2,654,446	$2,707,535	$2,761,686	$2,816,919	$2,873,258	$2,930,723	$2,989,337	$3,049,124
Admin Cost		$21,775,667	$22,905,153	$1,479,411	$1,508,999	$1,539,179	$1,569,963	$1,601,362	$1,633,390	$1,666,057	$1,699,378
Scenario 2[LOW]											
Capital Cost		$465,603,964	$493,540,202	$0	$0	$0	$0	$0	$0	$0	$0
Operating Cost		$11,672,937	$23,812,792	$24,289,048	$24,774,829	$25,270,326	$25,775,732	$26,291,247	$26,817,072	$27,353,413	$27,900,482
Private Lease Cost		$337,033,800	$343,774,476	$20,704,515	$21,118,606	$21,540,978	$21,971,797	$22,411,233	$22,859,458	$23,316,647	$23,782,980
Service Cost (PSH)		$32,430,755	$50,891,339	$51,909,166	$52,947,349	$54,006,296	$55,086,422	$56,188,151	$57,311,914	$58,458,152	$59,627,315
Service Cost (non-PSH)		$126,524,050	$129,054,532	$0	$0	$0	$0	$0	$0	$0	$0
Service Cost (all)		$12,540,111	$12,790,914	$2,654,446	$2,707,535	$2,761,686	$2,816,919	$2,873,258	$2,930,723	$2,989,337	$3,049,124
Admin Cost		$24,141,524	$25,051,842	$3,669,034	$3,742,415	$3,817,263	$3,893,608	$3,971,481	$4,050,910	$4,131,928	$4,214,567
Scenario 2[HIGH]											
Capital Cost		$603,517,184	$639,728,215	$0	$0	$0	$0	$0	$0	$0	$0

Operating Cost	$15,563,917	$31,750,390	$32,385,398	$33,033,106	$33,693,768	$34,367,643	$35,054,996	$35,756,096	$36,471,218	$37,200,642
Private Lease Cost	$740,971,797	$755,791,233	$38,283,093	$39,048,755	$39,829,730	$40,626,325	$41,438,851	$42,267,629	$43,112,981	$43,975,241
Service Cost (PSH)	$36,853,131	$57,831,067	$58,987,689	$60,167,442	$61,370,791	$62,598,207	$63,850,171	$65,127,175	$66,429,718	$67,758,312
Service Cost (non-PSH)	$126,524,050	$129,054,532	$0	$0	$0	$0	$0	$0	$0	$0
Service Cost (all)	$12,540,111	$12,790,914	$2,654,446	$2,707,535	$2,761,686	$2,816,919	$2,873,258	$2,930,723	$2,989,337	$3,049,124
Admin Cost	$24,247,661	$25,218,396	$3,838,919	$3,915,697	$3,994,011	$4,073,891	$4,155,369	$4,238,477	$4,323,246	$4,409,711
Scenario 3[LOW]										
Capital Cost	$332,574,260	$352,528,716	$0	$0	$0	$0	$0	$0	$0	$0
Operating Cost	$8,337,812	$17,009,137	$17,349,320	$17,696,307	$18,050,233	$18,411,237	$18,779,462	$19,155,051	$19,538,152	$19,928,915
Private Lease Cost	$350,300,823	$357,306,839	$34,507,526	$35,197,676	$35,901,630	$36,619,662	$37,352,056	$38,099,097	$38,861,079	$39,638,300
Service Cost (PSH)	$37,420,102	$50,891,339	$51,909,166	$52,947,349	$54,006,296	$55,086,422	$56,188,151	$57,311,914	$58,458,152	$59,627,315
Service Cost (non-PSH)	$126,524,050	$129,054,532	$0	$0	$0	$0	$0	$0	$0	$0
Service Cost (all)	$12,540,111	$12,790,914	$2,654,446	$2,707,535	$2,761,686	$2,816,919	$2,873,258	$2,930,723	$2,989,337	$3,049,124
Admin Cost	$24,261,269	$25,051,842	$3,669,034	$3,742,415	$3,817,263	$3,893,608	$3,971,481	$4,050,910	$4,131,928	$4,214,567
Scenario 3[HIGH]										
Capital Cost	$431,083,703	$456,948,725	$0	$0	$0	$0	$0	$0	$0	$0
Operating Cost	$11,117,083	$22,678,850	$23,132,427	$23,595,075	$24,066,977	$24,548,316	$25,039,283	$25,540,068	$26,050,870	$26,571,887
Private Lease Cost	$765,502,807	$780,812,863	$63,805,156	$65,081,259	$66,382,884	$67,710,542	$69,064,752	$70,446,048	$71,854,968	$73,292,068
Service Cost (PSH)	$42,522,844	$57,831,067	$58,987,689	$60,167,442	$61,370,791	$62,598,207	$63,850,171	$65,127,175	$66,429,718	$67,758,312
Service Cost (non-PSH)	$126,524,050	$129,054,532	$0	$0	$0	$0	$0	$0	$0	$0
Service Cost (all)	$12,540,111	$12,790,914	$2,654,446	$2,707,535	$2,761,686	$2,816,919	$2,873,258	$2,930,723	$2,989,337	$3,049,124
Admin Cost	$24,383,735	$25,218,396	$3,838,919	$3,915,697	$3,994,011	$4,073,891	$4,155,369	$4,238,477	$4,323,246	$4,409,711

Preventing homelessness and stabilizing housing

In this section, we estimate the potential cost to prevent homelessness and stabilize housing by identifying households who are most susceptible or most at-risk of losing their housing due to their low wages, high housing costs, and rental costs. We estimate the cost of providing universal rent assistance to all low-income renter households (between 0–80% MFI) who are cost burdened (>30% of income spent on rent[155]) or severely cost burdened (>50% of income spent on rent), and the administrative costs for such a program. We then conduct an affordable housing gap analysis that estimates the gap between the supply of housing units (units with rents below 30% of MFI) and demand of housing units (households with income between 0–80% MFI) for affordable housing.[156] We then estimate the availability of rental housing units with rents between 30–80% MFI for this potential rent assistance program.

Background Context

We provide background information here to help illustrate the state of housing (in 2017) in the tri-county area. While the majority of households in the tri-county area own homes, there is a sizeable minority that are renters, as shown in Figure 2.4 for each of the three counties in Metro areas. Multnomah County, where homes are more expensive, displays the highest proportion of renters at 45.7%, while Clackamas County (the least urban of the three) displays the lowest, with less than a third renting.

Certain groups are represented disproportionately in the renting population. On average, the renting population is lower income than the home-owning population (Figure 2.5). Looking at race, households with Black, Native, and Hispanic heads earn a median income lower than the average, as shown in Figure 2.6. The median salary for Black households in the Portland area is half that of the overall median—a significant disparity, and a sign of the current and historic systemic issues faced by this population in the region. Given the lower median incomes for these communities of color, we are not surprised to see higher averages of renters for

> **Median Income**
>
> Median income identifies the point where 50% of people make over that amount and 50% make less than that amount. Median income can be calculated for different groupings of people such as different geographies, family size, household size, race, etc. In this report, we use median family income (MFI) in our calculations. Determining who is described as low income depends on what part of the income spectrum a family falls. If you make less than 80% MFI, you would be considered low- or moderate-income.

[155] While HUD's definition of "cost burdened" is that the entire cost of housing (including utilities) exceeds 30% of monthly income, we use the term here to mean that only rent exceeds 30%. This is due to the format of the available data: the decision was made to prioritize incorporating unit and family size, over including utility cost. If utilities were included, the impact would be a slightly larger affordability gap.
[156] Because of time constraints and data availability, we only look at gross rent and do not include other common housing cost data, such as utilities.

communities of color; see Figure 2.7. Because of these racial disparities, renters' issues are racial equity issues. This means that strategies to assist renters have impacts that increase racial equity within the metro area because non-white groups are more heavily represented in the renting population.

Figure 2.4: Distribution of Owner vs Renter Occupied Households in the tri-county region (Source: 2013-2017 ACS 5-year estimate)[157]
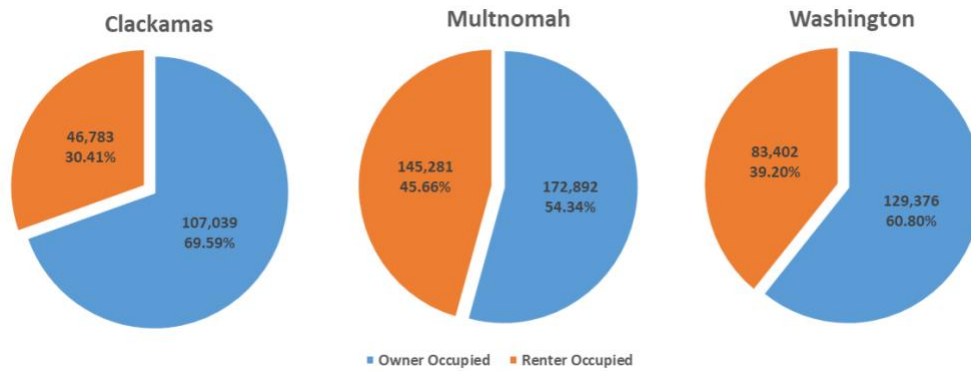
Figure 2.5: Owner vs Renter Occupied Household by Median Household Income in the tri-county region (Source: 2013-2017 ACS 5-year estimate)[158]
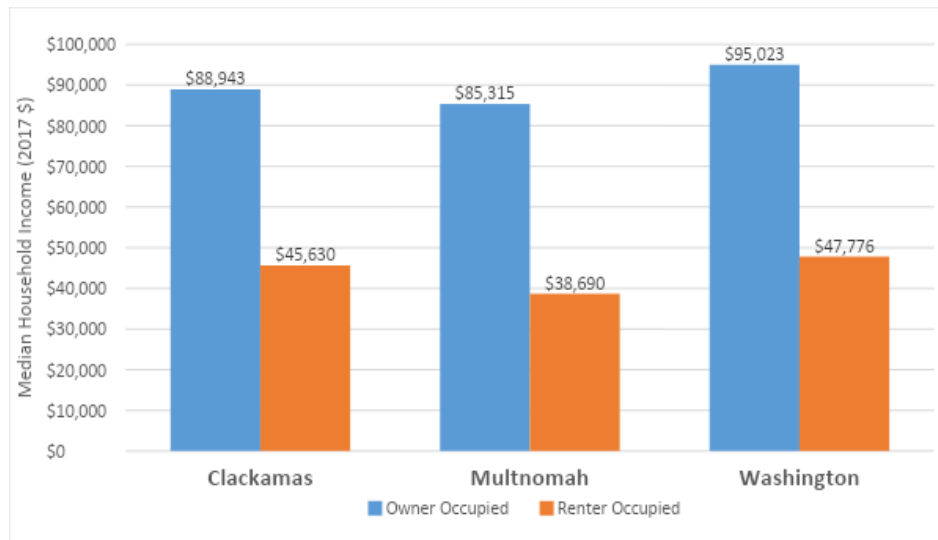
[157] U.S. Census Bureau. (2018). *2013-2017 ACS 5-year estimates.* Retrieved from
https://www.census.gov/programs-surveys/acs/technical-documentation/table-and-geography-changes/2017/5-year.html
[158] U.S. Census Bureau. (2018). *2013-2017 ACS 5-year estimates.* Retrieved from
https://www.census.gov/programs-surveys/acs/technical-documentation/table-and-geography-changes/2017/5-year.html

Figure 2.6: Median Household Income by Race (Source: 2013-2017 ACS 5-year estimate)[159]

Median Household Income by Race (2017 $)
(Overall Median = $66,681)
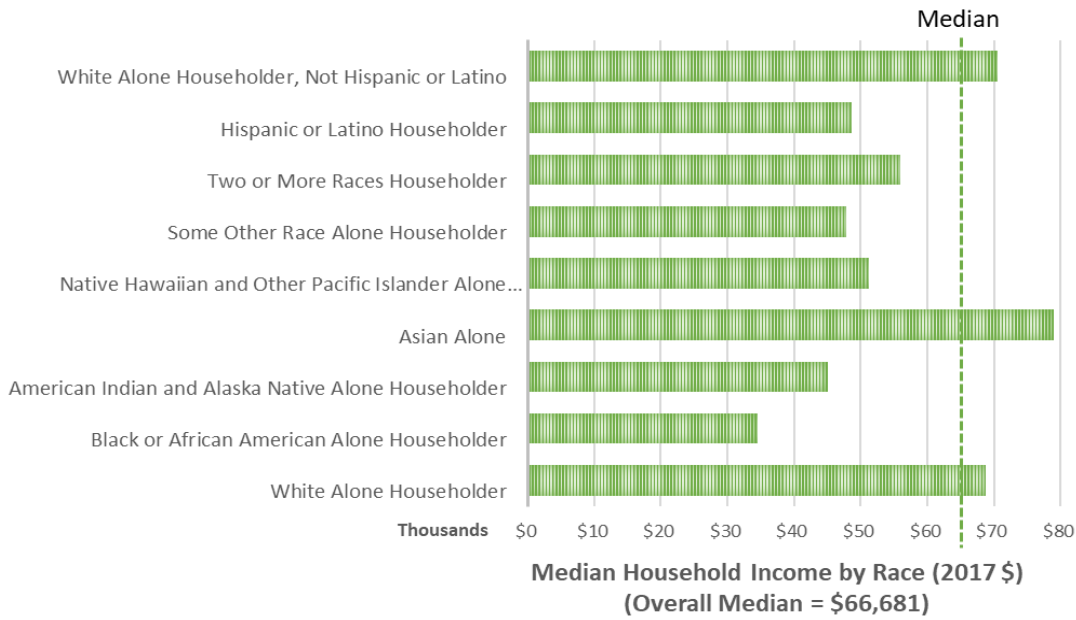
Figure 2.7: Household Tenure (Owner vs Renter) by Race (Source: 2013-2017 ACS 5-year estimates)[160]

Household Tenure by Race and Ethnicity
■ Owner ■ Renter
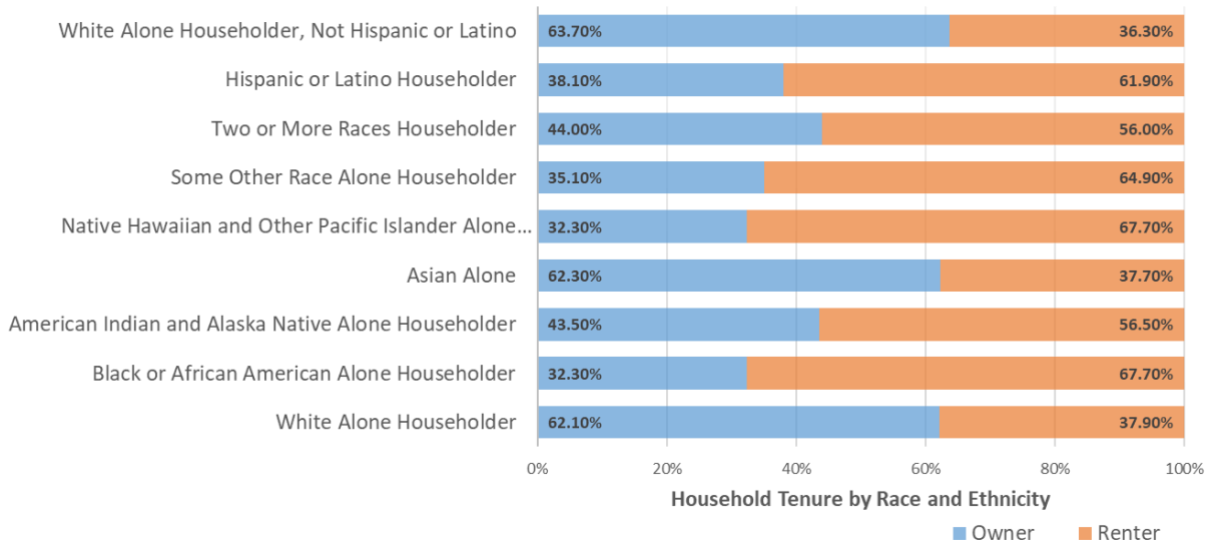
[159] U.S. Census Bureau. (2018). *2013-2017 ACS 5-year estimates.* Retrieved from
https://www.census.gov/programs-surveys/acs/technical-documentation/table-and-geography-changes/2017/5-year.html
[160] Ibid

Costs of Universal Rent Assistance Program

Long-term rent assistance has proven to reduce homelessness as well as provide better health outcomes for community members.[161] In order to estimate the cost of a universal rent assistance program to prevent those households who are most susceptible or most at-risk of losing their housing, we utilized the 2017 ACS 5-year estimates to identify the number of renter households who are *cost burdened* (paying more than 30% of household income in the past 12 months in gross rent and other housing costs) or *severely cost burdened* (paying more than 50% of household income in the past 12 months in gross rent and other housing costs) in each income bracket[162] in the tri-county region (Clackamas, Multnomah and Washington Counties). Severely cost burdened households are a subset of the cost burdened households.

Within each income bracket, we assume that the household size distribution is equivalent to the household size distribution for all renter-occupied housing units in the region[163] and assume that the household income level is equal to the midpoint of the income bracket. Next, we calculate the maximum annual rent (including utilities) that households would be responsible for (30% of their household income). Then, for each income bracket and household size, we estimate the difference between the maximum annual rent and the market rental price (using rent levels shown in Table 2.1 in the *Costs* section, page 56) for the specified housing unit size, which is the estimated amount of rent assistance per household. Table 2.11 summarizes the number of cost burdened and severely cost burdened households within different income levels, and estimates the costs of universal rent assistance, administrative costs and eviction prevention program costs. These costs are expressed in nominal 2017 dollars on an annual basis. The total costs for such a universal rent assistance program include the cost of rent assistance, administrative costs, and eviction prevention program costs. We do not take into account any households already receiving assistance, as the ECONorthwest report did. We have no way of knowing if those supports are adequate, or at what level they will continue.

Table 2.12 summarizes the total costs of a universal rent assistance program for years 2024 to 2033, the same analysis timeframe as the previous sections of this report. We take the highest and lowest estimates of rent assistance costs from Table 2.11 to construct Table 2.12, which includes nominal costs for each year (incorporates inflation) and net present values for each year in 2019 dollars. The estimates indicate that this type of program would cost between $10.7 billion and $21 billion (2019$) to address all cost burdened households, and between $8.7 billion and $16.6 billion for all severely cost burdened households for the years of 2024 to 2033 (the severely cost burdened group is a subset of the cost burdened group). While this cost

[161] Fleary, S.A., Joseph, P., Zhang, E. & Quirion, C. (2019). "They give you back that dignity": Understanding the intangible resources that make a transitional house a home for homeless families, *Journal of Social Distress and the Homeless*, 13(1), 835-866.
[162] U.S. Census Bureau. (2018). *2013-2017 ACS 5-year estimates.* Retrieved from https://www.census.gov/programs-surveys/acs/technical-documentation/table-and-geography-changes/2017/5-year.html
[163] Ibid

encompasses all households earning from 0–80% MFI, it is useful to consider how this money is distributed between the income tiers: see Table 2.13 for a summary of NPV estimates over ten years for 0–30% MFI and 0–60% AMI, in addition to the 0–80% MFI estimates repeated from Table 2.12.

Table 2.11: Cost of Universal Rent Assistance Program (2017 dollars) by Income Level and Cost Burden, 2017

	0-30% MFI	30-60% MFI	60-80% MFI	Total (0-80% MFI)
Number of **severely cost burdened** renter households (>50% of income on rent)	44,953	24,073	13,551	82,576
Cost of universal rent assistance (2017 $)				
HUD FMR (2017)	$ 508,634,283	$ 187,090,274	$ 3,091,894	$ 698,816,451
Portland State of Housing (2017) city avg	$ 604,426,818	$ 235,114,342	$ 39,427,039	$ 878,968,199
Portland State of Housing (2017) neighborhood avg high	$ 862,560,407	$ 437,303,469	$ 89,172,775	$ 1,389,036,65 2
Cost of administering rent assistance program (2017)	$ 35,962,148	$ 19,258,271	$ 10,840,454	$ 66,060,873

	0-30% MFI	30-60% MFI	60-80% MFI	Total (0-80% MFI)
Number of **cost burdened** renter households (>30% of income on rent)	51,650	31,514	23,875	107,039
Cost of universal rent assistance (2017 $)				
HUD FMR (2017) Rents	$ 586,347,728	$ 249,359,111	$ 22,098,684	$ 857,805,523
Portland State of Housing (2017) City Avg Rents	$ 693,119,557	$ 311,599,075	$ 82,216,186	$ 1,086,934,81 8
Portland State of Housing (2017) Neighborhood High Rents	$ 997,824,502	$ 583,603,877	$ 177,792,823	$ 1,759,221,203
Cost of administering rent assistance program	$ 41,319,994	$ 25,210,856	$ 19,100,248	$ 85,631,098

Table 2.12: Detailed Costs of Universal Rent Assistance Program in Nominal and Net Present Value (2024–2033), 0–80% AMI

			2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total NPV
Severely Cost Burdened	LOW	(nominal)	$ 875,656,983	$ 893,170,123	$ 911,033,525	$ 929,254,196	$ 947,839,280	$ 966,796,065	$ 986,131,987	$ 1,005,854,626	$ 1,025,971,719	$ 1,046,491,153	
	HIGH		$ 1,668,503,035	$ 1,701,873,096	$ 1,735,910,558	$ 1,770,628,769	$ 1,806,041,345	$ 1,842,162,172	$ 1,879,005,415	$ 1,916,585,523	$ 1,954,917,234	$ 1,994,015,578	
	NPV-LOW	(2019 $)	$ 833,157,574	$ 841,406,658	$ 849,737,417	$ 858,150,659	$ 866,647,200	$ 875,227,866	$ 883,893,488	$ 892,644,909	$ 901,482,977	$ 910,408,551	$ 8,712,757,300
	NPV-HIGH		$ 1,587,523,388	$ 1,603,241,441	$ 1,619,115,119	$ 1,635,145,962	$ 1,651,335,526	$ 1,667,685,382	$ 1,684,197,119	$ 1,700,872,338	$ 1,717,712,658	$ 1,734,719,714	$ 16,601,548,646
Cost Burdened	LOW	(nominal)	$ 1,079,892,562	$ 1,101,490,413	$ 1,123,520,221	$ 1,145,990,625	$ 1,168,910,438	$ 1,192,288,647	$ 1,216,134,420	$ 1,240,457,108	$ 1,265,266,250	$ 1,290,571,575	
	HIGH		$ 2,115,335,833	$ 2,157,642,549	$ 2,200,795,400	$ 2,244,811,308	$ 2,289,707,535	$ 2,335,501,685	$ 2,382,211,719	$ 2,429,855,953	$ 2,478,453,072	$ 2,528,022,134	
	NPV-LOW	(2019 $)	$ 1,027,480,719	$ 1,037,653,795	$ 1,047,927,595	$ 1,058,303,116	$ 1,068,781,364	$ 1,079,363,358	$ 1,090,050,124	$ 1,100,842,700	$ 1,111,742,132	$ 1,122,749,480	$ 10,744,894,383
	NPV-HIGH		$ 2,012,669,463	$ 2,032,596,883	$ 2,052,721,605	$ 2,073,045,581	$ 2,093,570,785	$ 2,114,299,208	$ 2,135,232,864	$ 2,156,373,783	$ 2,177,724,019	$ 2,199,285,643	$ 21,047,519,834

Table 2.13: NPV of Rent Assistance from 2024 to 2033 for 0–30%, 0–60%, and 0–80% AMI

Burden Level	Income Level	Low	High
Severely Cost Burdened	0-30% AMI	$ 6,224,401,436	$ 10,269,558,832
	0-60% AMI	$ 8,582,838,082	$ 15,487,778,030
	0-80% AMI	$ 8,712,757,300	$ 16,601,548,646
Cost Burdened	0-30% AMI	$ 7,173,855,077	$ 11,876,780,908
	0-60% AMI	$ 10,312,020,516	$ 18,835,157,950
	0-80% AMI	$ 10,744,894,383	$ 21,047,519,834

Affordable Housing Gap Analysis

Based on recent data, we identified a gap that exists between the demand for affordable housing units and the supply available. This means that there are not enough housing units available for people to pay 30% or less of their income to housing. People paying 30% or less of their income on housing costs is considered the best way to promote housing security and stability along with better health outcomes.[164, 165] Adding a further squeeze on the supply of affordable housing, some housing units at the lower end of the housing market may be rented by people who could afford to pay more and are instead paying substantially less than 30% of their income, further decreasing supply at lower-income levels.

