

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

2/21/2018

Department: Nondepartmental Program Contact: Marc Jolin

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

Related Programs:

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

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.

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 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 City funded additional rental assistance it will take to maintain current housing placement capacity.

A similar request was submitted for FY 2018, and was not included in the adopted budget. As such, programs are facing two years of market rent increases with no increase in funding levels. According to the Portland Housing Bureau's State of Housing report the average market rent increase in 2016 was 7% over the prior year, or roughly \$75 per month. That followed four years in a row in which rent increases exceeded 5% per year, such that between 2012 and 2016, the average rent in Portland had increased by nearly 30%. In 2017, the pace of rent increases slowed, but still increased by an additional 2% over 2016, or roughly \$31/month. Average rent increases vary significantly by neighborhood and unit size, with increased rents for larger family-sized units (2-3 bedroom) and for units outside of the central city far outpacing average increases city-wide. Because placement programs remain heavily reliant on accessing open market rentals, as those costs increase the choice is to increase the rental assistance funding available or reduce the number of households we are able to place.

Performance Measures								
Measure Type	Primary Measure	FY17 Actual	FY18 Purchased	FY18 Estimate	FY19 Offer			
Output	Maintain FY 2017 system placement & retention capacity - individuals served	N/A	N/A	N/A	175			
Outcome	Percent of households who remain housed 6 months after exit	N/A	N/A	N/A	80%			

Performance Measures Descriptions

We conservatively estimate that failure to fund this existing system capacity will result in an approximate reduction in housing placement and homelessness prevention capacity of approximately 5% - approximately 175 fewer people placed in permanent housing. This will, in turn, increase average length of stay in emergency shelters, decrease the number of people served in emergency shelter, and increase the number of people experiencing unsheltered homelessness.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds	
Program Expenses	2018	2018	2019	2019	
Contractual Services	\$0	\$0	\$175,000	\$175,000	
Total GF/non-GF	\$0	\$0	\$175,000	\$175,000	
Program Total:	\$0		\$350,000		
Program FTE	0.00	0.00	0.00	0.00	

Program Revenues							
Intergovernmental	\$0	\$0	\$0	\$175,000			
Total Revenue	\$0	\$0	\$0	\$175,000			

Explanation of Revenues

The funding for this position will be a shared responsibility between the City and County. City of Portland General Fund - \$175,000

Significant Program Changes

Last Year this program was: