

Program #10053K - Housing Placement & Retention - Market Increase for Rents

2/17/2017

Department: Nondepartmental Program Contact: Marc Jolin

Program Offer Type: Existing Operating Program Program Offer Stage: As Requested

Related Programs: 10053A

Program Characteristics: Out of Target

Executive Summary

A Home for Everyone has set certain housing placement and retention capacity targets for the system that must be maintained or exceeded in order to substantially reduce homelessness over time. Given the indicators that inflow into homelessness continues to increase, these targets are likely conservative. But as private market housing costs continue to rise significantly for low-income households, current funding levels will not sustain even current capacity. This program adds the additional rental assistance funding it will take to maintain current housing placement capacity.

Program Summary

The modeling done by A Home for Everyone (AHFE), based on 2015 data, demonstrated the relationship between a sustained expansion of housing placement and retention capacity and the decline in unmet housing need (homelessness) over time. Based on this modeling, the AHFE Executive Committee set certain placement and retention capacity targets as well as prevention targets. The cost of achieving those targets is highly subject to what is happening in the private rental market.

As shown in multiple reports, including the Portland Housing Bureau's State of Housing Report, the rental market remains incredibly tight and rents have continued to rise significantly, in particular in lower-rent areas of the County. As a result, at current funding levels, the rent assistance that is currently funded will serve significantly fewer people next year. In order to maintain the current system placement/retention capacity, rent assistance will need to increase an estimated 8%.

Applying the 8% increase to the rent assistance funding only, and reducing the percentage by the already contemplated 2.25% escalation, yields a gap in rental assistance that would be needed to maintain current capacity; this is the equivalent of 120 placements. Without this funding, the system will not be able to serve the same number of households that were served in FY 2017.

While we do not yet have an updated Point In Time Count for 2017, the indicators we have suggest that if anything inflow into homelessness is greater than originally anticipated; therefore we cannot afford a loss of capacity, and may well need greater housing and placement capacity if we hope to achieve our system goals.

Performance Measures									
Measure Type	Primary Measure	FY16 Actual	FY17 Purchased	FY17 Estimate	FY18 Offer				
Output	Maintain FY 2017 system placement and retention capacity - individuals served	N/A	N/A	N/A	120				
Outcome	Percent of households who remain housed 6 months after exit	N/A	N/A	N/A	80%				

Performance Measures Descriptions

This program maintains FY 2017 system capacity and does not purchase additional capacity.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds	
Program Expenses	2017	2017	2018	2018	
Contractual Services	\$0	\$0	\$300,000	\$300,000	
Total GF/non-GF	\$0	\$0	\$300,000	\$300,000	
Program Total:	\$0		\$600,000		
Program FTE	0.00	0.00	0.00	0.00	

Program Revenues								
Intergovernmental	\$0	\$0	\$0	\$300,000				
Total Revenue	\$0	\$0	\$0	\$300,000				

Explanation of Revenues

Funding for this program is a shared commitment between the County and the City of Portland. County General Fund - \$300,000 City of Portland General Fund - \$300,000

Significant Program Changes

Last Year this program was: