



600 NE Grand Ave.
Portland, OR 97232-2736

Council work session agenda

Tuesday, March 19, 2024

10:30 AM

Metro Regional Center, Council Chamber,

<https://zoom.us/j/615079992> Webinar ID:

615 079 992 or 888-475-4499 (toll free)

[https://www.youtube.com/watch?](https://www.youtube.com/watch?v=Jb7peOknW9U)

v=Jb7peOknW9U

This meeting will be held electronically and in person at the Metro Regional Center Council Chamber.

You can join the meeting on your computer or other device by using this link:

<https://zoom.us/j/615079992> (Webinar ID: 615 079 992)

10:30 Call to Order and Roll Call

10:35 Work Session Topics:

10:35 Supportive Housing Services FY23 Regional Annual Report

[24-6026](#)

Presenter(s): Patricia Rojas (she/her), Housing Director, Metro
Liam Frost, Assistant Housing Director, Metro
Susan Emmons, SHS Oversight Committee Co-Chair

Attachments: [Staff report](#)
[Attachment 1](#)

11:35 WPES: Waste Fee Policy Task Force

[24-6019](#)

Presenter(s): Marta McGuire (she/her), WPES Director, Metro
Brian Kennedy, (he/him) Finance and Regulatory Service,
Metro

Attachments: [Staff Report](#)
[Attachment 1](#)
[Attachment 2](#)
[Attachment 3](#)

12:15 Chief Operating Officer Communication

12:20 Councilor Communication

12:25 Adjourn

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Supportive Housing Services Y2 Annual Reports
Presentations

Metro Council Work Session
Tuesday, March 19, 2024

SUPPORTIVE HOUSING SERVICES FY23 REGIONAL ANNUAL REPORT

Date: March 7th, 2024

Department: Housing

Meeting Date: March 19, 2024

Prepared by: Yesenia Delgado, *Supportive Housing Services Manager*,
yesenia.delgado@oregonmetro.gov
Breanna Hudson, *Supportive Housing Services Program Coordinator*,
breanna.hudson@oregonmetro.gov

Presenters:

Patricia Rojas, *Regional Housing Director*;
Liam Frost, *Assistant Director*;
Yesenia Delgado, *Supportive Housing Services Manager*
Susan Emmons, *Supportive Housing Services Oversight Committee Co-Chair*

Length: 60 minutes

ISSUE STATEMENT

In accordance with the Supportive Services Regional Oversight Committee will present the Supportive Housing Service's (SHS) second regional annual report highlighting implementation progress, assessment of performance, successes and challenges, and the committee recommendations for fiscal year 2022-2023.

The results from the SHS fund's first two years demonstrate the promise of this historic investment in our region's homelessness response system and also highlight the work still needed to build the infrastructure for a regional system of care where homelessness is rare, brief and non-recurring. The oversight committee has identified specific opportunities for improvement and a comprehensive package of recommendations to strengthen the SHS fund's impact in producing visible and measurable outcomes.

Regional report SHS highlights:

- Almost 3000 households have been served of the 5,000 PSH goal.
- 98% of households placed in permanent supportive housing remained housed 12 months later.
- Across the region, people of color accounted for 48% of people placed in supportive housing, 61% of rapid rehousing placements and 68% of people served by homelessness prevention programs in year two.
- Counties invested \$114 million in contracts with 77 providers.
- Counties have paired SHS funding with Metro's Affordable Housing Bond-funded housing projects to create 571 units of permanent supportive housing.

Regional report SHS implementation challenges:

- Infrastructure building
- Workforce and capacity issues
- Spending
- Program delays
- Data and analysis

- Growing need

Committee recommendations:

- **Strengthen understanding:** Create and implement a robust regional communication strategy for the SHS fund that effectively reaches the broader community.
- **Optimize financial reporting:** Strengthen strategic oversight and accountability by improving the quality, clarity and consistency of regional financial reporting.
- **Enhance data integrity:** Strengthen the accuracy, reliability and consistency of program data to support regional analysis and oversight.
- **Evaluate to inform improvement:** Evaluate regional progress and refine strategies and goals as needed to maximize SHS outcomes.
- **Address providers' workforce and capacity needs:** Develop a regional work plan reflective of community-identified needs with timelines that incorporate short-term and long-term strategies for addressing workforce and capacity issues.
- **Provide multi-year capacity building funding:** Develop and implement a regional strategy for providing multi-year capacity building investments for service providers.
- **Institute livable wages:** Address service provider wage/compensation equity to provide better guidance to county partners in meeting their SHS equity goals and to develop more consistency in wage standards across the region.
- **Streamline county administrative practices:** Work collaboratively with the counties to support the development of systems for managing procurements, contracts and spending that match the urgency of the crisis.
- **Expand access to health and behavioral health services:** Continue work to identify and implement regional strategies that facilitate integration of health services, with a focus on behavioral health including mental health and recovery support services.
- **Strengthen implementation of new programs:** Monitor implementation of new and expanded program areas to support accountability and effectiveness.
- **Promote comprehensive outreach:** Increase the visible impact of SHS investments through outreach strategies that are scaled to match the need.

ACTION REQUESTED

No Council action is requested at this time.

IDENTIFIED POLICY OUTCOMES

- Metro Council has strong awareness of implementation progress, challenges and opportunities for the Supportive Housing Services fund, as well as opportunities to further improve outcomes.
- Metro Council considers the Supportive Housing Services Regional Oversight Committee's recommendations for improving program outcomes.

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Council may consider the recommendations from the Supportive Housing Services Regional Oversight Committee or choose other courses of action to address the challenges and opportunities identified in the Annual Report.

STAFF RECOMMENDATIONS

Staff recommend that Metro Council accept the Committee's recommendations and provide direction to staff to implement the recommendations.

Staff will return to Council in the winter of 2024 to provide an update on progress towards implementing the recommendations.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

The purpose of the Supportive Housing Services Regional Oversight Committee is to provide independent program oversight on behalf of the Metro Council to ensure that investments achieve regional goals and desired outcomes and to ensure transparency and accountability in Supportive Housing Services program activities and outcomes.

The SHS Regional Oversight Committee is charged with the following duties:

- Evaluate Local Implementation Plans, recommend changes as necessary to achieve program goals and guiding principles, and make recommendations to Metro Council for approval;
- Accept and review annual reports for consistency with approved Local Implementation Plans and regional goals;
- Monitor financial aspects of program administration, including review of program expenditures; and
- Provide annual reports and presentations to Metro Council and Clackamas, Multnomah and Washington County Boards of Commissioners assessing performance, challenges and outcomes.

