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

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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.
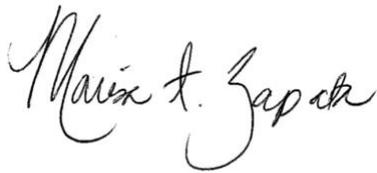
Marisa A. Zapata, PhD

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.

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[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.

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[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:

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[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.