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Kim Melton, Chief of Staff
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FROM: Marc Jolin, Director

DATE: February 18, 2022

RE: FY 2023 Budget Submission Transmittal Letter

Department Overview

The Joint Office of Homeless Services (the Joint Office) seeks to create an equitable community in which all people have safe, affordable, and accessible housing. It does this by working with community based organizations and governmental entities to provide participant-driven, coordinated, and equitable services focused on those who are experiencing, or at risk of, homelessness. With years of participant driven planning, and the Local Implementation Plan (LIP) for the Metro Supportive Housing Services Measure (SHS Measure) adopted by the Multnomah County Board in 2021, the department has a clear road map to expanding services that reduce chronic and episodic homelessness, with priority given to strategies that eliminate racial disparities.

The Joint Office's work aligns directly with the County's mission and vision to serve the needs of those who are most vulnerable by providing a safety net of quality services that are developed using an equity lens and a commitment to social justice. The Joint Office is guided by these core values:

- prioritize those who are most vulnerable;
- promote racial justice and anti-racism;
- engage marginalized community voices - in particular those with lived experience of homelessness from Black Indigenous and other Peoples of Color (BIPOC) communities - in identifying and implementing strategies that work;
- use data and hold programs accountable for outcomes; and
- continuously strengthen systems through alignment, coordination, and leveraging resources.

The Joint Office maintains these values in carrying out its five primary functions:

1. supporting the involvement of community stakeholders in the development and implementation of policies and programs that help address and end homelessness;
2. contracting local, State, and Federal funds to non-profit providers delivering a continuum of homeless and housing services to adults, youth, families with children, and survivors of domestic and sexual violence;
3. overseeing the development and operations of the community's emergency shelter system;
4. serving as the U.S. Department of Housing and Urban Development (HUD) Continuum of Care "Lead Agency"; and
5. leading Multnomah County's planning and implementation of programming funded by the Metro Supportive Housing Services Measure.

In addition to these ongoing functions, since March of 2020, the Joint Office has been leading the County's efforts to protect people experiencing homelessness from the potentially deadly consequence of the COVID-19 pandemic.

The table below describes the activities carried out by each Joint Office division.

Joint Office of Homeless Services by Division	
Administration & Operations	Provides executive leadership and strategic direction, working with elected leaders across the region, community based organizations, and advisory bodies and other stakeholder groups to develop, implement, and deliver homeless services, as well as human resources and fiscal management support for the department.
System Support, Access, & Coordination	Data quality support, analysis, outcomes reporting, and policy and planning work, as well as community engagement and system-wide training to support equity-focused services practices and capacity building. Also includes information and referral services, coordinated access, and similar services.
Safety off and on the Streets	Population-specific shelter options for survivors of domestic and sexual violence, adult-only households, families, and youth, as well as alternative shelter options and winter and severe weather shelter, safety on the streets survival, and outreach services.
Housing Placement & Retention	Helps people gain or retain housing, provides supportive services for housing stability, diverts those at risk of homelessness with accessible housing options, and assists households experiencing homelessness or housing instability with workforce supports.
Supportive Housing	Deeply affordable permanent housing with supportive services that assist people experiencing homelessness who have a significant disabling condition(s) to live independently, combining long-term rent assistance with ongoing wrap-around supportive services. Serves those with long-term disabilities, including chronic health conditions, mental illness, and addictions, who have experienced, or are at risk of, long-term or cyclical homelessness.

Diversity, Equity, and Inclusion Efforts

Every institutional failure that is driving highly vulnerable people into homelessness is exacerbated for Black, Indigenous, and other People of Color (BIPOC) by the endemic racism that plagues those institutions. Whether in the housing, employment, health, or homeless services sector, systemic racism continues to channel disproportionately high numbers of People of Color into homelessness and create barriers for BIPOC individuals to overcome in ending their homelessness.

The Joint Office has implemented multiple strategies to realize its goal of eliminating the disproportionately high rates of homelessness among BIPOC communities. It has:

1. Improved data collection and outcome reporting using inclusive racial identities.
2. Created standards of practice for all contractors that include cultural responsiveness and/or culturally specific service provision.
3. Included a requirement for organizational equity assessments, plans, and progress reporting in all contracts.
4. Prioritized and increased funding to culturally specific organizations through local procurement processes and prioritization of culturally specific programs in competitive Federal applications.
5. Prioritized staff support to recruit culturally specific providers to apply for contracted service procurements, with the ultimate goal of diversifying the qualified pool of service providers.

The Joint Office has also dedicated resources to increasing its internal capacity to lead with race, including through implementation of the Multnomah County Workforce Equity Strategic Plan (WESP). That implementation includes a chartered equity committee, the founding of an equity team, monthly equity-focused all staff meetings, affinity groups, and staff training, as well as changes in job descriptions, recruiting, selection, and onboarding practices. The Joint Office also continues to be active in countywide racial equity policy development and training efforts.

This year, as a core component of the Joint Office's ongoing implementation of the SHS Measure, it facilitated a comprehensive engagement process with culturally specific organizations as part of a tri-county homeless services procurement conducted by Washington County, in partnership with Multnomah County and Clackamas County. The goal of this engagement, which included information sessions, technical assistance in completing applications, and equity onboarding for the procurement evaluation panel, was to expand and diversify the regional pool of service providers. The Joint Office's Equity Engagement Coordinator led the process, which generated over 90 applications.

Looking ahead to FY 2023, the SHS Measure continues to represent a tremendous opportunity to further advance the County's commitment to racial equity. The SHS Measure focuses on significantly reducing chronic and episodic homelessness by first reaching BIPOC who are overrepresented in those populations. The SHS Measure, consistent with the values of the Joint Office, requires that all planning work center the voices of people with lived experience, especially from BIPOC communities. Multnomah County's Local Implementation Plan (LIP), adopted by the County Board to guide investments funded by the SHS Measure, emphasizes the importance of expanding the number and capacity of culturally specific service providers, and expanding funding to those providers, as critical to eliminate racial disparities in homelessness. The Joint Office's FY 2023 submitted budget includes significant investments to further these commitments.

FY 2023 Budget Priorities and Key Issues

I. PRIORITY SETTING & PRIORITIES

The Joint Office looks to hundreds of community members to help shape the priorities reflected in the department's submitted budget. It gives particular weight to the voices of people with lived experience of homelessness and other people whose voices are too often marginalized, including BIPOC, people with serious disabling conditions, and the LGBTQIA2S+ community.

Ultimately, the recommendations made in the FY 2023 submitted budget are the department's, but they reflect the considered input of community members and community based organizations that serve on leadership teams for the adult, family, youth, and domestic violence systems, and the A Home for Everyone Coordinating Board. For SHS Measure funding, which represents nearly half of the department's budget, the approved Local Implementation Plan (LIP) and its goals, values, and strategic priorities additionally guided budget development and priorities. The LIP was developed through an extensive community engagement process conducted in FY 2021 and unanimously approved by the Board of County Commissioners.

The Joint Office's priorities in building its FY 2023 budget are summarized as follows:

- Maintain a system of culturally specific and responsive services that center each individual experiencing homelessness in determining their unique pathway from homelessness to housing.
- Support programming and implement new program models that have demonstrated success in helping people make sustainable transitions from homelessness to housing.