The affordability housing gap analysis for this report was constructed using federal data sources: the US Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy (HUD CHAS) dataset for 2015 in the Portland tri-county area (Clackamas, Multnomah, and Washington counties)[166], and American Community Survey (ACS) data from the five-year averages for 2013–2017 for the same counties.[167] Additionally, we used HUD median family income information for the Portland-Vancouver-Hillsboro MSA for 2017 to establish income brackets equal to 0–30%, 30–50%, and 50–80% MFI.[168]

Housing Supply and Demand

In order to determine the affordable housing gap, we first estimate the supply by using the HUD CHAS dataset from 2015 (specifically, questions 15C and 14B) to arrive at the number of housing units in the tri-county area at various levels of cost burden, including the income level of the renter (in terms of percent of AMI) and number of bedrooms. These data include both units that are occupied, and units that are not, and these are summed to arrive at a value for supply.

Demand is determined using ACS five-year average data: first, household sizes within various income brackets are assumed to match overall household size distribution. Next, household incomes are assumed to fall at the midpoint of each income bracket, so households earning, for example, $20,000–$24,999 are included at $22,500. Using these values, the number of

[164] Bailey, K. T., Cook, J. T., Ettinger de Cuba, S., Casey, P. H., Chilton, M., Coleman, S. M., & Frank, D. A. (2016). Development of an index of subsidized housing availability and its relationship to housing insecurity. *Housing Policy Debate*, *26*(1), 172-187.

[165] Meltzer, M., & Schwartz, A. (2016) Housing affordability and health: Evidence from New York City. *Housing Policy Debate*, (26:1), 80-104.

[166] HUD Office of Policy Development and Research. (2019). Consolidated planning/CHAS data. Retrieved from https://www.huduser.gov/portal/datasets/cp.html

[167] 2013-2017 ACS 5-year average tables SE:A14003B – Household Income in the Past 12 Months (in 2017 Inflation-Adjusted Dollars) (Renter-Occupied Housing Units) and SE:A100002B – Household Size (Renter-Occupied Housing Units).

[168] Portland Housing Bureau. (n.d.). *2017 Median income for a family of four in the Portland-Vancouver-Hillsboro MSA*. Retrieved from https://www.portlandoregon.gov/phb/article/651806

households at 0–30%, 30–50%,[169] and 50–80% MFI are estimated using HUD MFI values for different household sizes. Finally, we assume that households with one to two members will require a studio or one-bedroom unit, households with three members will require two-bedroom units, and households with four or greater members will require greater than two bedrooms.

Based on these figures, identifying the gap is a matter of finding the differences in supply and demand at said levels and sizes. Additionally, we conduct spatial analysis to find gaps by income level and unit size by area.

These housing unit shortages are not distributed evenly across income levels, or in geographic terms. Households are free to rent units that do not amount to 30% of their income as well. That means that better-off households may choose units that cost less than that. Adding additional challenges for low-income households, wealthier households are more likely to obtain units by virtue of the rental approval process. All of these factors mean that identifying the shortage is a complicated and uncertain process.

Understanding spatial aspects for housing markets are important. While one area might have more affordable units at a given price level, they may not be appropriate locations for people who are transit-dependent or reliant on services that are not evenly dispersed around the region. Further out locations may not be opportunity-rich neighborhoods, where ample green space and health care are typically located.

The table below (Table 2.14) estimates the change in affordable units by county over the two-year period following the data year used, which is 2015. Despite adding 2,243 affordable housing units over two years, the affordable housing gap remains. This is partially due to uneven geographic distribution of added units and varying demand for different sizes of units. Per our analysis, Clackamas County appears to have lost affordable units between 2015 and 2017. Recently described slow-downs in the housing market are unlikely to create an increased supply of affordable housing. Bates (2017) found that vacancy rates in high quality ("five stars") apartments was much higher than naturally occurring affordable housing.[170]

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[169] Note that here the range is 30-50% AMI, while elsewhere this report uses 30-60% MFIas a bracket. This is due to differences in data format from various sources: the data obtained from the ACS questions breaks at 50% rather than 60%.

[170] Seyoung, S. & Bates, L. (2017). Preserving housing choice and opportunity: A study of apartment building sales and rents. Urban Studies and Planning Faculty Publications and Presentations. Retrieved from https://pdxscholar.library.pdx.edu/cgi/viewcontent.cgi?article=1203&context=usp_fac

Table 2.14: Regulated Affordable Housing Units (Source: 2017 Regional Inventory of Regulated Affordable Rental Housing[171])

	Regulated Affordable Housing Units			
	2015	**2017**	**Change**	**% Change**
Clackamas	3,937	3,804	(133)	-3.38%
Multnomah	24,989	26,625	1,636	6.55%
Washington	7,307	8,047	740	10.13%
Total	36,233	38,476	2,243	6.19%

Figure 2.8 shows the estimated shortages at various income levels in each county, and Figure 2.9 shows estimated shortages by unit size (relying on the family size assumptions described above) and county. While the shortage for Multnomah County appears to signify a unique problem in that area, this is due to the larger number of households and units within this densely urban area, and the housing shortage on a per capita basis is comparable in the other counties.

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[171] Oregon Metro. (2019). *Regional inventory of regulated affordable rental housing.* Retrieved from
https://www.oregonmetro.gov/regional-inventory-regulated-affordable-housing

Figure 2.8: Affordable Housing Gap by County and by Household Income[172]

	Clackamas County			Multnomah County			Washington County		
	0-30% MFI Housing Units	30-50% MFI Housing Units	50-80% MFI Housing Units	0-30% MFI Housing Units	30-50% MFI Housing Units	50-80% MFI Housing Units	0-30% MFI Housing Units	30-50% MFI Housing Units	50-80% MFI Housing Units
Demand	8,414	5,704	9,277	39,790	16,930	25,797	15,049	9,723	15,672
Supply	3,727	2,656	2,258	16,785	6,831	5,871	5,057	3,617	2,609
Shortage	-4,687	-3,048	-7,019	-23,005	-10,099	-19,926	-9,992	-6,106	-13,063

[172] Assumes households will not pay more than 30 percent of their income.

Figure 2.9: Affordable Housing Gap, Estimated Shortages by Unit Size by County

	0-1bed	2bed	>=3bed	0-1bed	2bed	>=3bed	0-1bed	2bed	>=3bed
Demand	14,521	3,453	5,421	52,629	11,970	17,918	25,220	5,975	9,249
Supply	2,389	3,949	2,303	13,329	10,676	5,482	3,083	5,498	2,702
Shortage	-12,132	496	-3,118	-39,300	-1,294	-12,436	-22,137	-477	-6,547

Figure 2.10 breaks the shortage down by showing how many units are available at different income levels per hundred households and by county. All counties are suffering comparable shortages. Washington County has a more severe shortage than Multnomah at 0-50% MFI

Figure 2.10: Availability of Affordable Housing (per 100 households) by County and by Household Income
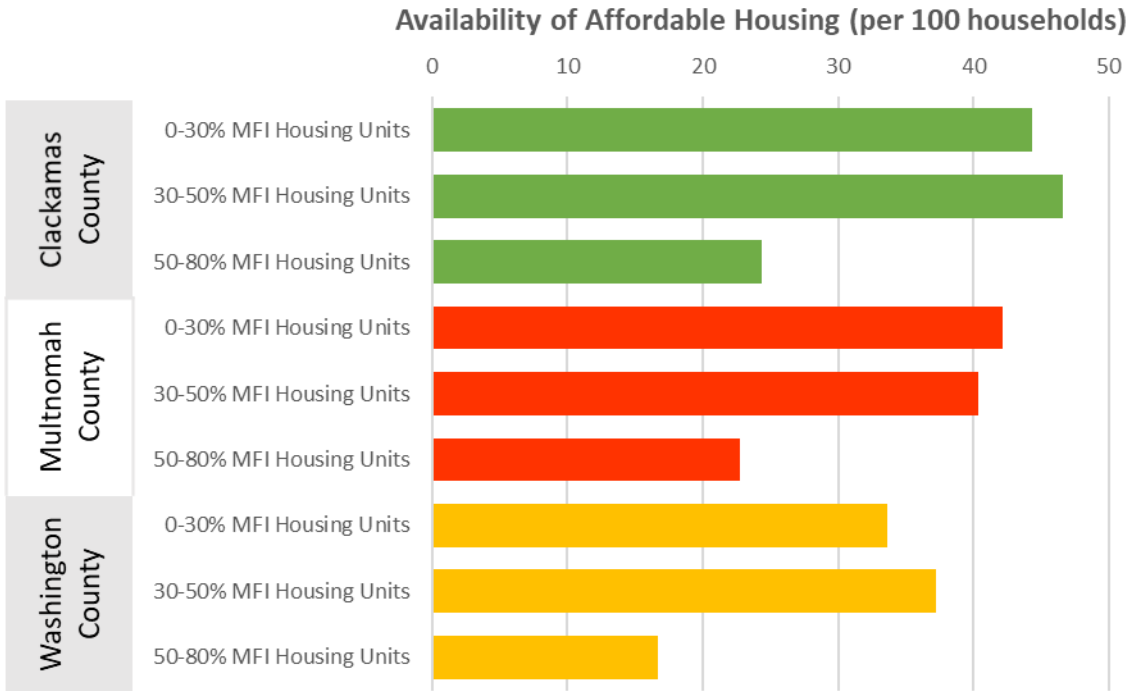
Figures 2.11 and 2.12 show mapped availability of affordable housing by census tract. Redder areas have fewer affordable units, while pink or blue areas have a lower shortage of affordable units are various income levels. Note that households may move from one census tract to another (although it is likely that jobs and schools make large moves difficult and undesirable). These maps serve as a static image of the situation a few years ago (based as they are in data from the 2015 HUD CHAS, and 2013-2017 five-year average ACS data). Some areas showing little to no shortage may actually have low population.