On October 31, 2023, the Intergovernmental Agreement deadline, Metro received annual progress reports from the three local implementation partners, Clackamas, Multnomah and Washington counties. The Committee reviewed local progress through those reports, analysis from staff and presentations from each implementing partner and Metro staff. County partners provided presentations to the Committee in November of 2023. Between December and February, Metro staff engaged the SHS Regional Oversight Committee to analyze report data, deliberate on regional progress and performance, and prepare a

regional report with recommendations to improve implementation and strengthen oversight and public transparency.

The regional report includes:

- A transmittal letter from the oversight committee covering key highlights, challenges, and their recommendations;
- An overview of year two progress;
- A summary of the following bodies of work across the region:
 - housing and services,
 - populations served,
 - provider partnerships,
 - capacity building,
 - cross-sector work,
 - regional coordination;
- Progress in advancing racial equity;
- An overall performance assessment; and
- A financial review of Fiscal Year 2022-23.

BACKGROUND

Approval of Measure 26-210 created a new tax that funds a regional system of care governed by four jurisdictions: Metro, and Clackamas, Multnomah and Washington counties. The tax took effect in January 2021 and will expire in 2031 unless reauthorized by voters.

In December 2020, the Metro Council adopted a SHS Work Plan to guide implementation. The Work Plan defines the fund's guiding principles, racial equity goals, priority populations, service areas, accountability structures and funding allocations.

Within the framework of the regional Work Plan, each county's specific SHS investments and activities are guided by local implementation plans informed by community engagement and approved by Metro Council in spring 2021.

SHS implementation is guided by the following regionally established principles:

- Strive toward stable housing for all.
- Lead with racial equity and work toward racial justice.
- Fund proven solutions.
- Leverage existing capacity and resources.
- Innovate: evolve systems to improve.
- Demonstrate outcomes and impact with stable housing solutions.
- Ensure transparent oversight and accountability.
- Center people with lived experience, meet them where they are, and support their self-determination and well-being.
- Embrace regionalism: with shared learning and collaboration to support systems coordination and integration.
- Lift up local experience: lead with the expertise of local agencies and community organizations addressing homelessness and housing insecurity.

Since the measure's passage, Metro Council has taken the following actions to direct implementation of the program:

- Creation and appointment of the **SHS Regional Oversight Committee**, to provide program oversight on behalf of the Metro Council;
- Approval of the **SHS Work Plan**, which provides an operational framework for the program;
- Approval of **local implementation plans** for all three of Metro's local implementation partners, as part of **intergovernmental agreements** which lay out the terms and conditions upon which Metro will disburse tax funds to local implementation partners; and
- Creation and appointment of the **Tri-County Planning Body** to strengthen coordination and alignment of program implementation across the Metro region.
- Review and approve recommendations presented by the **SHS Regional Oversight Committee** in the FY21-22 annual regional report.
- As required by the SHS Metro Work Plan, Counties must submit an annual report to the SHS Regional Oversight Committee and Metro Council as part of an annual review process. As stated in the Metro Work Plan section 5.3 the Regional Oversight Committee summarized its progress and outcomes under the Local Implementation Plan, including:
 - A full program accounting of investments or a financial report;
 - Reporting on required outcome metrics; and
 - An equity analysis incorporated into all facets of the report, including reporting on the success or failure of racial inequity mitigation strategies and steps being taken to improve racial equity outcomes.

ATTACHMENT

- 1) Supportive Housing Services regional annual report July 1, 2022 – June 30, 2023

[For work session:]

- Is legislation required for Council action? **No**
- If yes, is draft legislation attached? **No**
- What other materials are you presenting today? **None**



Metro



Supportive housing services

Regional annual report

July 1, 2022 – June 30, 2023

oregonmetro.gov

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Memo

Date: March 19, 2024

To: Metro Council

From: Supportive Housing Services Regional Oversight Committee

Subject: Regional annual report for July 1, 2022-June 30, 2023

A report to the Metro Council and the community from the Supportive Housing Services Regional Oversight Committee

Greater Portland's livability is one of its primary assets, but for tens of thousands of our neighbors the region has become a challenging place to call home. Many individuals and families across greater Portland struggle each day to maintain stable housing in the face of insurmountable housing costs and insufficient housing supply. For households already facing housing instability, personal challenges like a health crisis, job loss or substance use disorder can swiftly lead to homelessness. Stagnant wages and the rising cost of living have exacerbated the problem, putting many of the region's renters at risk of losing their housing.

In May 2020, voters in greater Portland took a historic step to address this crisis by approving a significant new funding source to support housing access and stability for people across our region. The supportive housing services fund, or SHS, reflects voters' commitment to address a problem that has been decades in the making due to chronic under-investment in housing and other systems of care to meet community needs. It provides an unprecedented infusion of flexible resources that expands the region's capacity to meet the needs of people experiencing housing insecurity, with the goal of connecting 5,000 households experiencing prolonged homelessness with supportive housing and stabilizing 10,000 households experiencing short-term homelessness or at risk of homelessness in permanent housing.

The Supportive Housing Services Regional Oversight Committee is tasked with monitoring the implementation of the SHS fund on behalf of the region's voters. Since the SHS fund's launch in July 2021, the committee has received quarterly and annual reports from Clackamas, Multnomah and Washington counties, which we have reviewed for consistency with the counties' approved local implementation plans, annual work plans and SHS regional goals. We have also received quarterly and annual reports on Metro's oversight and administration of the SHS fund. We have worked to promote accountability to voters and address implementation challenges, and we have made recommendations in an effort to strengthen the SHS fund's outcomes.

Our second annual regional report for the SHS fund covers the period from July 1, 2022 through June 30, 2023. The report provides our formal assessment of counties' performance, challenges and outcomes in year two of the fund's implementation. Based on this assessment, along with our ongoing monitoring of performance to date, we believe that urgent action is needed to accelerate the progress of SHS implementation. We have identified specific opportunities for improvement and a comprehensive package of recommendations to strengthen the SHS fund's impact in producing visible, measurable outcomes.

KEY HIGHLIGHTS

The results from the SHS fund's first two years demonstrate the promise of this historic investment in our region's homelessness response system and also highlight the work still needed to build the infrastructure for a regional system of care where homelessness is rare, brief and non-recurring.