- Solidify the programmatic gains made in the first year of SHS Measure implementation and invest in new programming that meets the goals set out in the LIP, including the expansion of supportive housing and access to critical mental health and addiction treatment resources for those experiencing chronic homelessness.
- Maintain, expand, and improve coordination of access to safety on the streets resources, including outreach and sheltering options, and prevention as a response to the continuing impacts of COVID-19 and the crisis of unsheltered homelessness.
- Implement the department's new organizational structure, which was developed over more than a year of organizational development planning.

II. KEY ISSUES - IN SUMMARY

A. Metro Measure Implementation - Expanding Housing Opportunities

The Metro Supportive Housing Services Measure represents the most significant opportunity to address chronic homelessness in our region since the Federal Government began systematically disinvesting from the vital affordable housing and supportive services that our most vulnerable residents have always needed to maintain stable housing. Revenue from the SHS Measure more than doubles the Joint Office's pre-pandemic budget. As the organization tasked with implementing the SHS Measure in Multnomah County, the Joint Office is working to expand homeless services both with the urgency required of the crisis our community faces and the intentionality needed to ensure that the expectations of voters to maximize the impact of this critical resource can be met over time.

Looking ahead to the second year of programming funded by the SHS Measure, FY 2023, the Joint Office's budget carries forward critical shorter-term, equity-focused investments in outreach, shelter, and prevention services from FY 2022, as well as the housing capacity created in FY 2022. It proposes to use additional projected SHS Measure revenue to add hundreds of new units of supportive housing and rapid rehousing to the more than 1,500 budgeted in FY 2022. If adopted, this budget will push the number of new supportive housing units with SHS Measure funding commitments to over 1,500, which represents approximately 67% of the LIP goal of 2,235 units. In addition, the FY 2023 budget funded by the SHS Measure advances the LIP priorities to expand the network of service providers, in particular culturally specific providers, deepen cross-departmental partnerships, and expand the capacity of the Joint Office to program, monitor, report on, evaluate, and improve the quality of investments funded by the SHS Measure.

B. Expanding Shelter Capacity and Diversity

In addition to dramatically expanding housing options through investments of the SHS Measure funding, the Joint Office is proposing to make an unprecedented commitment to the development and operation of a wide range of shelter options, as well as to the wrap-around services people in

shelter need to transition to permanent housing. Using a combination of City and County general funds, SHS Measure funds, American Rescue Plan Act (ARP) funds, Visitor Development Funds (VDF), and State resources, the Joint Office is committing more than \$100 million in capital and operations funding to a record number of congregate, motel, and alternative shelters, serving adults, including adults with serious behavioral health challenges, families with children, domestic violence and sexual assault survivors, and youth. While much of this new capacity will be year-round, the budget also includes allocations for seasonal shelter and severe weather shelter capacity.

C. Stakeholder Engagement & Advisory Bodies

With the transition to becoming a department, the Joint Office is in the process of establishing an advisory body structure that reflects the diverse bodies of work that it is responsible for. To date, the only advisory body for the Joint Office has been the A Home for Everyone Coordinating Board. As the Joint Office's work has expanded and become more complex, that body is no longer sufficient. Heading into FY 2023, the Joint Office will support a Continuum of Care Board that carries out advisory and oversight functions related to the Joint Office's role as the Collaborative Applicant for United States Housing and Urban Development's (HUD) Continuum of Care (CoC). The membership of this body will be based on the requirements of federal regulations, and also adhere to the Joint Office's commitment to centering the voices of people with lived experience of homelessness, and BIPOC and other people who have endured disproportionate rates of homelessness.

The Joint Office will also convene a new advisory body for the SHS Measure that ensures ongoing adherence to the County's Local Implementation Plan, the requirements of the SHS Intergovernmental Agreement between Metro and Multnomah County, and ongoing alignment with regional planning and resource prioritization efforts. The membership of the SHS advisory body will adhere to the specific composition requirements set out in the SHS Measure. In FY 2023, the Joint Office will also have its own Budget Advisory Committee, as required of all County departments, and will be convening and supporting advisory bodies focused on equity, lived experience, and the needs of East County.

D. COVID-19 and American Rescue Plan

For two years, the Joint Office has committed a tremendous amount of time, capacity, and resources to addressing the impacts of the COVID-19 pandemic on those experiencing homelessness and the organizations that serve them. In FY 2022, the Joint Office continued to adapt to the evolving pandemic, setting up new programs to deliver vaccines and testing to shelters and encampments, first reducing then expanding voluntary isolation motel capacity with the arrival of new variants, all while continuing to support safety net providers in their efforts to keep their doors open as waves of COVID-19 impacted their staff. Because the pandemic - and the risks it represents to people experiencing homelessness - remains a threat, the Joint Office's FY 2023 budget proposes the continuation of most of its COVID-19 interventions, including expanded safety off the streets services (outreach and survival supplies), expanded hygiene services, and expanded motel,

congregate, and alternative non-congregate shelter. That said, the Joint Office expects FY 2023 to be the year that it transitions out of the emergency response to COVID-19 and into a system that treats COVID-19 as endemic and another among many ongoing risks to the population it serves.

E. Organizational Development

The Joint Office has spent more than a year in an internal organizational development process designed to complete the transition to a fully integrated County department with the necessary structure and functional capabilities to successfully carry out its growing set of responsibilities. With the FY 2023 budget, the department is carrying forward the critical new positions created in FY 2022, and proposing 26.00 additional FTE that will fill out the department's new organizational structure. New positions are added in leadership, program development and implementation, policy and planning, quality improvement and data, shelter development, business services, human resources, and administrative and operations support. All told, if all of the in target and out of target requests from the City and County are adopted, the Joint Office will have 98.00 FTE (not including limited duration staff continuing COVID-19 direct service work) supporting the implementation of a \$254.6 million budget for FY 2023.

F. Homeless Management Information System (HMIS) & Data Management

In FY 2022, the Joint Office has continued to prepare for taking on all Homeless Management Information System (HMIS) responsibilities from the Portland Housing Bureau. Given the growing importance of data quality, management, reporting, and evaluation, this transition and the expansion of the Joint Office's data team are among the highest priority issues going into FY 2023. In addition to taking over the HMIS implementation for Multnomah County, the Joint Office is working with Clackamas and Washington counties to be the implementer for the region (a regional implementation aligns with the SHS Measure's vision of a regionally integrated system of homeless services, with an integrated approach to data collection, reporting, and evaluation).

Budget Overview

The Joint Office budget submission totals \$254.6 million and 98.00 FTE for FY 2023 for both in and out of target programs. In target programs are funded within the department’s General Fund target allocation or by Other Funds. Out of target programs are additional requests not funded within the department’s General Fund target allocation. The submission is detailed in the table below showing the total allocation.