Figure 2.11: Spatial distribution of available rental housing units for 0–80% MFI Households by
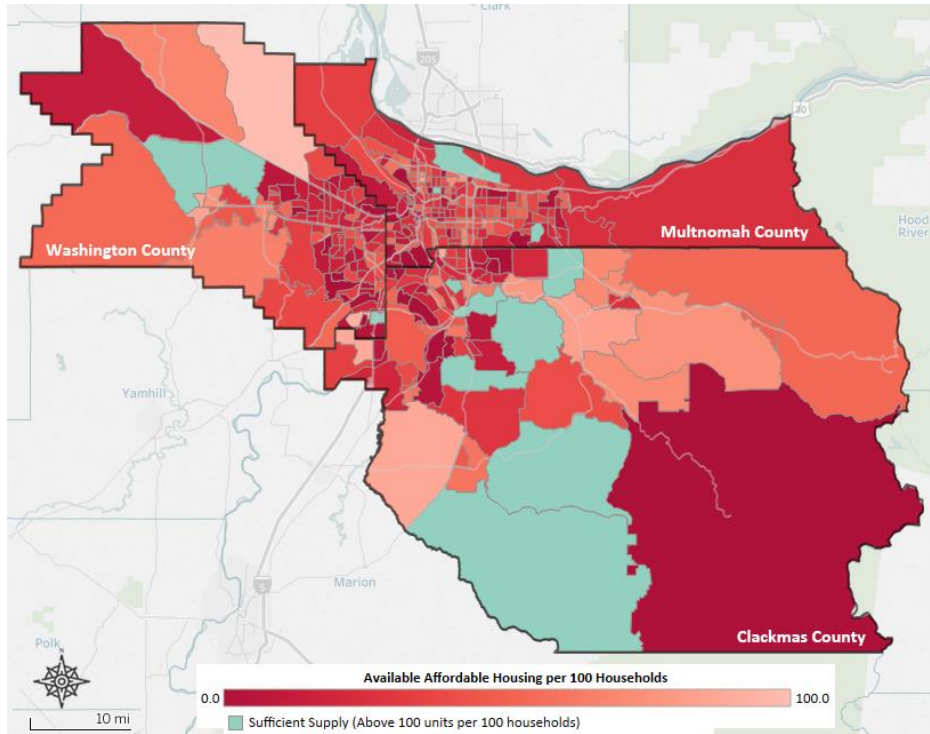Census tract (per household)

Figure 2.12: Spatial distribution of available affordable rental housing units by Census tract and
by household income
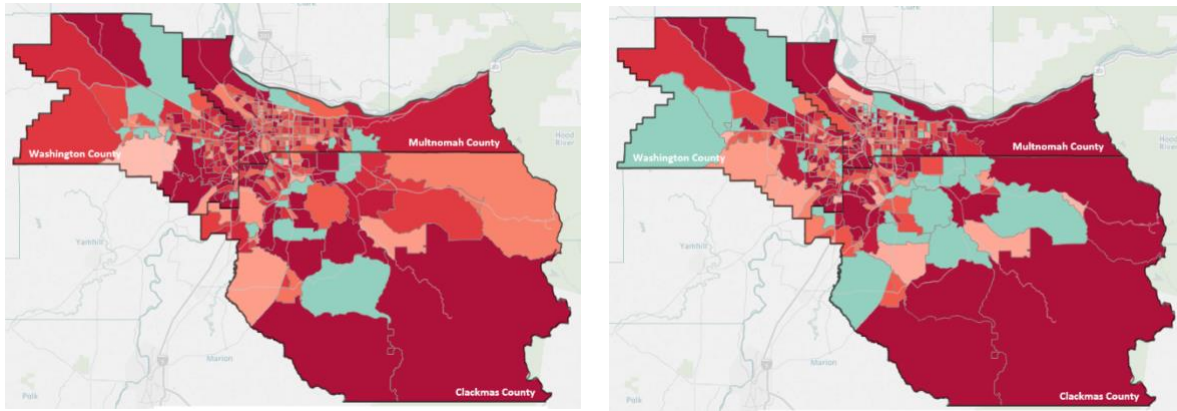
(a) Affordable housing for 0-30% MFI households

(b) Affordable housing for 30-50% MFI households
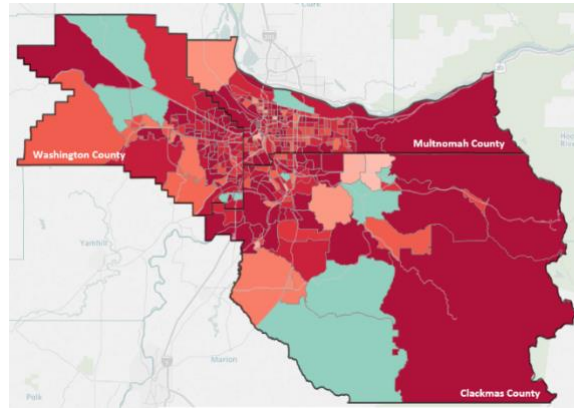
(c) Affordable housing for 50-80% MFI households

Note: Legend is based on number of affordable housing per 100 households between 0 and 100 (any
shade of red indicates a shortage, while census tracts with sufficient supply of affordable housing are
designated in green),

Affordable Housing Gap with Rent Assistance Program

To help understand how to support the number of households needing support to avoid
homelessness or obtain housing security, we examined how a large, long-term rent assistance
program would help close the gap for households living in deep housing insecurity. To conduct
this analysis, we assumed that fair market rents would not change, even with the introduction of
a large number of vouchers. This is unlikely to happen, but we chose to conduct this exercise to
give a sense of the shortage of affordable units. Remember that we only included gross rent,
and no other housing costs, in this part of the analysis. This means that there may be even
fewer units available, and that people from low-income backgrounds experience more difficulty
accessing available housing for a range of reasons.

After establishing the shortage of affordable rental housing units in the tri-county region, we identified available rental housing units for a potential rent assistance program, i.e., units that are not affordable at their lease rate to people who are low-income. To do this, we utilized the same procedure as the affordable housing gap analysis described above (identifying the mismatch between supply and demand). This time, we focused on available rental housing units for people who are 30–80% cost burdened and vacant units. In this scenario, a housing assistance voucher has been applied, meaning that they can now afford units they could not previously afford without this rent assistance. Table 2.20 compares the unmet demand for rental units to the available rental units that are unaffordable at state lease rates, by income level and by number of bedrooms. The final section of the table shows the percentage of unmet demand that can be fulfilled by the available rental units currently at 30-80% cost burden (not including vacant units). In other words, it shows the amount of housing stock that exists and does not need to be constructed if a voucher program is implemented, again assuming no changes in market rates, and landlords and developers work with government entities and community development corporations to accept all tenants.

If a universal rent assistance program to help prevent homelessness were implemented, these estimates provide a look at whether households might be able to find rental units with the provided assistance. In most income levels and housing unit sizes, we find that there are sufficient rental units to be subsidized through such a program. However, in terms of available units, even after making housing vouchers available, shortages still exist in the 0-1 bedroom category for 0-30% and 50-80% MFI levels, and in the >3 bedroom category for households that earn 30-50% MFI. However, these shortages could be corrected by, for example, allowing individual households to use vouchers on two-bedroom units.

Table 2.15: Housing Unit Shortage, Post Universal Housing Voucher

	0-30% AMI	30-50% AMI	50-80% AMI	Vacant
Unmet Demand for Affordable Rental Units				
0-1 bedrooms	(29,439)	(11,163)	(22,895)	
2 bedrooms	(5,295)	(6,087)	(5,178)	
>3 bedrooms	(10,131)	(8,093)	(5,045)	
Available Rental Units (Unaffordable, 30-80% Cost Burden)				
0-1 bedrooms	15,420	15,970	7,180	1,885
2 bedrooms	11,165	16,055	21,340	3,200
>3 bedrooms	11,060	6,545	10,720	1,470
Ratio of Available Rental Units to Unmet Demand				
0-1 bedrooms	52.38% (14,019 units short)	143.07% (4,807 unit surplus)	31.36% (15,715 units short)	
2 bedrooms	210.85% (5,870 unit surplus)	263.76% (9,968 unit surplus)	412.12% (16,162 unit surplus)	
>3 bedrooms	109.17% (929 unit surplus)	80.87% (1,548 units short)	212.49% (5,675 unit surplus)	

There are some important issues to consider about Table 2.20. The available rental units may also not be located evenly throughout the region. Where an adequate supply of larger housing units might exist (e.g., two bedrooms), assistance could be provided to put single adults into that housing. Note that the data used here produces static estimates. Our analyses provide guidance for the general magnitude of affordable housing shortages and available rental units, but should not be taken as an accurate depiction of the extremely dynamic housing market. Further, these calculations are based only on gross rent and do not include other housing costs, such as utilities. Perhaps most importantly, households are not always able to use rent vouchers for a range of reasons—not enough housing available, too far from mass transit, racial discrimination, prior eviction, landlord screening practices, etc.[173]

Limitations and Considerations

There are also multiple caveats to the findings here beyond the general data reliability issues common with ACS and other data sets. Housing markets have submarkets that function differently than traditional supply and demand models might explain. Some submarkets are unlikely to ever be produced by a traditional market (e.g., why would a developer build housing that they could not at least recover the costs of) without some type of government intervention. Earlier, we discussed spatial limitations of some of these analyses. For instance, considering where we want different types of housing must be considered when reviewing findings like those presented in Table 2.20. A simple interpretation of the table might mean that people think we have an adequate supply of housing for people who are 30–80% cost burdened for certain unit sizes once rent assistance is made available. However, further analyses must be conducted to determine if this housing is located in opportunity rich areas. Clustering all affordable units on the outskirts of the region away from mass transit is not an equitable solution. The City of Portland PHB provides detailed analyses of housing unit available by neighborhood to emphasize the importance of this spatial view.[174]

Our analyses also do not take into account the quality of available affordable housing. It is not enough to provide housing, as we should be providing quality and safe affordable housing. Providing quality, affordable housing appropriately located to services and opportunities will likely increase costs from what we provide next. Between spatial distribution and housing quality, we may have less available or vacant affordable housing than it seems.

We focus on renter households because they are typically the most precariously housed. Further research should examine the precariousness of homeowners in a burgeoning housing market, especially as we ask more from taxpayers in helping to address the negative

[173] Turner, M. (2003). Strengths and weaknesses of the housing voucher program. *Urban Institute.* Retrieved from https://www.urban.org/sites/default/files/publication/64536/900635-Strengths-and-Weaknesses-of-the-Housing-Voucher-Program.pdf
[174] Portland Housing Bureau. (2017). *State of Housing in Portland.* Retrieved from https://www.portlandoregon.gov/phb/article/681253.

repercussions of escalating real estate values to moderate and low-income community members.

We do not estimate the cost (or need) of households that are discussed in the homeless prevention section that may need some type of temporary or permanent supportive services. We focus only on the cost of providing housing, and administering these housing programs.

Lastly, we do not estimate the cost of creating new units to meet demand after rent assistance is made available. The estimates for developing or acquiring new units discussed earlier in this section could be used to estimate those costs.

Why Don't Our Numbers Match Other Reports?

Numbers related to homelessness do not share consistent definitions and sometimes rely on weak data sources and collection procedures. In addition, more robust data sources such as those put out by the US Census have estimates and counts that vary from year to year. Further, with US Census data in particular, when we talk about the housing needed for homelessness, we are talking about a small portion of the total housing data for the region. When using US Census data estimates (instead of the raw count data gathered every 10 years), the data become more unreliable as you disaggregate it. But, the primary reason for major differences in number of households or cost estimates between reports is which populations are identified for support and their size.

For instance, HUD homelessness counts for 2017 Point-in-Time count (PIT) for the three counties was about 6,000 people, and is just for one night during the year. Our count includes an annualized PIT count for people living unsheltered, and annualized shelter data. Our estimates also include an estimate for doubled-up families and unaccompanied youth. This means that our 38,000 person estimate for 2017 is for people who have experienced homelessness across the year, and includes a broader definition than other reports driven by HUD reporting.

Turning to households that are housing insecure or at risk of homelessness, ECONorthwest estimates 56,000 households are at risk of homelessness, and that it would cost about $550 million annually to serve them. ECONorthwest includes Clark County in Washington State in their calculations, while we limit ours to the 3 counties on the Oregon side. Most importantly, they only included households up to 50% MFI and more than 50% rent burdened who were not receiving rent assistance, a classification that HUD describes as worst-case housing needs. We instead included households making up to 80% MFI, and more than 30% rent burdened. We also opted to be more conservative and not assume existing service levels continue forward. Our additional concern here was that we had no way of knowing how many households were receiving adequate support. Several stakeholders pointed out that just because someone was receiving assistance, it may not be an adequate amount of assistance. Further, research consistently demonstrates that households at above 30% of housing costs are at risk of homelessness and displacement.