Progress to date

The SHS fund prioritizes solutions for people experiencing prolonged homelessness through investments in permanent supportive housing, which pairs rent subsidies with wraparound services to address each person's complex needs.

In the first two years of implementation, SHS-funded services and rent assistance supported the creation of 2,996 units of permanent supportive housing across the region. Once these units are fully leased up, they will represent 60% of the SHS fund's 10-year goal of connecting 5,000 households experiencing prolonged homelessness with permanent supportive housing.

Each of these units provides long-term rent subsidies and access to services to support housing stability. Housing retention data from year two show that this model is working: **98% of households placed in SHS-funded permanent supportive housing have remained housed 12 months later.**

Year-two outcomes

During the fund's second year, 4,851 households (10,528 people) were placed or stabilized in permanent housing with SHS funding. This includes:

- **Supportive housing:** 1,416 households (2,232 people) placed in permanent supportive housing and other service-enriched housing for people experiencing prolonged homelessness
- **Rapid rehousing:** 668 households (1,136 people) placed in permanent housing through short- and medium-term rent assistance and services
- **Homelessness prevention:** 2,767 households (7,160 people) prevented from losing their homes through rent assistance and eviction prevention services

One of the key tools supporting these housing placements is the **regional long-term rent assistance** program. A total of 1,118 households (1,857 people) were newly housed using a regional long-term rent assistance voucher in year two.

SHS funding was also used to create or sustain 930 **emergency shelter beds** in year two, providing households experiencing homelessness with interim stability and support.

Advancing racial equity

The SHS fund is guided by a commitment to lead with racial equity by increasing the availability of culturally specific services, improving outreach and access, and delivering all services in a manner that is anti-racist and culturally responsive. Counties' equity analyses show that these strategies are leading to improved access to services for communities of color disproportionately impacted by housing instability and homelessness. Across the region, 48% of people placed in supportive housing, 61% of rapid rehousing placements and 68% of people served by homelessness prevention programs in year two were people of color. Counties report that people of color are accessing SHS-funded services at higher rates than their representation in each county's homeless population. Counties plan to use the data from their equity analyses to inform targeted strategies to improve service access and outcomes for specific communities.

Populations served

The SHS fund serves two primary populations: Population A – defined as people who have experienced literal homelessness for extended periods of time, have a disability and little to no income, and Population B – defined as people who are experiencing or have a substantial risk of experiencing homelessness. In year two, 68% of people placed in supportive housing or rapid rehousing were in Population A and 32% were in Population B. Across supportive housing, rapid rehousing and homelessness prevention services, 22% of people served were in Population A and 78% were in population B.

Regional infrastructure

SHS funding has supported a historic expansion of the region's homeless service system infrastructure. Washington and Clackamas counties have significantly scaled their systems of care, building new programs and services from the ground up. All three counties have increased their internal capacity and added program staff to support SHS implementation (including a three-fold increase in program staff in Clackamas County in year two alone). Counties stepped up their work in year two to build sustainable systems to support SHS implementation. This included expanded outreach capacity, updates to coordinated entry and referral systems, and improvements to data collection and reporting infrastructure.

Provider partnerships

Nonprofit and community-based organizations are the backbone of SHS implementation. Counties are working to build a robust regional system of care through service provider partnerships, with a particular focus on engaging new partners and culturally specific organizations.

- **Regional provider network:** Counties collaborated on a second tri-county procurement, which qualified 60 additional organizations for the regional SHS supplier pool, bringing the total to 169. Counties allocated \$114 million in contracts with 77 providers to deliver SHS services in year two.
- **Culturally specific partners:** Counties partnered with 14 culturally specific providers to deliver SHS services to Black, Latine, Indigenous, immigrant and refugee community members, with contracts totaling \$22.6 million.
- **Capacity building:** To support provider capacity, counties funded technical assistance and capacity building grants, provided training and technical support, conducted studies to assess wage equity and took initial steps to address workforce challenges.

Cross-sector alignment

Homelessness is a complex issue that involves multiple systems of care. In year two, SHS funding supported new and expanded programs in partnership with other sectors, including behavioral health, healthcare, community justice and housing. Examples include a new shelter for adults with behavioral health needs, a program that pairs regional long-term rent assistance with intensive case management for people with severe and persistent mental health challenges, and housing liaisons and peer support specialists who connect people in other sectors to housing services.

Metro affordable housing bond alignment

The Metro affordable housing bond plays a critical role in addressing greater Portland's housing shortage. The opportunity to align SHS-funded services and rent assistance with bond-funded capital investments significantly expands our region's ability to develop critically needed housing for people experiencing homelessness. Counties have paired SHS funding with Metro bond-funded housing projects to create 571 units of permanent supportive housing, with more in the pipeline.

Regional coordination

The SHS fund has created an unprecedented level of regional collaboration across jurisdictional partners to address homelessness. The counties and Metro worked closely together in year two to align implementation of the regional long-term rent

assistance program, coordinate on landlord engagement, develop regionally consistent data reporting templates, and negotiate a data sharing agreement to strengthen data tracking and evaluation. In addition, the tri-county planning body, or TCPB, leads the development of strategies that leverage regionalism to strengthen SHS outcomes. In year two, the TCPB worked with Metro, the counties and other partners to develop six regional goals focused on landlord recruitment, healthcare system alignment, employee recruitment and retention, coordinated entry, training and technical assistance.

CHALLENGES

While SHS funding has had a measurable impact on the lives of thousands of community members across the region, year two continued to be marked by the challenges associated with implementing a historic transformation in our regional system of care. The rapid growth of programs and services to support SHS implementation requires a major scaling up of the region's homeless services infrastructure and provider workforce. This work is still underway, and program expansion remains constrained until this build out is complete. SHS resources offer an unprecedented level of flexibility compared with other public funding sources, but leveraging this flexibility requires a shift in how counties manage procurements, contracts and spending to create a more nimble and responsive system. Urgent work is needed to expedite the development of the infrastructure and systems that will enable the region to see the full results of the fund's potential.

Infrastructure building

SHS implementation has required a rapid expansion of the region's homeless services infrastructure in a short timeframe, and there have been growing pains. Since the SHS fund launched, counties have been working to develop new systems to support effective implementation of SHS-funded programs. This system-building work began as counties were responding to a global pandemic, and it has been further challenged by severe workforce shortages and other regional economic trends. Counties' capacity limitations along with rigid and cumbersome procurement and contracting processes have constrained the effective deployment of SHS funding. Accelerating the progress of SHS implementation will require increased focus on updating bureaucratic protocols and improving counties' capacity to administer contracts and support providers with implementation.