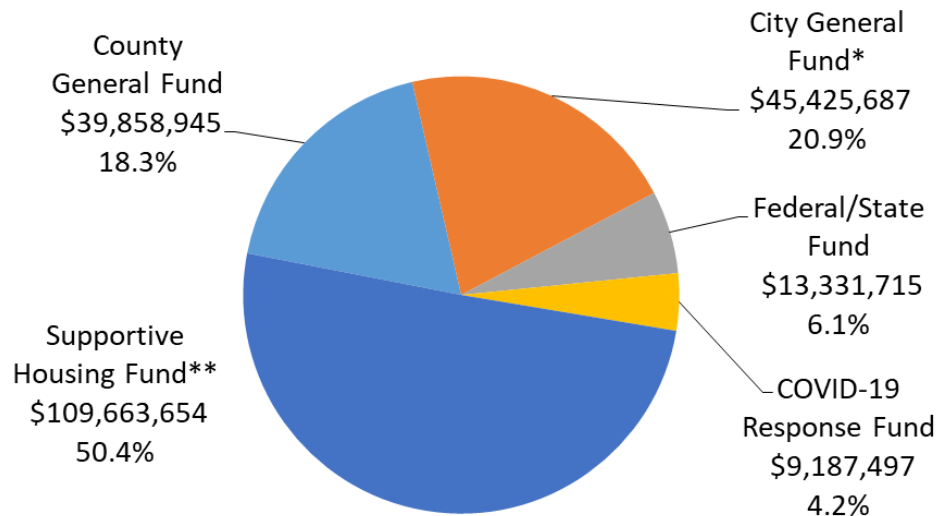
FY 2023 Joint Office of Homeless Services Budget Submission					
	FY 2023 General Fund*	FY 2023 Other Funds (except 1515)	FY 2023 ARP Fund (1515)**	Total Funds	Total FTE
In Target Programs	39,858,945	168,421,056	9,187,497	217,467,498	84.00
Out of Target Programs	4,106,522		33,002,754	37,109,276	14.00
Total FY 2023 Submission	\$43,965,467	\$168,421,056	\$42,190,251	\$254,576,774	98.00

*Includes General Fund, Video Lottery, and Tax Title Funds.

**Submissions for Direct County ARP and Direct City of Portland ARP allocations are out of target. The submission of a carryover balance of program-specific ARP HUD HOME Investment Partnership Program funds is considered in target.

The Joint Office is funded by Multnomah County and City of Portland General Funds; Federal/State Funds (which primarily consists of funding from the City of Portland); Supportive Housing Funds (which primarily consists of SHS Measure funds); and one-time Federal funds specifically allocated for the ongoing impact of COVID-19 on people experiencing, or at risk of, homelessness. The pie chart on the following page shows the Joint Office budget by fund for in target programs.

**Joint Office of Homeless Services
FY 2023 In Target Budget by Fund
\$217,467,498**

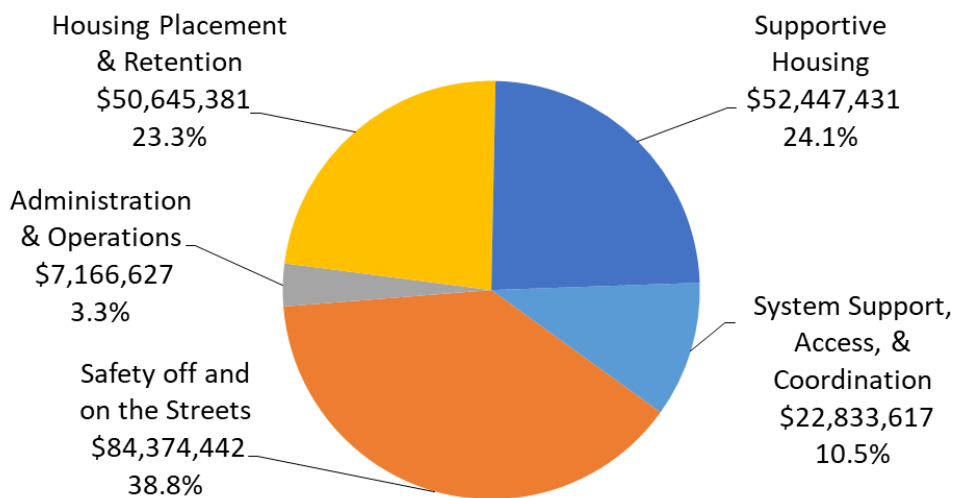


**City General Fund in target amount presumes continuation of one-time funding supporting ongoing programs and funding of FY 2022 Business Income Tax Rebalance commitments, as described in the City of Portland Funds section on pages 12 and 15.*

***Includes SHS Measure, Visitor Facilities Intergovernmental Agreement, and one-time asset sale proceeds funds.*

The department has five divisions, with the in target budget distributed as shown in the pie chart below.

**Joint Office of Homeless Services
FY 2023 In Target Budget by Division
\$217,467,498**



General Fund Target Allocation

The Joint Office submitted a total County budget request of \$39.9 million, which includes in target operating General Fund, Video Lottery, and Tax Title resources. The table below summarizes the Joint Office’s in target budget submission for these three County discretionary funds.

FY 2023 County Discretionary Funds Budget	
Fund	Amount
County General Fund*	35,782,927
Video Lottery Fund	3,966,128
Tax Title Fund	109,890
Total	\$39,858,945

**Includes \$12.4 million balance of one-time shelter capital development funds being carried over from FY 2022*

Multnomah County Supportive Housing Services Measure Funds

FY 2023 will be the second year of budgeting for SHS Measure revenue. Because the SHS Measure taxes are new, and even now there has not been a full year of collections, the amount of revenue available for Multnomah County to budget in FY 2022 (the current fiscal year) was based on a projection, which Metro estimated at \$52.1 million¹. Metro has subsequently projected that first-year revenue will be \$68.4 million, and it is projecting that second-year revenue, the basis for Multnomah County’s FY 2023 budget, will be \$90.3 million. This is approaching, but does not yet meet, the \$100 million annual revenue projection that was originally contemplated for the SHS Measure and that formed the basis for the goals set out in the County’s LIP.

Based on the combination of assumed FY 2022 revenue in excess of the budgeted amount and the second-year revenue estimate, the Joint Office has budgeted \$16.3 million of one-time and \$90.3 million of ongoing SHS Measure funds in FY 2023, for a total of \$106.7 million. Under the terms of

¹ The SHS Measure prescribes the share of collections allocated to each County, with 45.33% for Multnomah County. The \$68.4 million for FY 2022 is based on estimated regional collections of \$180 million and the \$90.3 million for FY 2023 is based on estimated regional collections of \$225 million.

the SHS Measure, 75% of program funds must be dedicated to people experiencing, or at risk of experiencing, long-term homelessness because they are extremely low-income and have a significant disability (Population A). The remaining 25% is allocated to all others experiencing, or at risk of, homelessness (Population B). The two tables below summarize the Joint Office’s year-over-year budget submission for SHS Measure funds.

Multnomah County SHS Measure Funds	
FY 2022*	
Revised SHS Revenue Estimate	68,448,300
Budgeted Amount	52,129,500
Anticipated Balance	\$16,318,800
FY 2023	
Estimated SHS Revenue	90,342,690
Prior Year Balance (one-time)	16,318,800
Budgeted Amount	\$106,661,490

*The FY 2022 budget was based on an initial first-year revenue estimate of \$52.1 million, which Metro has since revised to \$68.4 million, as explained above.

Multnomah County SHS Measure Funds			
Division	FY 2022	FY 2023	Amount Increase
Administration & Operations	3,315,317	3,902,994	587,677
System Support, Access, & Coordination*	12,605,316	16,733,250	4,127,934
Safety off and on the Streets	10,250,000	25,945,007	15,695,007
Housing Placement & Retention	14,376,060	24,897,711	10,521,651
Supportive Housing	11,582,807	35,182,528	23,599,721
Total	\$52,129,500	\$106,661,490	\$54,531,990

*Includes \$7.9 million allocated to the Regional Strategies Implementation Fund in FY 2023 based on the requirement that not less than 5% of each year’s program funds be contributed to regional investment strategies.