Providing emergency shelters

Emergency shelters are defined by HUD as places for homeless individuals to inhabit temporarily, that do not require said individuals to sign any kind of lease or rental agreement. There are generally three essential types: conventional shelters, which provide a bed to sleep in and access to services; day centers, where individuals can spend time and receive services during daytime hours but may not sleep overnight; and severe weather shelters, which operate as extensions of the previous two types in the event of weather that endangers those on the streets and necessitates increased capacity.

Of course, if all homeless families and individuals or at risk of becoming homeless are permanently housed, the need for emergency shelters will be dramatically reduced. This report does not undertake the task of assuming exactly how much the need would decrease.

In the fiscal year of 2017, over 9,000 individuals (29.5% are in families) were served in emergency shelters in Multnomah County, for a total of $15,368,395 in services. The largest portion of spending ($12,668,477) was on conventional shelters, with $1,302,011 going to day centers and $182,586 to severe weather shelter provision. While detailed spending data is not available for Clackamas and Washington County, if we assume that it costs the same amount to serve individuals in those counties, we can estimate total and per capita spending in each. In Clackamas County, according to data provided for the Annual Homeless Assessment report (AHAR) to Congress over the year between October 1st 2016 and September 30th 2017, 619 persons (17% are in families) were served in emergency shelters, implying an expense of $1,056,633. In Washington County over the same time period, data collected for the same purpose identifies 480 individuals served (85% are in families), for an estimated total expense of $819,360. Summing for the tri-county region, the estimated total spending on emergency shelters is $17,244,388. This number can be considered low, as it does not include the cost of capital: i.e., the actual costs of shelter construction. Multnomah County budgeted an additional $7.4M for shelter construction expenses in 2017 alone, and this expense and others like it from various sources are not included in the above estimates.

While we utilize Multnomah County spending on emergency shelters as a proxy to extrapolate per capita costs in Clackamas and Washington Counties, it is important to note that the household composition of those served in emergency shelters ranges widely across geographic areas, and can impact the costs of providing emergency shelters and services. These differences may be attributed to pre-existing differences in the overall homeless population household composition in each of the three counties. Other contributing factors may include the specific type of shelter that is available, whether there is programming specifically targeting families, or a potential self-selection among those who are more likely to seek shelter and assistance.

Conclusions

This section has laid out potential costs for massive social programs, for the purpose of enhancing public discourse and providing initial benchmarks for the consideration of policies like these. A secondary purpose of this document is to emphasize the considerable uncertainties faced when dealing with data related to the constantly shifting population experiencing homelessness or housing insecurity at any given time. For that reason, all numbers provided here are, of course, estimates. Without knowing the size of the true population, costs are unknown. Additionally, there are few reports of this kind that approach hypothetical scenarios with the goal of addressing the fullest possible scope of the target population, and a high level of assistance, rather than focusing on a certain amount of feasible revenue or policy change.

By using the most straightforward and replicable approach possible, based on previous local work in the field and expert consultation, this section first estimates that there are over 38,000 homeless individuals in the Portland tri-county area, including those who are doubled up in housing situations that are not intended to hold multiple households. Additionally, it is estimated that over 5,600 of those individuals suffer from disabilities that require permanent supportive housing.

The section estimates a cost of $2.6 billion to $4.1 billion to house all homeless individuals who require permanent supportive housing for ten years, and to provide complete rent assistance and services to those who do not require permanent supportive housing for two years.

Next, the potential costs of issuing universal housing vouchers in order to assist those at risk of becoming homeless are assessed. A framework based on ACS and HUD data is implemented to estimate the costs to providing said vouchers (which cover all housing expenses in excess of 30% of a household's income) at varying levels of income and rent burden. Administrative costs for the rent assistance program are included as well. The final estimates range from $6.2 billion over ten years, if only those earning lower than 30% of the MFI and paying greater than 50% of their rent are included; up to $21 billion, if the hypothetical rent assistance includes all households earning up to 80% MFI and paying more than 30% of their income to rent.

Finally, the supply and demand of affordable rental housing in the tri-county area are determined, in order to locate specific areas of shortage and surplus based on income level and housing type and size. All of these elements provide a large-scale, top-end set of costs and economic estimates that can be used to inform public discourse and prioritization.

In the next section we examine revenue-raising options for the local region.

III. REVENUE-RAISING OPTIONS

The previous section of this report estimated the potential cost of providing the supports, services and housing necessary to eliminate homelessness and rent burden in Clackamas, Multnomah, and Washington counties. This section examines revenue sources available to local governments that could fund these solutions, describes various governance challenges inherent in public projects of this magnitude, and provides estimates of necessary tax rates and fees to reach $100 million in tax revenue by revenue source.

Typical criteria for analyzing policies and revenue generation options from an economic perspective include: efficiency, equity, effectiveness, and political feasibility (see sidebar for definitions). However, each of those criteria depend on the specific policy. Since this section of the report only discusses policies in their broadest sense, economic impacts are left for future analysis when more policy details are known.

In particular, we urge a robust consideration of the equity of any revenue proposal. A key component of equity is a tax policy's regressivity, or how much of the tax burden is borne by the poor. A highly regressive tax would put more financial stress on those with the highest risk for becoming homeless, potentially undermining the policies and programs discussed in the first part of this report. Sales taxes are considered regressive because the cost of all goods increase, taking a larger percentage of income from poorer taxpayers. States sometimes dampen this effect by exempting necessities—such as food—from the tax. This illustrates that the specifics of any policy would need to be considered before any useful comparisons could be made. For example, an income tax could be constructed with progressive tax brackets (as it is at the Federal level) or proportionally with a flat tax rate (as is the case in many states). Similarly, a gross receipts tax could be considered either regressive or progressive depending on what businesses have to pay the tax.

Economic Criteria

Efficiency: The most common economic criteria, efficiency signifies the relationship between costs and outputs. An efficient policy would produce the most output (e.g. affordable units) for the least cost (e.g. tax dollars) compared to feasible alternatives.

Equity: Equity captures the concept of fairness, and is typically used with regards to the distribution of resources across a population. An inequitable policy would distribute goods "unfairly" across income groups, race, or other category.

Effectiveness: Effectiveness refers to how well the policy objectives are met. Often confused with efficiency, effectiveness is about doing "the right thing", while efficiency is about "doing the thing, right".

Political Feasibility: How likely the policy will succeed in the political arena.

Key Takeaways

We identified the following key takeaways:

- Any revenue-raising option should account for equity and regressivity. A decision-making framework driven by careful analysis of disparate impacts on different demographic and geographic groups must be part of any revenue-raising measure. Revenue raising should not worsen circumstances for marginalized community members.
- Raising revenue across the tri-county area will lead to greater coordination, and a firm commitment for all relevant actors; however, greater levels of coordination will take more time to implement. Note that Metro's boundaries do not extend to all of the counties' boundaries.
- There are multiple ways for localities to raise revenue. We focused on eleven possible tax options. The summary table of those options follows:

Table 3.1: Revenue-raising options summary

Tax Policy	Description	Relevant examples	Tax Base	Tax Rate/Fee to reach $100 Million
Corporate Tax	A tax on business profits	Exists in Oregon, Multnomah County, and Portland	Clackamas and Washington County Business Profits	$91.5 million by expanding Multnomah BIT to Clackamas and Washington
Business License Tax or Fee	A fee charged per establishment	City of Portland Business License Tax	Business Fee	$1,755.54
Gross Receipt Tax	A tax on business revenue	City of Portland and San Francisco	Business Revenue	0.055% (0.056% excluding groceries)
Sales Tax	A tax on a good or service levied at the point of sale	Does not exist in Oregon, but most other states	Price of Purchased Goods	1.45%
Individual Item Tax/Luxury Tax	A tax on a specific good, levied at the point of sale	Exists in Oregon in the form of sin taxes	Retail Price of the Good (Unit or Ad Valorem)	Varies significantly by good (see pg. 107 for details)
Flat Rate Tax	A tax on individual income	Portland Art	Tax filers	$119.78 per taxpayer
Payroll Tax	A tax on wages paid out by all businesses	TriMet Payroll and Self-Employment Tax	Payroll Wages	0.176%
Income Tax on the Highest Earners	Increases in income tax rate for top earners	California "Millionaire's Tax"	Tax filers with AGI over $250 thousand	0.505% of adjusted gross income
Bond Measure	Funded through an increase in property taxes	Metro Affordable Housing Bond Measure	Assessed Property Values	----------------------------
Reset Assessment of Commercial Assessed Values	Increase in taxable property value	----------------------------	Commercial Properties	$352 million in revenue from Multnomah County alone

Real Estate Transfer Tax	A tax on property sales and transfers	Washington County Transfer Tax	All Property Sales	$6.52 per $1,000 in sale value

What Constitutes Revenue

Before discussing potential revenue streams, it is important to define what counts as revenue in the context of this report. The revenue streams discussed below only work for the costs of homelessness assistance or rent burden relief. Tax revenue policies that include funds for multiple uses, such as K-12 or parks and recreation, might gain greater political support. Rather, we address taxes which have a specific expenditure requirement in Oregon—e.g. gasoline taxes. This report only includes those revenue streams that could be applied to homelessness. Policies or programs that do not explicitly raise revenue—such as a declaration of a public health emergency—are also excluded.

Revenue Sources

Of the revenue sources available to regional and regional governments, taxes provide the most revenue,[175] and are the focus of this report. Pertinent taxes include:

- Corporate income taxes
- Gross receipt taxes
- Sales taxes
- Individual item taxes (e.g. Coffee tax)
- Income taxes
- Property Taxes and Bond measures

These are broken down in more detail below; however, it is important to note that many of these forms of taxes exist in the Portland Metro area and its constituent counties already. This highlights a challenge: coordinating additional taxes and spending across Clackamas, Multnomah and Washington counties under the constraints of various legal requirements placed upon Oregon's governing bodies.

Governance

Governing revenue-raising effects is an important part of administering how raised revenue is spent. There are several ways the three Portland Metro counties can go about raising revenue. First, each county could act independently. This requires the least coordination which makes it the most easily adoptable strategy, and would allow programming and services for all parts of

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[175] Theoretically, any source of revenue could provide enough revenue, however fees or taxes on relatively few individuals would require a prohibitively high value to generate the $100 million objective (e.g. business license fees/jewelry tax).

the county. Unfortunately, this lack of coordination makes it more difficult to coordinate the spending side and raises the possibility that enough revenue is raised in one county but not enough in another. Second, the region's local governing body—Metro—could raise the revenue and operate the spending program for the three counties. This removes the coordination problem, but may require a charter review of Metro's scope and will not serve all of the counties' geographies.[176] Lastly, the three counties could form a new Special Service District to address homelessness; however, special districts can only be for specific services (housing or homelessness is not listed as an option).[177] The requirements for creating a special district are many, and would likely take some time to fulfill.[178]

Revenue Sources

This section describes eleven potential revenue sources with a focus on how various governing bodies have utilized them and estimates for what the rate/fee would have to be to reach $100 million in tax revenue (for feasible sources).

Corporate Income Taxes

Corporate taxes are taxes on business profits (net income). Oregon's state government exacts a corporate tax on C-corporations and, more pertinently, the City of Portland and Multnomah County also exact corporate taxes (on C-corporations and other business types).[179] The income that Portland and Multnomah treat as taxable is based on the business's proportion of gross receipts in the area, relative to its activities everywhere else, and the tax is paid based on net-income (profit).[180] Portland's rate of 2.2% and Multnomah County's rate of 1.45% generated $134 million[181] and $93.4 million[182] in fiscal year 2018, respectively. Businesses with less than $50,000 in gross receipts from all activities everywhere are exempt from this tax.

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[176] Metro's district boundary does not match county boundaries. The affordable housing bond can only be spent within the boundaries.