Workforce and capacity issues

Contracted service providers have had to quickly increase their staffing to enable them to implement SHS-funded programs. The pace of ramp up has been undermined by ongoing challenges in hiring and retaining program staff due to

regional workforce shortages affecting multiple sectors and especially impacting hiring and retention of frontline workers.

Inadequate wages and high turnover rates have further undermined workforce capacity. County contracting structures and financial procedures, which require providers to invoice for services provided and then receive reimbursement, also created challenges as some providers struggled with prolonged reimbursement delays. Without sufficient provider capacity, the counties and their partners have been unable to launch and scale up SHS programs at the pace required to meet their implementation goals. While the counties took initial steps to address these workforce and capacity issues in year two, more remains to be done.

Spending

Spending of regional SHS funding has not kept pace with available revenue, leading to voter frustration. While total SHS spending in year two was almost three times higher than in year one, challenges with ramp up and implementation capacity meant that regional spending fell below projected resources from forecasted revenue plus prior year carryover. Multnomah County's significant underspending of its year-two budget led Metro to initiate a corrective action plan. The plan, which was developed in collaboration with County leadership, lays out a strategy and timeline for the County to use the unspent funds to address priority needs. The plan was signed in August 2023, and Metro and the County are meeting monthly to monitor progress, with regular reports to the oversight committee.

Program delays

Due to the challenges with infrastructure and workforce capacity, some new SHS-funded programs took longer to launch than anticipated, and some planned service expansions were delayed. As a result, counties did not achieve their year-two goals for some programs, with particularly disappointing results for rapid rehousing programs that launched in year two. The work completed in year two to lay the foundation for these services means the counties should be expected to meet their goals and support the continued growth of these services in future years.

Data and analysis

While significant progress was made in year two to strengthen regional data collection and reporting, several complex data challenges limit the effective analysis and evaluation of the SHS fund's impact. Additional work is needed to develop effective methodologies for tracking and reporting on funding allocations by Population A and B, calculating returns to homelessness, aligning the service categories used for programmatic and financial reporting, and aligning programmatic reporting with the SHS fund's regional 10-year goals to support clearer tracking on progress. More comprehensive and consistent data are also

needed to track the impact of SHS investments in relation to overall levels of homelessness.

Growing need

While SHS investments are successfully ending and preventing homelessness for thousands of people, broader systemic forces continue to push more people out of their homes.

The counties' inflow and outflow data show that for every 10 households who exited the region's homeless services system in year two, 11 new households entered the system.

Stemming the crisis of homelessness in our region will require broader policy and systems changes to address the economic factors and systems failures that continue to force people into homelessness each year.

RECOMMENDATIONS

The oversight committee issued recommendations to Metro Council in July 2023 to strengthen SHS implementation and charged Metro staff with carrying the recommendations forward. Most of these recommendations are multi-year bodies of work. Progress has been made on many elements of the committee's original recommendations, but there is more to be done.

Exhibit A summarizes progress to date on these recommendations. Our updated recommendations to Metro Council aim to further advance this work so that the SHS fund's investments will yield visible, transformative results in communities across the region.

The committee charges Metro staff with developing a work plan and timeline for implementation of the updated recommendations by July 2024. Many of the recommendations are inter-connected, and the implementation plan will need to consider the relationships and intersections between them.

While Metro is responsible for coordinating implementation, many partners, including the counties, service providers and the tri-county planning body are engaged in carrying this work forward. To support the committee's oversight role, we ask Metro to provide quarterly reports on recommendation progress so that the committee has a broad understanding of all the work happening across the region related to these areas of work.

Regional communication and engagement

1. **Strengthen understanding: Create and implement a robust regional communication strategy for the SHS fund that effectively reaches the broader community.** The strategy should help the community understand the complexity of homelessness, the nature and goals of the SHS fund, and communicate progress, successes and challenges in a manner that is easily accessible and understandable by the general public. Metro should fund and lead the development of the regional strategy in collaboration with jurisdictions and nonprofit providers and manage the strategy's implementation.

The regional strategy should include:

- A timeline and roll out plan that reflect the urgency of the work
- Collaboration and coordination between Metro, counties and community-based partners to build on the communications work already happening at the county level, share learnings across jurisdictions and align on regional messaging
- Methods for getting the message out through a wide range of channels and mediums designed to reach diverse audiences
- A commitment to provide accurate and trustworthy regional data and information to the community
- Clear communication on progress in meeting the SHS fund's regional goals for housing placements and racial equity
- Communication support to counties and nonprofit providers in the form of technical assistance and access to the Metro communications team
- Incorporation of community engagement strategies to gather input and feedback, hear the perspectives of stakeholders and community members, and promote shared understanding

Financial and data transparency and accountability

1. **Optimize financial reporting: Strengthen strategic oversight and accountability by improving the quality, clarity and consistency of regional financial reporting.** Priority areas for Metro's work include:

- Work with counties to lead the development of tools, definitions and methodologies for measuring and reporting on spending by Populations A and B and release guidance to ensure accurate and reliable data are provided in counties' year three annual reports
- Support the development of tools and methodologies for tracking future financial obligations such as long-term rental assistance payments
- Align financial reporting categories with programmatic reporting to support analysis and oversight

- Provide clearer information to the oversight committee on allocations of SHS funding to reserves and contingencies
- Expand reporting to the oversight committee on tax collections to include collection challenges

2. Enhance data integrity: Strengthen the accuracy, reliability and consistency of program data to support regional analysis and oversight.

Priority areas for Metro’s work include:

- Provide up-front guidance and support to counties on definitions and methodologies to increase the accuracy, reliability and consistency of quarterly and annual reports
- Clearly define the SHS fund’s 10-year goals and align programmatic reporting and definitions with the goals to support clearer tracking on progress
- Strengthen regional methodologies for contextualizing SHS outcomes in relation to overall regional and county-level need; this includes calculating returns to homelessness, inflow and outflow, and methodologies for comparing SHS data with homeless population data
- Incorporate methodologies and tools into reporting templates to capture data on street outreach including contact rates, coverage, and placement in housing and services
- Provide user friendly summary information on program data and quarterly report progress to support the committee’s oversight role
- Work with the counties to develop systems and technologies for regional data collection that meet the needs of providers and counties while supporting Metro’s regional oversight responsibilities

3. Evaluate to inform improvement: Evaluate regional progress and refine strategies and goals as needed to maximize SHS outcomes.

Priorities for Metro’s work include:

- Support the collection and analysis of process and outcome metrics to inform continuous improvement in program design, strategy refinement and data-driven decision-making
- Develop a framework for assessing service quality, service delivery methods and fidelity to established standards of practice to identify areas for improvement
- Develop a framework for assessing the SHS fund’s progress in achieving its racial equity goals at a regional level

Workforce and capacity issues

1. Address providers' workforce and capacity needs: Develop a regional work plan reflective of community-identified needs with timelines that incorporate short-term and long-term strategies for addressing workforce and capacity issues. The work plan should consider the following:

- Multi-year capacity building investments
- Regional training and capacity building support for providers
- A particular focus on meeting the needs of small, emerging and culturally specific providers
- An assessment of the current guidelines for allocation and use of administrative funds to ensure that providers' expenses necessary to administer SHS programs are covered
- Regional strategies to support livable wages for direct service staff
- Additional supports for existing staff (e.g. mental health and wellbeing) to increase staff retention
- A framework for regular monitoring and evaluation

2. Provide multi-year capacity building funding: Develop and implement a regional strategy for providing multi-year capacity building investments for service providers:

- Complete Metro's feasibility assessment with the counties to determine how multi-year capacity building investments can be made
- Work collaboratively with counties to problem solve to address any administrative hurdles to developing multi-year grants
- Design a regional strategy to provide multi-year capacity building investments for service providers, with a particular focus on culturally specific, small and emerging providers
- Report back to the committee with funding requirements, expected outcomes, potential funding commitments and an implementation timeline

3. Institute livable wages: Address service provider wage/compensation equity to provide better guidance to county partners in meeting their SHS equity goals and to develop more consistency in wage standards across the region:

- Develop strategies in collaboration with jurisdictions and local and state stakeholders that take into account the distinct context and challenges of implementation in each county
- Prioritize the needs of small, emerging and culturally specific providers

- Work collaboratively with counties to problem-solve strategies to address any administrative hurdles to providing county contracts that enable service providers to pay livable wages to direct service staff

4. Streamline county administrative practices: Work collaboratively with the counties to support the development of systems for managing procurements, contracts and spending that match the urgency of the crisis.

This includes:

- Creating more nimble and responsive administrative practices that are able to leverage the SHS fund’s unprecedented flexibility
- Streamlining contract administration practices to better support provider capacity and expedite program implementation
- Promoting payment practices that provide up front funding to support program start-up costs and expedited payments during implementation, particularly for small, emerging and culturally specific providers

Program expansions

1. Expand access to health and behavioral health services: Continue work to identify and implement regional strategies that facilitate integration of health services, with a focus on behavioral health including mental health and recovery support services:

- Prioritize the needs of people of color and LGBTQ+ households in accessing health and behavioral health services
- Integrate health and behavioral health services into outreach, shelter, housing navigation, short-term housing and permanent housing, including strengthening crisis and long-term supports
- Continue to provide regional oversight and coordination to strengthen system-level integration and support county and program-level integration strategies
- Expand reporting on ongoing work to integrate health and behavioral health services in SHS programming at all levels (project-level, county-level and regional)

2. Strengthen implementation of new programs: Monitor implementation of new and expanded program areas to support accountability and effectiveness:

- Monitor program areas that did not meet regional or county-level year-two goals, particularly rapid rehousing, to assess whether they will meet their goals in year three and provide oversight and problem-solving support as needed

- Monitor cross-sector alignment and programming to assess the need for regional strategies to support integration of wraparound supports such as employment, workforce and education

Outreach

1. **Promote comprehensive outreach: Increase the visible impact of SHS investments through outreach strategies that are scaled to match the need:**

- Provide information to support the oversight committee’s monitoring of counties’ outreach work, including the scale and scope of outreach efforts, who is being reached and the outcomes
- Work collaboratively with counties to identify opportunities to expand outreach strategies as needed to support a robust regional infrastructure for reaching the unsheltered population and connecting them with services

TRANSFORMING LIVES

Behind the numbers in this report are thousands of people in our region whose lives have been transformed by the services and supports made possible through the SHS fund.

Metro and the counties have shared many moving stories of community members supported by SHS-funded services, like Kathy from Clackamas County:



When her sister passed away, Kathy was evicted from the apartment they had shared. As a senior on disability income, Kathy did not have the thousands of dollars she would need to move into a new home. At first staying in her car, Kathy moved to the sidewalk when her car was repossessed.

During this time, Kathy was in and out of the hospital, trying to control her diabetes without medication or the ability to monitor her blood sugar. A few times, she lay on the sidewalk unable to get up. “I was scared I was going to die from a diabetic coma,” she said. “I feared that more than anything being out there.”

Eventually Kathy was able to move into a motel shelter run by local nonprofit The Father’s Heart in partnership with Clackamas County. From there she was enrolled into the regional long-term rent assistance program by Northwest Family Services. Both programs are paid for by the SHS fund. Kathy now has a one-bedroom apartment close to where she grew up. “I’m in

a very much better place now,” Kathy says. “I’m very, very happy. And I love being in my own place. I feel happy to be alive.”

Stories like Kathy’s demonstrate the transformative potential of our region’s commitment to invest in services that help people exit homelessness and transition into safe, stable housing.

We are honored to have the opportunity to provide oversight for this important work and would like to thank Metro, the counties and especially the nonprofit and community-based organizations across the region working to implement SHS programs and services.

Thank you,

Supportive Housing Services Regional Oversight Committee members:

Susan Emmons (Co-chair)

Mandrill Taylor (Co-chair)

James Bane

Mitch Chilcott

Dan Fowler

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INTRODUCTION

In May 2020, voters in the greater Portland region approved Measure 26-210 to create a dedicated revenue stream to address the region's homelessness crisis. The supportive housing services (SHS) fund supports a continuum of services that help people find and keep safe and stable homes. The new funding supplements existing local, state and federal resources to increase the region's capacity to meet the needs of people experiencing homelessness and housing insecurity.

SHS funds have supported an unprecedented expansion of our regional homelessness response system. Metro, the three counties and numerous nonprofit and community-based organizations are building the infrastructure for a regional system of care that will provide supportive housing for 5,000 households experiencing prolonged homelessness and stabilize 10,000 households experiencing short-term homelessness or at risk of homelessness over the next 10 years.

This report provides an assessment of the SHS fund's second year of implementation, covering the period from July 1, 2022 through June 30, 2023. It includes:

- A summary of SHS-funded investments in housing and services and key regional outcomes
- A summary of populations served by SHS investments
- An assessment of counties' work to build a regional system of care through partnerships and capacity building with community-based organizations
- An overview of system development work including regional and cross-sector coordination
- Analysis of counties' progress to advance the fund's racial equity goals
- An assessment of each county's performance in relation to its approved local implementation plan and year-two work plan
- A financial review of year-two budgets and expenditures

To put this assessment in context, it is important to understand the broader framework for the SHS fund's investments:

- The services funded by the SHS tax are just one component of the region's broader homeless services system. The information in this report focuses specifically on the activities and outcomes in fiscal year 2022-23 that were supported with SHS funding. SHS funding has provided a significant expansion in resources, but in fiscal year 2022-23 the counties also budgeted an additional \$187.5 million in local, state and federal funding that supported a wide range of other services and outcomes not featured in this report.

- Homelessness is a complex issue that involves multiple systems of care. While the region's homeless services system plays a critical role in identifying people experiencing homelessness and connecting them with services, addressing the underlying conditions of people's homelessness and the larger housing crisis requires cross-sector alignment between homeless services, behavioral health, housing, community justice, healthcare and other related systems.
- While SHS investments have increased our region's capacity to help people experiencing homelessness transition to stable living, broader systemic forces outside of the SHS fund's control continue to push more people out of their homes. These include high rents, insufficient housing supply, incomes that do not enable people to meet their basic needs and Oregon's failure to provide an adequate system of mental health and recovery support services. The impact of these factors is even greater for people of color due to the pervasive effects of institutional and systemic racism. Achieving an end to homelessness in our region will require broader policy changes to address these root causes.

It is also important to understand how the context of SHS implementation has changed since the measure passed:

- When the SHS measure was placed on the ballot, the COVID-19 pandemic had not yet reached Oregon. Responding to the pandemic placed a significant strain on the region's homeless services system just as the system was preparing for SHS implementation. The ongoing economic fallout from the pandemic has amplified the region's homelessness crisis while creating workforce shortages that have hampered the region's ability to staff up services to meet the need.
- At the launch of SHS implementation, the region had an estimated 7,359 households in need of permanent supportive housing. By year two, that number had grown to 7,747 despite hundreds of SHS-funded housing placements. The rise in evictions following the lifting of pandemic-era protections also dramatically expanded the number of households in need of homelessness prevention services. Along with the increased scale of the crisis, the needs of many people experiencing homelessness across the region have become more acute due in part to the growing fentanyl epidemic.
- Since the SHS measure passed, the year-over-year costs to achieve the fund's regional goals have increased. Providing long-term rent assistance to support housing stability is a core SHS strategy, but rising rents have increased the costs of these subsidies. High rates of inflation have raised the costs of delivering other SHS programs and services. Efforts to increase worker salaries to provide a living wage – a key priority for the upcoming year – will further increase costs.
- Increased state attention to the homelessness crisis has provided additional resources while also creating new layers of accountability. In January 2023, Governor Tina Kotek declared a homeless state of emergency which the Oregon legislature supported with a multi-million dollar funding measure. Each of the

metro region's counties were required to create multi-agency coordination groups tasked with developing plans to achieve state goals to prevent homelessness, increase shelter capacity and rehouse unsheltered households. The state allocated \$5.4 million to Clackamas County, \$15.4 million to Multnomah County and \$8.0 million to Washington County to support these plans. The counties have largely integrated this emergency response work into the systems established to support SHS implementation.

SUPPORTIVE HOUSING SERVICES BACKGROUND

Approval of Measure 26-210 created a new tax that was projected to generate an average of \$250 million per year to fund a regional system of care governed by four jurisdictions: Metro and Clackamas, Multnomah and Washington counties. The tax took effect in January 2021 and will expire in 2031 unless reauthorized by voters.

In December 2020, the Metro Council adopted a supportive housing services work plan to guide implementation. The work plan defines the fund's guiding principles, racial equity goals, priority populations, service areas, accountability structures and funding allocations.

Within the framework of the regional work plan, each county's specific SHS investments and activities are guided by local implementation plans informed by community engagement and approved by Metro Council in spring 2021.

Guiding principles

SHS implementation is guided by the following regionally established principles:

- Strive toward stable housing for all
- Lead with racial equity and work toward racial justice
- Fund proven solutions
- Leverage existing capacity and resources
- Innovate: evolve systems to improve
- Demonstrate outcomes and impact with stable housing solutions
- Ensure transparent oversight and accountability
- Center people with lived experience, meet them where they are, and support their self-determination and well-being
- Embrace regionalism: with shared learning and collaboration to support systems coordination and integration
- Lift up local experience: lead with the expertise of local agencies and community organizations addressing homelessness and housing insecurity

Leading with racial equity

People of color are overrepresented in the region's homeless population due to the impact of systemic, institutional and interpersonal racism. To account for and correct these disparities, the SHS fund is guided by a commitment to lead with racial equity by especially meeting the needs of communities of color who are disproportionately impacted by housing instability and homelessness. The fund aims to increase the availability of culturally specific services across the region, improve outreach and language access, and ensure that all SHS services are

delivered in a manner that is anti-racist and culturally responsive. The fund is also designed to engage people of color in planning and oversight of SHS services through significant representation on local and regional advisory bodies.

Priority populations

The SHS fund serves two primary populations:

- Population A, defined as people with extremely low incomes and one or more disabling conditions, and who are experiencing or at imminent risk of experiencing long-term or frequent episodes of literal homelessness
- Population B, defined as people who are experiencing homelessness or have substantial risk of experiencing homelessness

As defined by the measure, 75% of SHS investments will be dedicated to meeting the housing and service needs of Population A, while 25% of the investments will be dedicated to housing and services that address the needs of Population B.

The goal of this distribution of SHS investments is to build a system of care that fully addresses the needs of people experiencing prolonged homelessness, while also investing in programs that end and prevent episodic homelessness.

Service areas

SHS tax revenue is distributed to Clackamas, Multnomah and Washington counties to invest in local strategies to meet the needs in their communities. The three county governments work in partnership with nonprofit service providers and community-based organizations to develop and implement services based on priorities identified in counties' local implementation plans.