As shown above, the SHS Measure revenues are currently budgeted at approximately 24% to safety off the streets/shelter costs, nearly all of that for low-barrier adult shelter service Population A, 33% for supportive housing, all of which will serve Population A, 23% to housing placement and rapid rehousing supports, serving a mix of Population A and B, about 16% to a range of system support and access programs serving both populations, and less than 4% to administration and operations.

Over time, to meet the supportive housing and housing placement goals of the SHS Measure and the LIP, additional ongoing funding will need to be transitioned into the supportive housing and housing placement and retention program categories. The Joint Office estimates that meeting the goals of funding 2,235 Permanent Supportive Housing units and 2,500 placements annually will ultimately require approximately \$75,000,000 per year in ongoing SHS Measure funding.

City of Portland General Funds

The Joint Office has submitted an FY 2023 budget to the City of Portland that includes \$45.4 million of City of Portland General Funds. This includes:

- \$36.8 million to continue existing programs.
- \$6.2 million of one-time carryover shelter capital funds.
- \$2.4 million to fund the City’s portion of the joint City/County commitments made as part of the FY 2022 Business Income Tax (BIT) Rebalance².

Since FY 2017, the City’s General Fund allocation to the Joint Office has included a continuation of one-time-only resources that fund core services amounting to approximately 20% of its total General Fund commitment. The submitted FY 2023 budget continues this one-time funding commitment; the Joint Office has requested \$6.6 million of City General Funds, representing 17% of the City’s \$36.8 million funding commitment to ongoing Joint Office programs.

As illustrated in the chart below, the City one-time funds are distributed across all Joint Office divisions except Administration & Operations, with the significant majority of the funding going to support Safety off the Streets and Housing Placement & Retention.

FY 2023 City General Funds Submitted Budget					
Division	Ongoing City Funds	One-time City Funds	Shelter Capital City Funds	BIT Rebalance Request	Total City Funds
Administration & Operations	333,859	0	0	0	333,859
System Support, Access, & Coordination	826,496	409,868	0	1,000,000	2,236,364
Safety off and on the Streets	9,031,161	2,651,329	6,200,000	1,425,000	19,307,490
Housing Placement & Retention	8,552,927	3,083,796	0	0	11,636,723
Supportive Housing	11,463,791	447,460	0	0	11,911,251
Total	\$30,208,234	\$6,592,453	\$6,200,000	\$2,425,000	\$45,425,687

² In the fall of FY 2022, the County and City made joint one-time investments in shelter capital development and two-year commitments to expanded homeless services, including outreach and navigation, hygiene and storage solutions, the formation of a Street Crisis Coordination Center, and workforce retention for service providers. More detail about these investments can be found below.

In the event that the City one-time funding is not renewed, the Joint Office estimates reductions equivalent to 270 year-round shelter beds, 110 fewer placements into permanent housing, the loss of 25 units of youth transitional housing, a loss of 40 units of supportive housing, and 675 fewer people receiving diversion and employment services. It would also see significant reductions in its coordinated access and supportive housing program capacity.

In addition to the City of Portland General Funds highlighted above, the City allocated significant Federal COVID-19 funding to the Joint Office in FY 2021 and FY 2022 to support the homeless services pandemic response as part of a cost sharing partnership with the County. As described in more detail in the COVID-19 & American Rescue Plan section on page 16, the Joint Office’s submitted budget contains \$33 million in out of target ARP funds to continue important COVID-19 programming (\$18.0 million) and support the City’s Safe Rest Village program (15.0 million). In coordination with City leadership, the Joint Office submitted ARP requests to the City totaling \$23.3 million for consideration as part of its budget process.

Other Local, State, and Federal Funds

(excluding COVID-19 Funding)

The Joint Office has budgeted \$15.3 million of other local, State, and Federal Funds, which includes \$4.75 million of one-time shelter capital allocated by the State for the renovation of the Arbor Lodge shelter. It also includes \$2.0 million of Visitor Facilities Intergovernmental Agreement (VFIGA) funds, which are dedicated to services and programs for people experiencing homelessness, or who are at risk of becoming homeless, and services and programs addressing the community livability and safety concerns associated with homelessness. The programming funded by these local, State, and Federal revenue sources has not been impacted by significant changes in funding levels.

FY 2023 Local, State, & Federal Funds				
Division	VFIGA Funds*	State Funds	Federal Funds	Total Local, State, & Federal
Administration & Operations	0	0	0	0
System Support, Access, & Coordination	334,287	0	867,696	1,201,983
Safety off the Streets	1,667,877	6,963,650	753,522	9,385,049
Housing Placement & Retention	0	446,795	2,349,822	2,796,617
Supportive Housing	0	0	1,950,230	1,950,230
Total	\$2,002,164	\$7,410,445	\$5,921,270	\$15,333,879

*VFIGA funds are shown in the Supportive Housing Fund in the “FY 2023 In Target Budget by Fund” chart above.

Ongoing Out of Target Requests

The following table lists the Joint Office's ongoing out of target requests in order of priority.

Out of Target Program Requests (Ongoing)					
Offer Number	Program Name	General Fund	Other Funds	FTE	New or Existing
30000C	Administration and Operations - Additional Administrative & Operational Support	580,652	0	5.00	New
30003C	Data, Research, & Evaluation - Homeless Management Information System	275,000	0	1.00	New
30206B	Safety off the Streets - Winter Shelter & Severe Weather - Restoration	575,870	0	0.00	Restoration
Total		\$1,431,522	\$0	6.00	

- 30000C - Additional Administrative & Operational Support:** Prior to being established as a department within the County's organizational structure, the Joint Office relied on central County administrative functions, including those in the Department of County Management and the Department of County Assets, for certain administrative and operations support. With its formation as a department in FY 2022, the Joint Office has been building organizational infrastructure as part of ongoing organizational development processes. This request funds critical administrative (2.00 FTE), business services (2.00 FTE), and human resources (1.00 FTE) needs identified through that organizational development work.
- 30003C - Data, Research, & Evaluation - Homeless Management Information System (HMIS):** In FY 2023, the Joint Office expects to take over responsibility for the implementation of the HMIS in Multnomah, Clackamas, and Washington counties from the Portland Housing Bureau. This request provides the necessary ongoing funding that the Joint Office will need to support its share of HMIS costs, which include software licenses and staffing (1.00 FTE).

The Portland Housing Bureau has determined that it will no longer be the local implementing jurisdiction for HMIS; it has been the implementer for the entire State of Oregon and has already handed off responsibility for the balance of the state to the State of Oregon. In light of the regional nature of the Metro Supportive Housing Services Measure, Multnomah, Clackamas and Washington counties have agreed that it would be beneficial to have a tri-county HMIS implementation led by Multnomah County. This will allow for local control over data collection and reporting standards, and help ensure alignment with emerging regional and local metrics.

Additional one-time costs associated with the HMIS implementation are budgeted in 30004C - Policy, Planning, & Regional Coordination - Regional Strategies Fund - Metro Measure Expansion, including staffing in the Department of County Assets (1.00 FTE). These costs will be covered by tri-county partners in subsequent years, following the development of cost recovery methodology.

- 30206B - Winter Shelter & Severe Weather - Restoration:** This request maintains capacity for the Homeless Family System of Care to support sheltering families during the winter season and during severe weather events using navigators and motel vouchers. These programs were previously funded with limited-term Tax Title resources. For winter shelter programming, housing navigators work from the Family Shelter waitlist to verify homelessness and connect families with a motel until there is an opening with a shelter or with the Mobile Housing Team. During severe weather activations, families who call 211 seeking shelter are connected with a housing navigator who will help place them into a motel for the duration of a severe weather event. A majority of families served through severe weather events remain in motels through the winter shelter program until they can be connected to services. If this request is funded, it will provide approximately 100 beds of emergency shelter to 40 families.

One-Time-Only Out of Target Requests

The following table lists the Joint Office’s one-time-only out of target request.

Out of Target Program Requests (One-Time-Only)					
Offer Number	Program Name	General Fund	City General Funds	FTE	New or Existing
30210B	Safety on the Streets - Navigation & Service Coordination Expansion	2,675,000	1,425,000	3.00	New
Total		\$2,675,000	\$1,425,000	3.00	

- 30210B - Navigation & Service Coordination Expansion:** This request continues programs established in FY 2022 as part of the joint City/County Business Income Tax Rebalance funding for expanded homeless services, including outreach and navigation, hygiene and storage solutions, and support of the City’s new Street Services Coordination Center (SSCC). The City and the County agreed to fund this programming for two years, starting January 1, 2022. The request includes funding for up to 20 additional navigation and outreach workers and an outreach coordinator to provide service navigation and de-escalation services to people in areas prioritized by the SSCC (\$2.5 million). It also includes funding for 3.00 FTE in the Joint Office (\$0.5 million), along with \$1.0 million in one-time funding for the development

of storage and hygiene solutions, such as mobile hygiene, site-based hygiene pods, urban rest stops, day centers, and short and long-term property storage strategies.

COVID-19 and American Rescue Plan Funding

In response to the COVID-19 pandemic, the Joint Office has taken on additional critical work leading efforts to protect people experiencing homelessness from the potentially devastating impact of the pandemic. Working with County Public Health and Emergency Management, the Joint Office continues to:

1. Provide substantial financial and technical assistance to its contractors to support their ability to continue services and connect participants with testing and vaccines.
2. Maintain dramatically expanded coordinated outreach and supply distribution (survival gear and personal protective equipment) to the unsheltered population.
3. Support a re-organized and expanded emergency shelter system to allow for physical distancing and non-congregate motel sheltering of individuals at high-risk of serious illness or death from COVID-19.
4. Operate voluntary isolation motels for individuals who become infected with COVID-19 or need to quarantine.

Because of capacity limitations among community based organizations during the pandemic, the Joint Office hired a significant number of limited-duration employees to directly operate one of the current physical distancing shelters and the voluntary isolation motels. While the County is in the process of transitioning out of the voluntary isolation motel, the Joint Office expects to continue operations of the high-risk motel shelter program into next fiscal year, as COVID-19 guidelines continue to limit capacity in congregate shelters.

In addition to these efforts, the Joint Office has partnered with the Portland Housing Bureau and the Department of County Human Services to assist in the distribution of \$30.0 million in COVID-19 emergency rental assistance since July 1, 2021, and will continue to distribute additional funding into next fiscal year. The Joint Office will continue to invest SHS Measure funding in community based organization staffing to ensure the equitable and timely distribution of these eviction prevention dollars (30700 - Housing Placement & Retention - COVID-19 Recovery-Emergency Rent Assistance-Metro Measure Investment).

Finally, the Joint Office has taken over responsibility from the City of Portland for contracting the operations of the alternative physical distancing shelters (30905 - ARP - COVID-19 Emergency Response - Outdoor Physical Distancing Shelters / Safe Rest Villages). These sites continue to

represent a response to the need for non-congregate shelter in the face of the pandemic (these three sites and their capacity are included in the above discussion of shelter capacity). In addition, the Joint Office is supporting program development and provider contracting for the six City-sponsored Safe Rest Villages that are a response to the unprecedented level of need for alternative shelter with a behavioral health focus in the wake of the pandemic.

The ongoing pandemic has continued to present enormous challenges for the Joint Office staff, but they have responded with incredible resilience to every one of those challenges. For nearly two years, staff have had to continue their regular work, adapt to the ever evolving risks that the pandemic presents, and meet the community’s understandable urgency to realize the promise of the SHS Measure. Regardless of their role in the office, every Joint Office staff person has not only had to adapt their work to make certain there would be no interruption in critical core services during the pandemic, they have also been asked to take on new work and additional assignments as part of the COVID-19 response. They do this even as many are also experiencing significant direct impacts from COVID-19 in their personal lives. It has been a very difficult two years, and yet these years have brought out the best in the people who have devoted themselves to this critical work.

The table below shows the Joint Office’s FY 2023 American Rescue Plan-funded programs.

American Rescue Plan (ARP) Programs					
Offer Number	Program Name	MC Direct Allocation	City ARP	FTE	Limited Duration
30208A	Safety off the Streets - Emergency Shelter Strategic Investment		9,187,497		
30900	ARP - COVID-19 Emergency Response - Ongoing Operations	8,261,000	8,261,000		
30902	ARP - COVID-19 Emergency Response - Expanded Hygiene Access	750,000			
30903	ARP - COVID-19 Emergency Response - Culturally Specific Outreach	425,000			
30904	ARP - COVID-19 Recovery - Alternative Shelter for Adults - Staffing Capacity	307,754		2.00	
30905	ARP - COVID-19 Emergency Response - Outdoor Physical Distancing Shelters / Safe Rest Villages		14,998,000	4.00	
Total		\$9,743,754	\$32,446,497	6.00	0.00

- **30208A - Safety off the Streets - Emergency Shelter Strategic Investment:** Represents restricted one-time funding to support the capital costs associated with the acquisition of a new motel shelter in NE Portland.
- **30900 - ARP - COVID-19 Emergency Response - Ongoing Operations:** Provides one-time funds for the continued lease and operating costs associated with approximately 200 beds of motel shelter that prioritize people who are older, have underlying health conditions, and are

from BIPOC communities that have been disproportionately impacted by COVID-19. These programs are unique in the opportunity that they offer participants to isolate themselves and reduce the risk of infection. In addition to their own rooms, participants are supported with individualized meals, laundry services, and on-site housing case management services. It also funds 100 beds of congregate shelter, along with continued staffing of an outreach supplies center and the stocking of that supplies center with personal protective equipment, sanitizing supplies, basic safety supplies (blankets, tarps, sleeping bags, etc.), and water and food items.

This programming was funded with a combination of County & City Coronavirus Aid, Relief, and Economic Security Act and ARP resources in FY 2022 as part of the ongoing shared commitment to fund these COVID-19 programs. The FY 2023 submitted amount of \$16.5 million assumes a 50/50 split between the County and the City, each of which will consider the request as part of its respective budget process.