[177] Oregon Secretary of State Bev Clarno. (n.d.) *Special service districts.* Retrieved from
https://sos.oregon.gov/blue-book/Pages/local/other-special.aspx

[178] Oregon Legislature. (2017). *Chapter 198. Special districts generally miscellaneous matters 2017 edition: Special districts generally.* Retrieved from
https://www.oregonlegislature.gov/bills_laws/ors/ors198.html

[179] Portland's corporate tax is called the City of Portland Business License Tax, while Multnomah's is called the Multnomah Business Income Tax (https://www.portlandoregon.gov/revenue/article/216081). Despite the different names, they operate similarly.

[180] Wingard, R. & Freeman, C. (2013). *Portland and Multnomah Business Tax.* Retrieved from:
https://www.osbplf.org/assets/in_briefs_issues/Portland%20Multnomah%20Business%20Tax%20April%202016%20In%20Brief.pdf

[181] Rinehart, T. & Cooperman, J. (2018). *Comprehensive annual financial report for the fiscal year ended.* Bureau of Revenue and Financial Services, p 3. Retrieved from
https://www.portlandoregon.gov/omf/article/701632

[182] Multnomah County, Oregon. (2018). *Comprehensive annual financial report*, p 6. Retrieved from
https://multco.us/file/77203/download

Options for generating revenue through a corporate income tax include: 1) the adoption of a similar corporate tax in Clackamas and Washington Counties; 2) increasing the corporate taxes in Multnomah and Portland; or, 3) some combination of both. However, there are a few problems in adopting this approach. Currently corporate taxes are not earmarked for particular spending in Multnomah or Portland, and there is no guarantee new revenue would be spent on homelessness unless the current law was changed, or the new tax structure was treated independently. Similarly, it would be difficult to coordinate both the new corporate tax system and spending on homelessness without the direction of Metro or another new Special Service District, since each of the counties would have to pass and manage the legislation separately. This could lead to businesses locating to the county with the smallest corporate tax rate.[183] However, there are certain revenue generation structures—such as the urban renewal districts—that have dedicated special funds.[184] In these cases, expenditures are earmarked very specifically, which can be beneficial from the standpoint of political accountability; however, the restrictions remove flexibility.

Since a corporate tax already exists for Multnomah County, adopting a corporate tax in Washington and Clackamas Counties has slightly less revenue potential. To generate an estimate of the extra revenue from expanding Multnomah's Business Income Tax to the other two counties, we first assume that any additional revenue would be proportional to the wages paid out in that county. In other words, if the wages in one county are 50% of the wages of Multnomah, then that county would generate 50% of the business income tax revenue of Multnomah County. Using this method, we estimate that expanding the Business Income Tax of 1.45% to Clackamas and Washington Counties would result in $91.5 million in revenue.

Another option is to charge a flat business license tax (or fee) to businesses above a certain level of revenue. Revenue and establishment counts for Oregon are aggregated for the entire state. To focus the counts to the three counties, we assume that establishments are distributed according to wage payments. In other words, since 59.1% of Oregon wages are paid within the area, we assume the three counties also account for 59.1% of Oregon business establishments. This amounts to around 57,000 of the state's over 96,000 establishments. The table below shows the rates required to generate the desired $100 million in tax revenue, broken down by level of sales. To generate $100 million in annual revenue for homelessness spending, each business would need to be charged $1,755 per year, with payments dramatically increasing if only charged to businesses with higher sales (see figure below). Because businesses above this level of sales are likely to be more concentrated within Multnomah, Clackamas, and Washington Counties, the higher business license fees are likely to be overestimates to some degree.

183 Papke, L. (1991). Interstate business tax differentials and new firm location: Evidence from panel data. *Journal of Public Economics*, 45(3), 47-68.
184 Prosper Portland. (2019). Urban Renewal [web page]. Retrieved from https://prosperportland.us/what-we-do/urban-renewal/

Table 3.2: Business License Fees

Business License Tax Base	Fee per Business
All Corporations	$1,755.54
Corporations with over $25 million in revenues	$99,542.86
Corporations with over $50 million in revenues	$199,437.88
Corporations with over $100 million in revenues	$428,160.31

Gross Receipt Taxes

Like corporate taxes, gross receipt taxes are also charged to businesses. The key difference is that instead of taxing profits, the tax is on total revenue. This leads to a different group of business being taxed. Under a corporate tax, industries with large profit margins (such as the financial industry) tend to bear more of the burden. Under a gross receipts tax this is flipped, and low-margin industries (such as the retail industry) tend to carry more of the weight.

In 2018, the City of Portland passed the Portland Clean Energy Community Benefits Initiative which "requires large retailers (those with gross revenues nationally exceeding $1 billion, and $500,000 in Portland) to pay a surcharge of 1% on gross revenues from retail sales in Portland, excluding basic groceries, medicines, and health care services. This is expected to generate between $54 million and $71 million in revenue annually once the program is underway. Since its funds are already earmarked for community-level energy efficiency programs, it cannot be expanded upon to raise revenue to combat homelessness. However, this policy does provide a framework for a new tax as well as an idea of how much revenue could potentially be generated.

The Oregon Corporate Activity Tax (CAT) provides a recent example of a gross receipts tax reserved for specific use. Passed in May 2019, the CAT levies a fee of $250 plus 0.57% of all taxable commercial activity over $1 million. This is estimated to secure roughly $1 billion annually for early learning and K-12 education statewide. It is important to note that this bill may preclude specific forms of GRTs for localities, and that this analysis offers no interpretation of what types of policies are currently allowed.

The City of San Francisco recently passed a gross receipts tax on businesses with more the $50 million of revenue in San Francisco. It is estimated that 300–400 businesses will be subject to the tax, and that it would raise $250 million–$300 million and is operative as of January 1st,

2019.[185] [186] Notably, these funds are specifically earmarked to combat homelessness. One concern for reproducing such a tax in the Portland Metro region would be that the two areas have vastly different corporate tax bases, and so the revenue threshold would need to be lowered to achieve a significant source of funding at the same tax rate.

Similar to the business license fee estimates above (page 108), we assume 59.1% of sales revenue occurs within the area to pare down Oregon Department of Revenue aggregate sales revenue to the local level. To generate $100 million, the three counties would need to charge a rate of 0.055% if applied to all corporations.

Table 3.3: Gross Receipt Taxes

Gross Receipts Tax Base	Gross Receipts Tax Rate
All Corporations	0.055%
Corporations with over $25 million in revenues	0.084%
Corporations with over $50 million in revenues	0.098%
Corporations with over $100 million in revenues	0.120%

If only corporations with over $50 million in revenue, as in San Francisco, the required rate would be 0.098% of gross revenue. This could be an overestimate, as businesses with higher revenues may be more concentrated within Multnomah, Clackamas, and Washington Counties.

[185] City and County of San Francisco. (2018). *Homelessness gross receipts tax.* Retrieved from https://sfcontroller.org/sites/default/files/Documents/Economic%20Analysis/hgrt_economic_impact_final.pdf
[186] City and County of San Francisco Treasurer and Tax Collector. (2019). *Homelessness gross receipts tax.* Retrieved from https://sftreasurer.org/homelessness-gross-receipts-tax-ordinance

Sometimes groceries are exempt from gross receipt taxes. Using the national ratio of grocery store revenue to all revenue from 2017 (2.1%)[187] and assuming that all grocery retailers gross over $100 million in revenue, NERC estimated that the tax rate on all corporations would be 0.056% to reach $100 million.

Table 3.4: Gross Receipt Taxes (excluding groceries)

Gross Receipts Tax Base (Excluding Groceries)	Gross Receipts Tax Rate (Excluding Groceries)
All Corporations	0.056%
Corporations with over $25 million in revenues	0.086%
Corporations with over $50 million in revenues	0.102%
Corporations with over $100 million in revenues	0.125%

Sales Taxes

A sales tax is a tax on the price of a good or service that, unlike a gross receipts tax, is levied at the point of sale. Oregon is one of five states with no sales taxes and has voted down potential sales taxes nine times.[188] However, there is no law preventing local jurisdictions from adopting a sales tax, even if the state has no such structure. The range of potential revenue raised by a new sales tax is large and is dependent on the size of the base (how many counties or municipalities participate) and the tax rate.

One example of how sales taxes have been used to combat homelessness is Los Angeles County's Measure H. This bill raised sales taxes by one quarter of a cent which, due to the size of the tax base in Los Angeles, is estimated to bring in about $355 million a year.[189] This tax, which went into effect October 2017, is on all sales and the revenue it generates will be used to provide services for the homeless.

Using sales tax data from Texas, a rich source of tax revenue data, we scale the sales tax revenue per person within Austin, to provide an estimate of the revenue from a potential local sales tax. Austin was chosen as its income levels are relatively similar to those of the Metro area, and charges a 1% sales tax on top of Texas's rate of 6.25%. Within the three counties, a sales tax rate of 1.45%, or 1.45 cents per $1, would generate $100 million in tax revenue.

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[187]United States Census Bureau. (2017). *Annual retail trade survey.* Retrieved from
https://www.census.gov/data/tables/2017/econ/arts/annual-report.html
[188] Oregon's long history of saying no to sales tax. (2019). *Oregon Public Broadcasting.* Retrieved from
https://www.opb.org/news/widget/oregons-history-with-sales-tax/
[189] Chiland, E. (2017). Updated: LA County voters approve Measure H: Here's how higher taxes will help the homeless. *Curbed LA.* Retrieved from https://la.curbed.com/2017/3/8/14855430/los-angeles-election-results-ballot-measure-h

Individual Item Taxes

Specific goods can also face a tax through either a unit excise tax (per unit) or an ad valorem excise tax (based on percentage). One type of individual item tax is known as a "sin tax." A sin tax has the dual purpose of both raising revenue and, since the associated goods are typically seen as harmful, curbing consumption of the good. Tobacco, alcohol, and marijuana are examples of goods with sin taxes. Over the 2016–2017 fiscal year in Oregon, the cigarette tax raised over $205 million, taxes on beer and wine raised over $18 million, and the tax on marijuana raised over $74 million.[190]

However, an individual item tax does not need to be on a harmful good. For example, the Oregon Legislature briefly considered a coffee tax in 2017.[191] One difficulty with individual item taxes is that legislatures often seek to tie the source of revenue to the purpose for raising it. For example, the Portland Gas Tax is used for road repairs, pedestrian safety, and the like.[192] The amount of revenue generated by an individual item tax can range from inconsequential to very significant, depending on the good, the tax base, and the tax rate. One specific example is the sugary drink tax that is now in place in a number of cities. For example, Philadelphia's tax of sweetened beverages at a rate of $0.015 per ounce produced $78.8 million over 2018.[193]

To give a ballpark figure for how much an individual item tax could raise in Portland, consider a $0.05/unit excise tax on coffee. Assuming that every adult in the tri-counties (1,459,274 as of July 2018)[194] buys on average one cup of coffee a week, then that would generate $3.8 million in revenue on an annual basis.

Luxury Taxes

Luxury taxes are a subset of individual item taxes levied only on goods deemed non-essential. This typically take the form of an ad-valorem tax and is passed to the consumer at the point of sale. For example, the U.S. imposed a nation-wide 10% luxury tax in 1990 on several products including private boats, jewelry and furs. Each good was only considered a luxury item after a

[190] Legislative Revenue Office. (2018). *2018 Oregon Public Finance: Basic Facts*, Retrieved from https://www.oregonlegislature.gov/lro/Documents/2018%20FINAL%20-1.pdf
[191] CBS News. (2017). Oregon legislature considers coffee tax, officials say. *CBS.* Retrieved from https://www.cbsnews.com/news/oregon-legislature-considers-coffee-tax/
[192] Njus, E. (2018, February). Portland gas tax brings in more than expected. *The Oregonian.* Retrieved from https://www.oregonlive.com/commuting/2018/02/portland_gas_tax_collects_more.html
[193] Burdo, A. (2018, January). First full year of soda tax revenue puts city $13M+ short of goal. *Philadelphia Business Journal.* Retrieved from https://www.bizjournals.com/philadelphia/news/2018/01/26/philly-beverage-tax-soda-tax-pbt-2017-year-revenue.html
[194] Population Research Center. (2019). Population estimates and reports. Portland State University, College of Urban and Public Affairs. Retrieved from https://www.pdx.edu/prc/population-reports-estimates

certain value (i.e. jewelry and furs costing over $10,000).[195] However, these taxes were collectively repealed by 2002.