Eligible uses of SHS funding include:

- Outreach and engagement to connect people experiencing homelessness with available services and address their housing barriers
- Emergency shelter and transitional housing to provide people experiencing homelessness with interim stability and connect them with pathways to stable housing
- Housing navigation, placement and rent assistance to assist people in moving from homelessness to stable housing
- Housing retention case management to support people exiting homelessness to stabilize in and retain permanent housing
- Eviction prevention, case management and rent assistance to prevent people from losing their homes
- Wraparound supports including peer support services, workforce and employment services, legal services and connections to healthcare, mental health and recovery support services

Funding can also be used for capacity building and systems development to support program implementation, as well as administrative costs within applicable limits.

SHS funding is intended to work in tandem with other systems and investments. The fund was designed to strengthen the impact of the 2018 Metro affordable housing bond and other local, state and federal housing investments by providing the supports that people experiencing or at risk of homelessness need to find and stay in housing.

Similarly, because access to mental health and recovery support services is an essential element in addressing homelessness, SHS is designed to work in close alignment with the behavioral health system to connect people experiencing homelessness with clinical services and to link people accessing clinical services with housing. SHS is also designed to work in coordination with other related systems including the criminal justice, workforce and healthcare systems.

Accountability structure

Counties' SHS investments and activities are guided by their local implementation plans and led by designated agencies – Clackamas County's Housing and Community Development Division, Multnomah County's Joint Office of Homeless Services and Washington County's Department of Housing Services – with oversight by local community advisory committees and each county's board of commissioners.

The Metro Council appointed the Supportive Housing Services Regional Oversight Committee to provide regional oversight of the fund's implementation. The committee reviews counties' quarterly and annual reports for consistency with approved local implementation plans and regional goals, monitors financial aspects of program administration, assesses performance, and reports to the Metro Council and each county's board of commissioners regarding the fund's challenges, successes and outcomes.

Funding allocations and requirements

As required by the voter-approved measure, SHS funding is allocated within the portions of Clackamas, Multnomah and Washington counties that are inside the Metro jurisdictional boundary in amounts proportionate to the tax revenue estimated to be collected from individuals in each county. Metro is responsible for distribution and oversight of SHS funding.

Metro's intergovernmental agreements with each county include specifications for budgets, administrative costs, use of funds, financial reporting, contingency funds, stabilization reserves and debt service. The oversight committee provides financial oversight of funding investments and expenditures.

HOUSING AND SERVICES

Regional capacity

The SHS fund prioritizes solutions for people experiencing prolonged homelessness (generally defined as 12 or more months of literal homelessness over three years) through investments in permanent supportive housing, which combines long-term rent subsidies with ongoing supportive services to help people achieve housing stability.

In the first two years of implementation, SHS-funded services and rent assistance supported the creation of 2,996 units of permanent supportive housing across the region. Once these units are fully leased up, they will represent 60% of the SHS fund's regional 10-year goal of connecting 5,000 households experiencing prolonged homelessness to permanent supportive housing.

Permanent supportive housing created	Clackamas County	Multnomah County	Washington County	Regional total
SHS-funded PSH units added since July 1, 2021	518	1,114	1,364	2,996

Based on counties' calculations of estimated need, these units will be able to house 39% of the region's households currently in need of permanent supportive housing.

Permanent supportive housing needed	Clackamas County	Multnomah County	Washington County	Regional total
Households in need of PSH in 2023	793	4,582	2,372	7,747

This increase in regional capacity represents an ongoing commitment to invest in rent subsidies and supportive services for the 2,996 units into the future. These critical housing resources would not exist without SHS funding, and they expand the region's capacity to transition people out of homelessness and support their long-term housing stability.

Housing placement

SHS-funded programs connect people experiencing homelessness with permanent housing through services that are tailored to meet each person's specific situation and needs and typically include:

- Assessment of housing barriers, needs and preferences
- Support and flexible funds to address immediate housing barriers
- Housing search assistance including landlord outreach and engagement
- Assistance with preparing applications for housing, filing appeals and advocating with landlords
- Support with application fees, security deposits and other move-in costs

- Rent assistance or placement in subsidized affordable units
- Case management and connections to wraparound services as needed to support housing stability and retention
- Partnerships and linkages with healthcare, mental health and recovery support services to meet each participant’s needs

Supportive housing

In year two, SHS-funded programs placed 1,416 households (2,232 people) in supportive housing, which includes permanent supportive housing and other service-enriched housing for Population A.

Supportive housing	Clackamas County	Multnomah County	Washington County	Regional total
Households placed in supportive housing in year two	393	387	636	1,416
People placed in supportive housing in year two	619	624	989	2,232

Regional long-term rent assistance

A key strategy in the counties’ supportive housing placements is the SHS-funded regional long-term rent assistance program (RLRA), which provides rent subsidies for many of the counties’ SHS-funded permanent supportive housing units. Participants pay 28.5% of their income toward the rent and the remaining amount is covered by the program. The program provides tenant-based vouchers that participants can use to rent housing in the open market as well as project-based subsidies that attach the rental voucher to a specific unit. Participants are provided with ongoing case management and supportive services to help them achieve housing stability.

In year two, 1,202 RLRA vouchers were issued and 1,118 households (1,857 people) newly leased up using an RLRA voucher. A total of 1,722 households (2,702 people) were in stable housing using an RLRA voucher, which includes people housed in year one who remained in their homes.

RLRA (a subset of supportive housing)	Clackamas County	Multnomah County	Washington County	Regional total
RLRA vouchers issued in year two	385	265	552	1,202
Households newly leased up using RLRA in year two*	296	216	606	1,118
Total households in housing using RLRA in year two	412	404	906	1,722

*RLRA placements are a subset of the supportive housing placements.

Rapid rehousing

SHS funding also supports rapid rehousing, which provides short- and medium-term rent assistance (typically up to two years) combined with housing navigation and retention supports to help people who have recently become homeless to find and maintain stable housing. In year two, 668 households (1,136 people) were placed in SHS-funded rapid rehousing or other short-term rent assistance programs.

Rapid rehousing	Clackamas County	Multnomah County	Washington County	Regional total
Households placed in rapid rehousing in year two	19	419	230	668
People placed in rapid rehousing in year two	46	694	396	1,136

Delays in ramping up counties' SHS-funded rapid rehousing programs due to infrastructure and capacity challenges resulted in lower placement rates than planned. The pace and scale of rapid rehousing placements is expected to increase significantly in year three.

Housing retention

Housing retention rates measure the percentage of people who remain housed 12 months after receiving assistance. More than 98% of people placed in SHS-funded permanent supportive housing remained housed 12 months after move-in. This outcome demonstrates that SHS investments in long-term rent assistance and ongoing supportive services are working to end people's homelessness and keep them stably housed.