- **30902 - ARP - COVID-19 Emergency Response - Expanded Hygiene Access:** Continues one-time funding for expanded hygiene services for people experiencing unsheltered homelessness. In FY 2022, the funds supported the provision ADA Accessible temporary restrooms deployed in high traffic areas with help from the City of Portland's Impact Reduction Program. The Joint Office is requesting this investment based on the anticipation that demand for these services remains.
- **30903 - ARP - COVID-19 Emergency Response - Culturally Specific Outreach:** Continues one-time funding to support culturally specific outreach navigation services to communities of color that are overrepresented in the unsheltered population, with the goal of connecting members of these communities to shelter, healthcare, employment, and housing resources.
- **30904 - ARP - COVID-19 Recovery - Alternative Shelter for Adults - Staffing Capacity:** Funds 2.00 FTE in the Joint Office to facilitate the site identification, site acquisition, planning, development, and program implementation for new alternative shelter programs, including in East County and two with culturally specific providers.
- **30905 - ARP - COVID-19 Emergency Response - Outdoor Physical Distancing Shelters / Safe Rest Villages:** Represents City of Portland ARP funding requested by the Joint Office in consultations with the City of Portland leadership to pay for the ongoing operations of three outdoor physical distancing shelters, two of which are culturally specific, as well the anticipated operating costs of six Safe Rest Villages, planned to have capacity for up to 360 individuals per night who are referred in by navigation outreach workers or various public space management and public safety agencies.

Key Issues: In Detail

Metro Supportive Housing Services Measure - Expanding Housing Opportunities

Voters in the Metro region, which includes portions of Multnomah, Washington, and Clackamas counties, passed the Metro Supportive Housing Services Measure in May of 2020. The SHS Measure established new taxes on high earning businesses and households that went into effect in January of 2021, with early revenue distributions to the counties starting in July of 2021. Between May of 2020 and July of 2021, the Joint Office first worked with Metro to support the development of a set of regional values and metrics to guide implementation of the SHS Measure. Hundreds of individuals and organizations then supported the development of the Local Implementation Plan (LIP) that provides the high-level framework for Multnomah County's implementation of programmatic investments funded by the SHS Measure in initial years and over its ten year term.

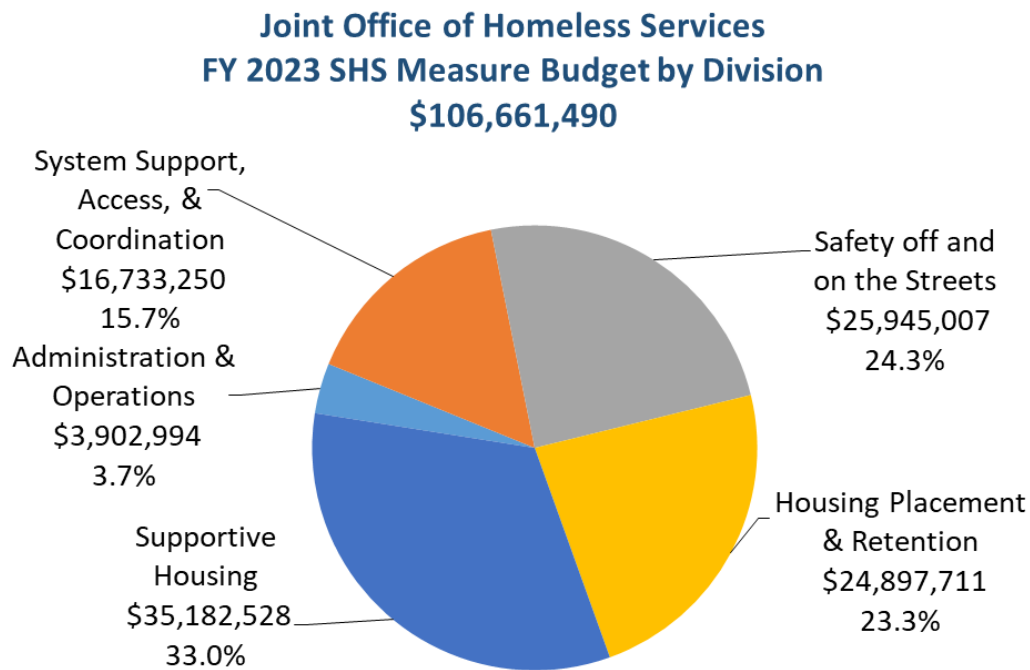
The LIP - unanimously approved by the Board of County Commissioners and the Metro Council in Spring of 2021 - sets out ambitious goals to reduce chronic and episodic homelessness through the creation of at least 2,235 new permanent supportive housing units, at least 2,500 new placements into housing each year, and at least 1,000 additional households each year prevented from becoming homeless. It is an expressed goal of the LIP to prioritize reducing chronic and episodic homelessness most for those BIPOC who have long been most disproportionately impacted by homelessness, and it commits the Joint Office to investing in strategies that eliminate racial disparities in chronic and episodic homelessness.

While the LIP emphasizes the necessity of creating new housing opportunities with supportive services to help people end their homelessness, it also recognizes the importance, especially in the near term, of making targeted investments in a range of pre-housing services, including street outreach, shelter expansion, and recovery-focused transitional housing. It also calls out the urgency of deepening the partnerships between homeless services, behavioral and physical health care systems, and the criminal justice system. The LIP commits the Joint Office to seek out partnerships with other County departments that are serving the same participant population. And because the SHS Measure funding by itself cannot meet the needs of our chronically homeless population, the LIP additionally requires the Joint Office to maximize opportunities to leverage other sources of funding, like housing development capital from the City of Portland and the State of Oregon (State), State homeless and human services funding, and Federal programs that provide rental assistance, health, and human services to people experiencing homelessness.

The availability of a projected \$106.7 million of SHS Measure funds in FY 2023, which is based on the combination of assumed FY 2022 revenue in excess of the budgeted amount and the second-year revenue estimate, as described on page 11, presents a tremendous opportunity to

continue to build out all aspects of the homeless services system in alignment with the goals, values, and strategic priorities set out in the LIP. With this funding, the Joint Office will continue to respond with urgency to the ongoing crisis on our streets, while building a solid foundation of supportive housing that moves our community beyond this crisis stage. Together, our community is building a system that will bring it to a place where extremely low-income people with serious disabilities are no longer forced to spend years living on our streets and in shelters before finally getting the combination of housing and wrap-around services they need to be stably housed.

The chart below shows how SHS Measure funds are allocated across the Joint Office's divisions.



As shown above, the SHS Measure revenues are currently budgeted at approximately 24% to safety off the streets/shelter costs, nearly all of that for low-barrier adult shelter service Population A; 33% for supportive housing, all of which will serve Population A; 23% to housing placement and rapid rehousing supports, serving a mix of Population A and B; about 16% to a range of system support and access programs serving both populations; and less than 4% to administration and operations.

The funds proposed for supportive housing represent approximately 500 new tenant- and project-based supportive housing units, including units dedicated to people who need enhanced services in Permanent Supportive Housing (perhaps around activities of daily living or physical disabling conditions), units for people from the LGBTQIA2S+ community, units for people in the early phases of recovery from substance use, and units for people who have been most often failed by multiple systems - including criminal justice, health care, and human services. There are also 100 units for people ready to move on from Permanent Supportive Housing, freeing up their slots for others. Finally, there are also new units of supportive housing set aside to allow for innovation in

partnership with the new organizations that are currently being qualified through a tri-county procurement process.

In addition to these investments in supportive housing expansion, the budget significantly expands the capacity of the family, DV, and youth systems to expand housing placements, retentions, and preventions. The more than \$10 million in additional funding allocated to this work will move hundreds of people out of homelessness and into housing, keep hundreds more in the housing they have, and divert still additional hundreds of households away from street and shelter homelessness and directly into alternative housing options.