Today, there are few remaining states with outright luxury taxes. New Jersey implemented a Luxury and Fuel Inefficient Vehicle Surcharge in 2006. Under this tax, new vehicles priced over $45,000 or that have an EPA rating less than 19 miles per gallon are charged an additional 0.4%.[196] Some states, like California, tax luxury items such as boats and aircraft as property based on market value of the vessel.[197] There is little uniformity among "luxury taxes" and most states do not collect revenue data from their luxury items separate from their general sales and use taxes. This makes any quantitative analysis of the revenue potential difficult. Moreover, there is little evidence that any state without a general sales tax has successfully imposed a luxury item tax. Montana came the closest with their 2017 "Ferrari tax" which would have imposed a 0.08%–1.0% tax on all new vehicles sales over $150,000. However, this version of the bill did not actualize and instead was settled with an increase in vehicle registration fees. As of today, none of the five states without a statewide sales tax have imposed a luxury item tax.

Keeping the above challenges in mind, we calculated the rate a potential luxury item tax would need to be charged to reach $100 million in revenue using Illinois Department of Revenue Sales Tax Statistics for fiscal year 2018.[198] The data is divided by standard industrial classification (SIC) codes, of which we analyzed several goods that fall reasonably into the definition of luxury (jewelry, recreational vehicles, motorcycles, etc.). First, we analyzed jewelry stores, as this industry had the highest state sales tax revenue of all the "luxury" industries in FY 2018. We took the roughly $32 million in state tax revenue, scaled it up by the 6.25% state tax rate, and then proportioned it down to what might be feasible to generate within Clackamas, Multnomah, and Washington counties—this came out to roughly $74 million. In order to generate enough revenue to meet our $100 million goal, all goods within this industry would need to be charged a 135.2%.

Next, we combined the revenue for each "luxury" good industry and performed a similar analysis. These industries are: jewelry, aircraft, boats, motorcycles, and R.V.s. This resulted in an estimated $136 million in sales for the tri-county area. Again, to reach our target revenue this would require a tax rate estimated at 73.6%. We emphasis that spending patterns on these items vary state by state and that this analysis is based on rough data that does not account for the consumer response to higher prices (which would be significant).

[195] United States General Accounting Office. (1992). *Tax policy and administration: Luxury excise tax issues and estimated effects* [PDF file]. Retrieved from https://www.gao.gov/assets/220/215770.pdf
[196] State of New Jersey. (2017). *Luxury & fuel inefficient vehicle surcharge.* Retrieved from https://www.state.nj.us/treasury/revenue/njbgs/luxvehs.shtml
[197] Los Angeles County. (2019). Boats and aircraft: Other property [web page]. Retrieved from https://assessor.lacounty.gov/boats-and-aircraft/
[198] Illinois Revenue. (2018). *Sales tax statistics by annual year.* Retrieved from https://www2.illinois.gov/rev/research/taxstats/SalesTaxStatistics/SitePages/SalesTaxYear.aspx?rptYear=2018

Income Taxes

Oregon is one of the many states that taxes income, which provides the primary source of revenue for the state government. One of the key methods for implementing an income tax is withholdings, which is managed through the payroll system. Counties or other jurisdictions have the option of increasing revenue by adding onto the current payroll tax, much like Multnomah County did in the early 2000s to increase funding for schools after state budget cuts.[199] Passed in 2003, this measure raised an estimated $128 million annually for three years through a 1.25% income tax.[200]

Flat Rate Income Tax

A flat tax (or head tax) on income taxes individuals at a constant rate. A true flat rate taxes all individuals at the same level regardless of their income. In order to generate $100 million in revenue using a head tax, each household in Clackamas, Multnomah, and Washington counties would be charged $119.78, tacked on to their annual income filing. If levied at the individual level, the fee drops to $54.38. Using Oregon Department of Revenue's 2017 report on income tax statistics, we calculated the household fee by dividing the $100 million target revenue with the total number of returns filed for the three counties, and used the total population in similar process for the per capita head tax. The individual head tax would disproportionately affect families as each tax-filing member's fee would be multiplied how many dependents they claim. For example, a joint-filing family of five would pay a total of $271.90 under this option.

Additionally, this tax is regressive as it taxes lower income individuals at higher rates than their higher earning counterparts. Under the household case, the bottom 20% of earners would pay an average of 0.70% more of their income than the top 20%, whereas the middle quintile would be responsible for 0.12% more than the top earners.

Proportional Income Tax

To mitigate these discrepancies we also analyze the case of a proportional tax (i.e. a head tax that varies across income levels). For this analysis we use U.S. Census Bureau's income quintile distribution for each county, alongside the Oregon income tax statistics employed in the previous section. We calculated a rate for each county that, when applied to the mean household income for each quintile, sum to generate the desired $100 million across the tri-county area.

[199] Dillon, S. (2003). Portland voters approve Oregon's only county income tax, aiding schools. T*he New York Times*. Retrieved from https://www.nytimes.com/2003/05/22/us/portland-voters-approve-oregon-s-only-county-income-tax-aiding-schools.html

[200] Multnomah County. (2003). *May 2003 special election - Multnomah County - Measure No. 26-48*. Retrieved from https://multco.us/elections/may-2003-special-election-multnomah-county-measure-no-26-48

To illustrate using Multnomah County, each household would be charged 0.14% of the mean income for their respective quintile. This amounts to a $17.15 tax for the bottom 20%, $84.98 charged to the middle 20%, and a $299.82 flat tax levied on those in the top income group. The rates are similar for Clackamas and Washington counties, each requiring a 0.13% income tax to produce their share of the target revenue. While this proportional flat tax remains regressive within each quintile group, it negates the variation between income quintiles seen in the analysis of a true flat tax.

Income Tax on Highest Earners

In 2010, Oregon voters passed two referenda, Measure 66 and 67, that increased taxes for businesses and high-earning households. Measure 66 increased the tax rate to 9.9% for joint-filers earning more than $250,000 and for single-filers with an income higher than $125,000 in order to help make up for the state budget deficit following the recession.[201] Along this line of thinking, we have calculated how much the tax rate on top earners would need to increase in order to cover $100 million in revenue for homelessness projects. Using Oregon Department of Revenue's 2017 Personal Income Tax Statistics, we found the aggregate adjusted gross income of those earning more than $250,000 across the three counties was just over $19.8 billion. To reach the target revenue this figure would be taxed at a rate of 0.505%, meaning the rate on the 33,770 top earning households across the tri-county would need to increase to roughly 10.41%.

California is one state leading the charge on aggressive tax hikes for high income earners. Their "millionaires' tax," passed in 2005, increased their highest rate to 10.3% for those in the top income threshold. This rate was further increased to 13.3% in 2012, the highest rate in the country. This increase raised an estimated $8.1 billion for budget year 2018–2019[202].

Payroll Tax

Payroll taxes are paid by employers based on their employees' wages. The TriMet Payroll and Self-Employment Tax is an example of a local application of a payroll tax. Currently, employers pay 0.7637% of wages toward mass transit district funds.[203] While the TriMet Tax applies only to businesses within their service area, applying the payroll tax to the three counties expands the tax base, allowing for relatively lower tax rates. A payroll tax of 0.176% on wages paid within Clackamas, Multnomah, and Washington Counties would raise the desired revenue for

[201] State of Oregon. (2009). *Measures 66 and 67*. Legislative Revenue Office. Retrieved from https://www.oregonlegislature.gov/lro/Documents/11-19-09%20RR%206-09%20Measures%2066-67.pdf

[202] Tharpe, W. (2019, 7 February). Raising state income tax rates at the top a sensible way to fund key investments. *Center on Budget and Policy Priorities*. Retrieved from https://www.cbpp.org/research/state-budget-and-tax/raising-state-income-tax-rates-at-the-top-a-sensible-way-to-fund-key#_ftn1

[203] Oregon Department of Revenue. (n.d.) Payroll tax basics: Understanding basic requirements for reporting and paying Oregon payroll taxes [PowerPoint slides]. Retrieved from https://www.oregon.gov/DOR/programs/businesses/Documents/PayrollSlideshow.pdf

homelessness programs. Using 2017 QCEW data, we assume the shares of wages by establishment size for the entire US is representative of the local area. The table below displays our estimates of this rate if only applied to establishments above a certain size. For example, a tax of 0.264% charged on the payroll of establishments with 50 or more employees would generate $100 million in homelessness project revenue.

Table 3.5: Payroll Taxes

Establishment Size Tax Base	Payroll Tax Rate
All Establishments	0.176%
Establishments with 5 employees or more	0.186%
Establishments with 10 employees or more	0.198%
Establishments with 20 employees or more	0.219%
Establishments with 50 employees or more	0.264%
Establishments with 100 employees or more	0.319%
Establishments with 250 employees or more	0.446%
Establishments with 500 employees or more	0.612%
Establishments with 1,000 employees or more	0.881%

To generate the desired revenue, a tax of wages only at establishments with 50 employees or more would require a rate of 0.264%, while a tax of wages at only the largest classification of establishments would require a rate of 0.881%, or $8.81 per $1000 in wages.

Property Taxes and Bond Measures

Property taxes are the primary source of revenue for local governments in Oregon, and can be used to generate revenue through bond measures such as Oregon Metro's Affordable Housing Bond.[204] This bond raises $653 million in revenue, which will be used to provide affordable housing within the Metro region (for more information, see the previous section). To pay for the bond, property taxes were raised by $0.24 per $1,000 in assessed value (which comes out to about $60 for every $250,000 of assessed home value (AV)).[205] A major piece of legislation that allowed for this bond was Measure 102, which amends the state constitution to allow government entities to use revenue from affordable housing bonds toward public-private development partnerships.

[204] Metro. (2018). Affordable homes for greater Portland [web page]. Retrieved from:
https://www.oregonmetro.gov/public-projects/affordable-homes-greater-portland
[205] Oregon Live. (2018). $653 million Metro affordable housing bond passes: Election results 2018. *The Oregonian*. Retrieved from
https://www.oregonlive.com/politics/2018/11/2018_metro_affordable_housing_bond.html

Calculating Property Taxes

Calculating the actual tax due for a household can be complicated due to the multiple rates and valuation methods. The calculation begins with the comparison of two values, based on a property's AV and RMV. The Measure 5 cap is 1.5% of current RMV (1% for general government taxes and 0.5% for educational taxes). Based on its location in various taxing districts, each property will have a limited government tax rate and a limited education tax rate. The sum of these rates is then multiplied by the AV to calculate the base tax. If the calculated base tax exceeds the Measure 5 cap, any temporary voter-approved property tax measure for specific services (such as increased funding for public safety, libraries or schools) is reduced first, all the way to $0 if necessary. If the taxes still exceed Measure 5 caps, each permanent tax rate component within the base tax is then compressed proportionally such that the base tax will equal the Measure 5 cap.

In order to calculate final taxes, the bonded general government and bonded education rates, which fund capital construction projects, such as new buildings or equipment, are multiplied by the AV and added to the base tax. These bonded rates are not subject to the property tax caps.

Typically property taxes are capped at 1.5% of the property's real market value (RMV) due to Measure 5. However, Measure 5 does not apply voter-approved bond levies used for capital construction.[206] It is also possible to directly raise property taxes through a local option instead of going through a bond measure. This tax scheme also requires voter-approval and, unlike bonds used for capital construction, would be subject to Measure 5 and Measure 50. Since some properties are already at the 1.5% cap, not all properties will be subject to the full rate increase—a phenomena known as compression. For more information on Measures 5 and 50, see the sidebar.