Over the coming budget years, to meet the supportive housing and housing placement goals of the SHS Measure and the LIP, additional ongoing funding will need to be transitioned into the supportive housing and housing placement and retention categories. The Joint Office estimates that meeting the goals of funding 2,235 Permanent Supportive Housing units and 2,500 placements annually will ultimately require approximately \$75,000,000 per year in ongoing SHS Measure funding. In FY 2023, as was true in FY 2022, the ramp up of supportive housing and housing placement capacity, and related costs, creates the opportunity to make limited-term investments in other areas.

Expanding Shelter Capacity and Diversity

The Joint Office's submitted budget makes a historic investment in shelter capital and operating support. Through a combination of funding types, this budget supports 27 active alternative, congregate, and motel shelter sites for adult households, representing between 1,300 and 1,850 beds/units, depending on COVID-19 capacity restrictions. These sites represent a mix of low-barrier and some legacy higher-barrier shelter, culturally specific programs, programs that are gender-specific and others that are not, programs that focus on people with severe and persistent mental illness, people in recovery, people being navigated from encampments, and shelters that prioritize veterans, older people and people with disabilities. These are all programs that operate 24/7 and they all offer guests connections to services that they need to transition out of shelter and into housing.

In addition, the budget supports two year-round youth shelters, four year-round family shelter programs, and three domestic violence shelters, with more than 350 additional beds. Funds are also allocated to add hundreds of beds of capacity for adults and families in the winter months, and to guarantee no turn away from shelter during severe weather. During the severe weather incident in December of 2021, an additional 559 individuals found space in severe weather shelters on a single night.

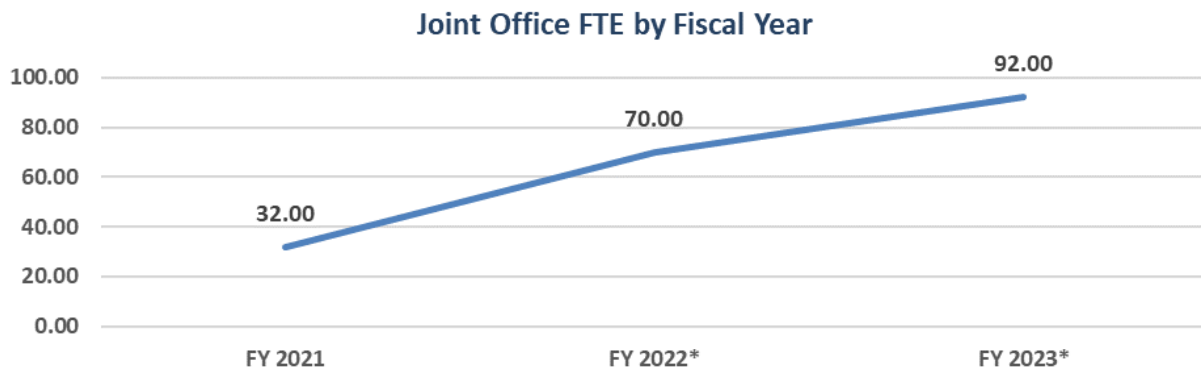
The Joint Office's FY 2023 submitted budget also allocates capital and operating support for new shelter capacity - three additional congregate shelter sites, including in the Central City and in East County, as well as five additional alternative shelter sites that are either in the planning or development stage. This is all in addition to the requested ARP funding anticipated to support operations at six Safe Rest Villages once they are up and running. While a precise number of

beds/units for all these new programs will not be known until they are fully developed, the Joint Office is confident they will offer at least an additional 600 people per night access to shelter that is geographically distributed and purpose-built to meet the needs of the participants.

Beyond shelter expansion, this budget proposes an investment in building out the technology and staffing capacity to introduce coordinated access into the adult shelter system, so that any vacancies in beds are rapidly identified and filled by those in need of shelter. This coordinated access system will also facilitate the set-aside of beds for unsheltered people who are working with navigation outreach workers and public space management agencies prior to being moved from encampments.

Organizational Development

Throughout FY 2021 and FY 2022, the Joint Office has worked to intentionally build an organization that can complete the transition to a fully integrated County department with the necessary structure and functional capabilities to successfully carry out its growing set of responsibilities, including those related to implementing and supporting programs funded by the SHS Measure. Excluding one-time COVID-19 funds, the Joint Office’s budget has nearly tripled between FY 2021 and FY 2023, going from \$76.5 million to \$212.2 million. To support this budgetary increase, and the related increase in the delivery of critical programs and services, the Joint Office has significantly increased its staffing, as reflected in the chart below.



**Excludes ARP-funded positions, consistent with the exclusion of COVID-19 funds described above.*

Prior to becoming a department, the Joint Office relied on central County infrastructure for administrative and operational support provided by the Department of County Management and the Department of County Assets. It continues to build its internal infrastructure to carry out these functions and other growing administrative responsibilities, including in office operations, facilities asset management and development, human resources, and business services.

The Joint Office also continues to significantly expand its program team, which plays a central role in program development, contract management, and program monitoring and performance

management. This includes formalizing the program team structure under a key new leadership position in FY 2022 - the director of programs - as well as establishing a new supportive housing team to build and support the program area that will undergo the most significant expansion under the SHS Measure. It also includes establishing a facilities asset management and development team to take over responsibility for shelter site management and development from the program team so that those important functions are held by a dedicated team with the requisite skills and so the program team can focus on growing and supporting programs and the network of community based organizations that the department relies on to provide services.

Additionally, the Joint Office continues to grow its capacity to support data collection, analysis, reporting, and evaluation to ensure that it is equipped to effectively report on the outcomes associated with new programming, and to continue evaluating and improving all of its programs over time. The additional data capacity is also supporting the development and implementation of regional metrics associated with the SHS measure and implementing the regional HMIS. The data team is supported by a new leadership position that also supports the newly established policy, planning, and regional coordination team. This team is responsible for the rapidly expanding scale of the Joint Office's community-based planning work, both in Multnomah County and across the tri-county region, as well as the Built for Zero partnership and the equity-focused development and expansion of the homeless services provider network.

The table below shows the growth in FTE across the Department's divisions.

Joint Office of Homeless Services Staffing FY 2021 - FY 2023			
Division	FY 2021	FY 2022	FY 2023
Administration & Operations	13.00	23.00	33.00
System Support, Access, & Coordination	10.00	24.00	30.00
Safety off and on the Streets	3.50	10.00	11.50
Housing Placement & Retention	3.50	5.00	5.25
Supportive Housing	2.00	8.00	12.25
Total	32.00	70.00	92.00

Risks and Other Issues

HUD - Continuum of Care (CoC)

HUD issued a competitive Notice of Funding Opportunity (NOFO) this year and the Joint Office is awaiting a decision on the award. There was an opportunity to apply for new program dollars, and the Joint Office conducted an open and competitive process for that funding. While continued CoC funding is positive, as in past years the HUD funding levels for existing CoC projects are well below the true costs of operating the programs. As a result, the community based organizations receiving the awards struggle to meet outcomes and look to the Joint Office and other local funding partners to close the funding gap and make the programs fully operational.

The Joint Office is also working closely with Home Forward and other community based organizations to see all available federal vouchers fully used in a way that ensures the long-term success of the voucher holders. That means in FY 2022, and in the submitted budget for FY 2023, the Joint Office is using SHS Measure funds to provide flexible financial assistance and staffing capacity critical to the housing search and placement process for these vouchers. In addition, we are using SHS Measure funds to provide ongoing retention and wrap-around supports as needed to ensure that the vouchers reach the people they are intended to reach and provide the kind of long-term stability that should come with a long-term deep rental subsidy.