Resolving a portion of the difference between the AV and RMV of select properties is one potential method of raising the required revenue. As of 2017, commercial buildings in Multnomah County are only taxed on 37% of their current RMV due to the taxable value growth limits imposed by Measure 50. Increasing the taxable values of these properties alone to their RMV would raise, an extra $352 million in tax revenue, after accounting for compression. While extending this estimate to all three counties is difficult due to the concentration of commercial properties within Multnomah County, it is clear that resetting just a fraction of the taxable value difference would generate considerable revenue. However, implementing the policy would require a regional waiver from the Measure 50, likely putting the issue to a vote.

Another option is to adopt a real estate transfer tax similar to that imposed within Washington County. Currently, the county taxes property sales and transfers at a rate of $1 per $1,000 of sale price, split between the buyer and seller. In the 2017-18 tax year, this generated $6.5

[206] Oregon Department of Revenue. (n.d.). How property taxes work in Oregon [web page]. Retrieved from https://www.oregon.gov/dor/programs/property/pages/property-taxes.aspx

million in revenue.[207] Using this data, 2017 Multnomah County Assessor data, and extrapolating to Clackamas County proportionally using QCEW wages, we estimate that $15.3 billion in properties were sold in 2017. According to this estimate, the region would need to tax transfers at a rate of $6.52 per $1,000 in sale price to generate the desired revenue, or around $652 per $100,000 in home value. Unfortunately, implementing such a tax is not likely feasible, as Measure 79 of Oregon's constitution, passed in 2012, prohibits state and local governments from imposing transfer taxes, except those in effect at the end of 2009.

Similar to Metro's Affordable Housing Bond, Los Angeles County's Measure HHH was a $1.2 billion bond measure to fund affordable housing, that increases property taxes by an average of about $33 per year.[208] We summarize the tax options below.

Table 3.6: Revenue-raising options summary

Tax Policy	Description	Relevant examples	Tax Base	Tax Rate/Fee to reach $100 Million
Corporate Tax	A tax on business profits	Exists in Oregon, Multnomah County, and Portland	Clackamas and Washington County Business Profits	$91.5 million by expanding Multnomah BIT to Clackamas and Washington
Business License Tax or Fee	A fee charged per establishment	City of Portland Business License Tax	Business Fee	$1,755.54
Gross Receipt Tax	A tax on business revenue	City of Portland and San Francisco	Business Revenue	0.055% (0.056% excluding groceries)
Sales Tax	A tax on a good or service levied at the point of sale	Does not exist in Oregon, but most other states	Price of Purchased Goods	1.45%
Individual Item Tax/Luxury Tax	A tax on a specific good, levied at the point of sale	Exists in Oregon in the form of sin taxes	Retail Price of the Good (Unit or Ad Valorem)	Varies significantly by good (see pg. 107 for details)
Flat Rate Tax	A tax on individual income	Portland Art	Tax filers	$119.78 per taxpayer
Payroll Tax	A tax on wages paid out by all businesses	TriMet Payroll and Self-Employment Tax	Payroll Wages	0.176%
Income Tax on the Highest Earners	Increases in income tax rate for top earners	California "Millionaire's Tax"	Tax filers with AGI over $250 thousand	0.505% of adjusted gross income

[207]Washington County Oregon. (2019). *Proposed budget detail program Fiscal Year (FY) 2019-2020*. [PDF file]. Retrieved from
https://www.co.washington.or.us/Support_Services/Finance/CountyBudget/upload/19-20-Proposed-Budget-Program.pdf

[208] Chiland, E. (2016). Measure HHH: Angelenos ok $1.2 billion bond to tackle homelessness. *Curbed Los Angeles.* Retrieved from https://la.curbed.com/2016/11/9/13574446/homelessness-ballot-measure-hhh-housing-bond-pass

Bond Measure	Funded through an increase in property taxes	Metro Affordable Housing Bond Measure	Assessed Property Values	----------------------------
Reset Assessment of Commercial Assessed Values	Increase in taxable property value	----------------------------	Commercial Properties	$352 million in revenue from Multnomah County alone
Real Estate Transfer Tax	A tax on property sales and transfers	Washington County Transfer Tax	All Property Sales	$6.52 per $1,000 in sale value

Further Research and Conclusion

This has been a review of the various means local jurisdictions can raise revenue to address homelessness. This report did not delve into the various economic impacts of any of these tax policies. Doing so would require a specific policy from which the impacts could be modeled. Given the multiple additional burdens marginalized communities experience, and that these communities experience homelessness at higher rates, examining the equity impacts or regressiveness of any revenue measure is essential.

Policy does not happen in a vacuum. While each of these taxes are discussed in the context of homelessness, there also exists the option of coordinating with other priorities—such as increasing K-12 education funding—to establish new revenue streams. Further, decisions about what revenue measures to pursue, and how to structure them should take place in a transparent and inclusive manner. This section provides information and data about how to structure such a measure.

IV. CONCLUSIONS

In this report we examined approaches to collaborative and regional governance to address homelessness in the Portland tri-county region, costs to support people experiencing homelessness and housing insecurity, and possible revenue options for Oregon localities to explore. The purpose of this report was to provide community members, organizations, businesses, and governments with some of the building blocks to create a path forward in addressing homelessness and housing insecurity. This report does not provide answers to some of the most important questions, such as how do we make sure we do not end up in this situation again. Rather, the information in the report helps articulate how we create some stability for people while we also make plans to understand the underlying structural issues that shape our region. We look forward to creating those plans with the Portland region.

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Appendix - Glossary

Affordable Housing

Affordable housing can refer to a wide range of housing types and pathways to housing. In this report, we define housing as affordable when households pay less than 30% of their income on housing costs. Affordable housing may be developed and owned by the government, subsidized by the government and built by a private developer, or obtained through rent assistance to lease units on the private market. Some buildings might have a mix of market rate units and other units that are designated for specific moderate to lower income groups. Other affordable housing is "naturally occurring," meaning it is affordable to people with lower incomes without any type of intervention. Our focus is on whether community members can attain safe and quality housing based on their income at a level that promotes housing stability, and not on a particular type of affordable housing or unit type.

Chronic homelessness

HUD defines chronic homelessness as "an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or has had at least four episodes of homelessness in the past three years."[209]

Continuum of Care

HUD defines the Continuum of Care (CoC) program is designed to promote community-wide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness."

Doubled Up

Families or individuals who live doubled up with friends or family members due to the loss of housing or economic hardship are considered homeless. Sometimes described as the hidden homeless, this population is not counted in Point-in-Time but included in Department of Education counts for unaccompanied youth or youth in families. Neither count includes doubled-up adult households. Doubled up can refer to a range of complex living arrangements.

Homeless

Government agencies employ multiple definitions of homelessness. For instance:

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[209] National Low Income Housing Coalition. (2019). HUD publishes final rule on definition of "chronic homelessness" [web page]. Retrieved from https://nlihc.org/resource/hud-publishes-final-rule-definition-chronic-homelessness

- HUD: To be described as homeless for HUD[210] reporting, an individual must fall into one of four categories. Those categories include: 1) an individual who lacks a fixed, regular, and adequate nighttime residence; 2) an individual who will imminently lose their primary nighttime residence; 3) unaccompanied children and youth or those in families who meet another federal statute's definition for homelessness and, 4) an individual fleeing domestic violence. While these 4 categories may sound somewhat broad, each category includes sub-criteria creating significant restrictions in being defined as homeless.[211]

- Department of Education: The DOE focuses on youth who are with families or unaccompanied. Under the McKinney-Vento Act, the first part of the definition starts out similarly to the HUD definition where homeless "means individuals who lack a fixed, regular, and adequate nighttime residence" (https://nche.ed.gov/mckinney-vento-definition/). The second part of the definition includes all of the categories within the HUD definition as well as unaccompanied youth or children or those in families who: 1) are sharing someone else's housing due to economic hardship, loss of housing, etc. (commonly referred to as doubling up); and, 2) migratory children living in any of the situations described by HUD or the MVA (https://nche.ed.gov/mckinney-vento-definition/).

- Health Resources and Services Administration: "an individual who lacks housing (without regard to whether the individual is a member of a family), including an individual whose primary residence during the night is a supervised public or private facility that provides temporary living accommodations and an individual who is a resident in transitional housing."[212]

Housing cost or rent burdened
According to HUD, "Families who pay more than 30% of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care." In addition to rent or mortgage payments, housing cost burden includes housing costs such as insurance and utilities.

Housing First
HUD defines Housing First as an "approach to quickly and successfully connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to

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[210] U.S. Department of Housing and Urban Development [HUD]. (n.d.) Homeless definition [PDF file]. Retrieved from
https://files.hudexchange.info/resources/documents/HomelessDefinition_RecordkeepingRequirementsandCriteria.pdf
[211] HUD does allow for people who are doubled up, or at risk of imminently losing their housing under several limited circumstances; however, the documentation required to demonstrate this are onerous.
[212] U.S. Health Resources & Service Administration [HSRA]. (n.d.). Health center program terms and definitions [PDF file]. Retrieved from
https://www.hrsa.gov/sites/default/files/grants/apply/assistance/Buckets/definitions.pdf

entry, such as sobriety, treatment or service participation requirements. Supportive services are offered to maximize housing stability and prevent returns to homelessness as opposed to addressing predetermined treatment goals prior to permanent housing entry."[213]

Housing insecurity

In the American Housing Survey (AHS), a joint venture between HUD and the US Census Bureau, housing insecurity "encompasses several dimensions of housing problems people may experience, including affordability, safety, quality, insecurity, and loss of housing".[214]

Median income

Median income identifies the point where 50% of people make over that amount and 50% make less than that amount. Median income can be calculated for different groupings of people such as different geographies, family size, household size, race, etc. In this report, we use median family income (MFI) in our calculations. Determining who is described as low-income depends on what part of the income spectrum a family falls. If you make less than 80% MFI, you would be concerned low- or moderate- income.

Permanent Supportive Housing

HUD defines permanent supportive housing as permanent housing with indefinite leasing or rental assistance paired with supportive services to assist homeless persons with a disability or families with an adult or child member with a disability achieve housing stability.[215]

Point-in-Time Count

"The Point-in-Time Count provides a count of sheltered and unsheltered homeless persons on a single night during the last ten days in January"[216] in part to capture which individuals are unwilling or unable to access shelter. The count must be completed every two years by jurisdictions over a single night to avoid double counting. The guidelines for conducting the PIT Count differentiate between sheltered and unsheltered individuals, and require basic demographic breakdown.

[213] U.S. Department of Housing and Urban Development [HUD]. (2019). Continuum of Care program eligibility requirements [web page]. Retrieved from https://www.hudexchange.info/programs/coc/coc-program-eligibility-requirements/

[214] U.S. Department of Housing and Urban Development [HUD]. (n.d.) Measuring housing insecurity in the American Housing Survey [web page]. Retrieved from https://www.huduser.gov/portal/pdredge/pdr-edge-frm-asst-sec-111918.html

[215] U.S. Department of Housing and Urban Development [HUD]. (2019). Continuum of Care program eligibility requirements [web page]. Retrieved from https://www.hudexchange.info/programs/coc/coc-program-eligibility-requirements/

[216] U.S. Department of Housing and Urban Development [HUD]. (2019). CoC homeless populations and subpopulations reports [web page]. Retrieved from https://www.hudexchange.info/programs/coc/coc-homeless-populations-and-subpopulations-reports/

Unsheltered Homeless

HUD defines unsheltered homeless as people experiencing homelessness "who sleep in places not meant for human habitation (for example, streets, parks, abandoned buildings, and subway tunnels) and who may also use shelters on an intermittent basis."[217]

[217] U.S. Department of Housing and Urban Development [HUD]. (2008). *A guide to counting unsheltered homeless people* [PDF file]. Retrieved from
https://files.hudexchange.info/resources/documents/counting_unsheltered.pdf