State of Oregon - Oregon Housing and Community Services

The Joint Office continues to actively participate in the State's expanding efforts to address homelessness through policy making and increased funding administered by Oregon Housing and Community Services (OHCS). In FY 2022, in addition to continuing to partner with the Portland Housing Bureau and the Department of County Human Services to help families gain access to State allocations of Federal rental assistance dollars, the Joint Office is investing State funds allocated for development of the Arbor Lodge shelter - which features a mix of congregate and outdoor shelter capacity - as well as in the operations of a motel acquired with the help of the State's Project Turnkey program. It is also using SHS Measure funds to support operations at the two other Project Turnkey motels in Multnomah County, one in Gresham and one in Historic Parkrose.

Going into FY 2023, the Joint Office will continue to work with the Department of County Human Services and OHCS to allocate additional millions in emergency rental assistance related to COVID-19. It will also continue working with OHCS and Portland Housing Bureau on aligning State resources with the SHS Measure funds to achieve permanent supportive housing expansion goals, the statewide and regional HMIS implementation, and efforts to acquire and convert motels into longer-term housing stock. Additionally, there are several pieces of legislation the Joint Office is tracking carefully that could impact the formula OHCS uses for funding allocations and our work with unsanctioned encampments and people living in places not meant for human habitation.

Staffing Challenges and Provider Continuity of Operations

One of the most significant risks facing the homeless response system continues to be the difficulty hiring and retaining entry level staff. This was true before the pandemic, but has grown in significance and today represents a real threat to the continuity of operations and the ability of providers to successfully build new programs and new capacity with the SHS Measure funds. The challenges are not necessarily spread equally across the homeless systems of care or community based providers. The problems are particularly acute in some parts of the shelter system and where the work of the homeless response system interfaces with the behavioral health system. While wages are only one component of the challenge facing our community based organizations, they are a significant one. Not surprisingly, the Joint Office sees a clear correlation between the wage providers are able to offer and the hiring and retention challenges they face. While the Joint Office made a significant FY 2022 investment of SHS Measure funding in providers' ability to hire and retain entry level staff, by itself that was not sufficient and it is working on additional options to pursue. The Joint Office has commissioned a wage study that it expects will help identify where the most significant challenges and inequities lie in the system.

Intensifying Behavioral Health Needs

A percentage of those experiencing homelessness have always been living with significant mental health and/or substance use disorders. Since the onset of the pandemic, the number of those individuals, and the severity of their challenges, have grown. Service providers regularly report that they are having more issues with disruptive, aggressive, and even violent behavior in their spaces. Outreach teams report the same, as do people who are living outside who most often suffer the consequences of these behaviors. The growing need and acuity coupled with the continued inadequacy of State and Federal-funded mental health and substance use disorder resources represents a risk to the Joint Office-funded programs that are ill-equipped to serve people well - whether in shelter or housing - who have this level of need. The Joint Office is addressing this risk through deepening its partnership with the Health Department's Behavioral Health Division, and investing in additional behavioral health-focused outreach, shelter, and permanent supportive housing. In addition, it is working more closely than ever with the health care system. None of this will be enough, however, if there is not a concerted effort at the State and Federal levels to adequately fund these critical health care services for extremely low-income and homeless populations.

Inflow - COVID-19

One of the most significant challenges facing efforts to end homelessness has long been the rate of inflow into homelessness, in particular among BIPOC and people with serious disabling conditions and extremely low incomes. This challenge continues to threaten to grow significantly as a result of COVID-19 and its economic impact on extremely low-income people and Communities of Color. With the SHS Measure, there is an opportunity to get upstream and help prevent a new wave of homelessness, but it won't be nearly enough without a fully coordinated effort with regional partners, as well large scale investments at the State and Federal levels. This winter, for example, the Joint

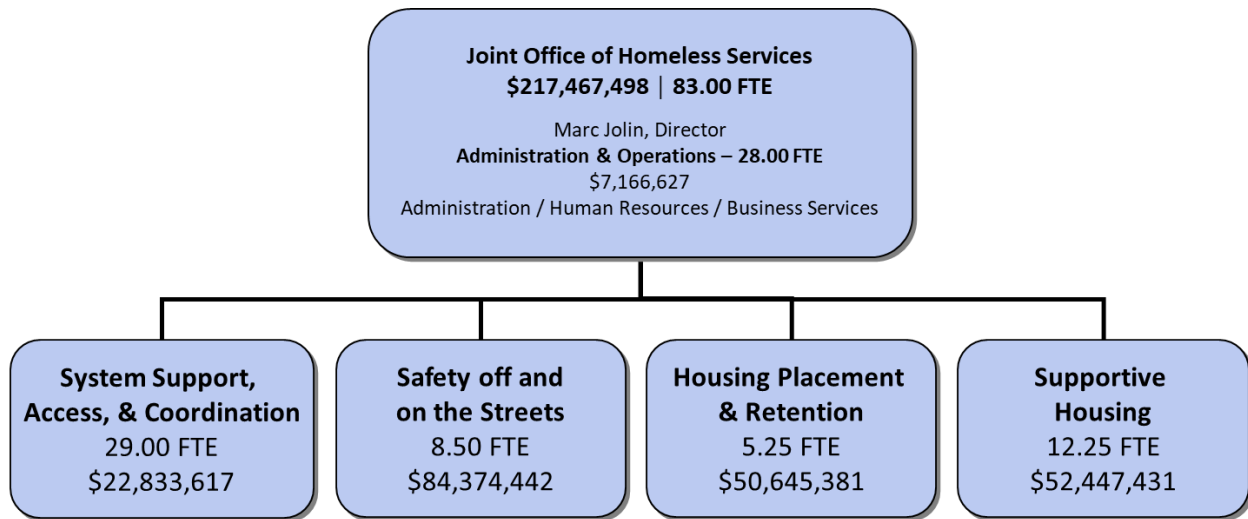
Office has already seen a record number of families with children - 62, compared with half that many in the winter of FY 2021 - who were entirely unsheltered in Multnomah County before being able to connect them with a family navigator and winter-shelter motel room.

Housing Market Constraints

While regional and national market factors continue to impact the inflow of people into homelessness, the lack of housing inventory with rents affordable to our community's lowest-income households remains the biggest obstacle to the success of efforts to help people end their homelessness. This is particularly true in the growing population of people with extremely low fixed disability, social security, and veterans benefit incomes. There are also a growing number of households that rely on minimum wage incomes and are now completely priced out of the private rental market.

Recent estimates suggest a shortage of as many as 30,000 units in our area that are affordable to people who have incomes at 30% of Area Median Income (AMI), or below. The SHS Measure creates an unprecedented opportunity to use long-term rental assistance to meet a significant portion of this unmet need for deeply affordable housing in the region over the coming decade. And, still, by itself, the SHS Measure will not be nearly sufficient if there is not also a renewed commitment to the creation of deeply affordable housing at the State and Federal levels, and if Federal policy on benefit levels does not address the growing gap between those levels and the true cost of living in our communities.

Joint Office Organizational Chart*



*The key functions of each Joint Office division are described in the table on page 2.

Joint Office Span of Control

The span of control for the Joint Office of Homeless Services is 1 to 6.5.