12-month retention rate	Clackamas County	Multnomah County	Washington County	Regional range
Permanent supportive housing	98%	99%	98%	98-99%

Retention rates for rapid rehousing were somewhat lower, but still in line with the regional goal of 85%. Given that rapid rehousing is a less intensive and more time-limited intervention, a lower retention rate is to be expected.

12-month retention rate	Clackamas County	Multnomah County	Washington County	Regional range
Rapid rehousing	96%	84%	n/a*	84-96%

**Washington County's rapid rehousing program was launched in year two and therefore did not have any households that had been in housing for at least 12 months.*

Another metric for tracking housing stability is returns to homelessness, which measures the percentage of households exiting the homeless services system to a permanent housing destination who returned to the homeless services system within 24 months of exit. Preliminary data on rates of returns to homelessness for SHS-funded housing programs range from 3% to 11%.

Returns to homelessness	Clackamas County	Multnomah County	Washington County	Regional range
% of exits to permanent housing that returned to homeless service system	3%	10%	11%	3-11%

These data are preliminary because no households had completed the full 24-month lookback period by the end of year two. Additional work is also needed to ensure consistent methodologies across the counties for calculating this metric.

Homelessness prevention

In addition to supporting housing placements for people experiencing homelessness, counties used SHS funds to prevent thousands of additional households from losing their homes. Prevention services help people at risk of homelessness stay housed through short-term rent assistance, legal supports and connections to other resources. Homelessness prevention is a critical investment because it is much more difficult and expensive to rehouse people once they have lost their homes than to support them to remain in their housing.

In year two, SHS funding supported homelessness prevention services that helped to keep 2,767 households (7,160 people) in their homes.

Homelessness prevention	Clackamas County	Multnomah County	Washington County	Regional total
Households supported with prevention services in year two	286	2,067	414	2,767
People supported with prevention services in year two	643	5,380	1,137	7,160

Emergency housing

SHS funding supports a range of emergency housing options to provide households experiencing homelessness with interim stability and support. In year two, counties used SHS funds to create and sustain a mix of emergency housing models including congregate, facility-based and alternative shelters such as motels, villages and pods. These shelters serve adults, families and youth, with some shelters focused on specific populations such as domestic violence survivors, adults with behavioral health needs, veterans and medically fragile individuals.

In year two, SHS funds created or sustained a total of 930 emergency housing beds/units. This includes new capacity that has been added as well as existing capacity that has been turned into permanent capacity with SHS funding.

Emergency housing	Clackamas County	Multnomah County	Washington County	Regional total
Beds created or sustained with SHS funds in year two	140	460	330	930

These figures count each unit of non-congregate shelter, such as motel-based shelters or pods, as one bed even though the unit may serve multiple people.

Street outreach

The counties have built comprehensive outreach programs to connect people on the streets with SHS-funded shelter and housing services. In Clackamas County, six organizations conduct daily outreach across the county through a combination of methods. Multnomah County funds 107 outreach workers across multiple organizations, ensuring that outreach is conducted seven days a week by several providers, each with different areas of expertise. Washington County's outreach program includes nine teams of outreach workers that conduct coordinated countywide outreach in geographically assigned and population-specific teams.

Outreach workers visit encampments, address immediate survival needs, work to build trusting relationships with the people they engage, conduct coordinated entry assessments and facilitate referrals to housing and services. The counties' outreach teams include culturally specific providers, mental health and substance use disorder specialists, and organizations with other specialized areas of expertise to connect people with services that meet their specific needs. Counties also fund in-reach and mobile screenings to engage people in shelters and service sites with housing-focused services. All three counties are working with the evidence-based Built for Zero initiative to develop by-name lists to track the people they engage and support their connections to housing and services.

POPULATIONS SERVED

Populations A and B

The SHS fund serves two primary populations: Population A – defined as people who have experienced or are at imminent risk of experiencing long-term or frequent episodes of literal homelessness, have at least one disability and little to no income, and Population B – defined as people who are experiencing homelessness or have substantial risk of experiencing homelessness.

People served in supportive housing and rapid rehousing

In year two, 68% of the people who were placed in SHS-funded supportive housing and rapid rehousing were in SHS Population A and 32% were in Population B.

Supportive housing and rapid rehousing	Clackamas County	Multnomah County	Washington County	Regional total
Percentage of people in Population A	85%	67%	61%	68%
Percentage of people in Population B	15%	33%	39%	32%

People served in supportive housing, rapid rehousing and preventions

Of the total people placed in supportive housing and rapid rehousing housing or served by homelessness prevention programs, 22% were in Population A and 78% were in Population B.

Supportive housing, rapid rehousing and preventions	Clackamas County	Multnomah County	Washington County	Regional total
Percentage of people in Population A	43%	14%	33%	22%
Percentage of people in Population B	57%	86%	67%	78%

Race and ethnicity

The SHS fund is guided by a commitment to lead with racial equity by especially meeting the needs of communities of color who are disproportionately impacted by housing instability and homelessness. A key SHS regional goal is to provide access to services and housing for people of color at greater rates than people of color experiencing homelessness. All SHS-funded programs are required to collect and report on disaggregated race and ethnicity data to allow counties to track whether this goal is being met.

This section provides race and ethnicity data for participants in SHS-funded supportive housing, rapid rehousing and homelessness prevention programs. Counties’ racial equity analyses indicate that, on the whole, populations of color are accessing SHS-funded services at higher rates than their representation in each county’s homeless population. This conclusion is based on detailed comparisons of the demographics of SHS program participants and the overall homeless population of each county, drawing on multiple data sources including coordinated entry, point in time counts and census data.

More detailed information on each county’s analysis and conclusions is available in the Progress in Advancing Racial Equity section, with additional details and comparison data available in the counties’ annual reports (see Exhibit C).

Supportive housing placements

Across the region, 48% of people placed in supportive housing in year two were people of color. The percentage varied by county, with 35% in Clackamas County, 70% in Multnomah County and 41% in Washington County.

Supportive housing placements*	Clackamas County	Multnomah County	Washington County	Regional total
American Indian, Alaska Native or Indigenous	7%	20%	8%	11%
Asian or Asian American	<1%	2%	2%	2%
Black, African American or African	12%	36%	10%	19%
Hispanic or Latine	16%	23%	29%	24%
Native Hawaiian or Pacific Islander	1%	5%	3%	3%
Non-Hispanic White	64%	28%	57%	51%
Race/ethnicity unreported	1%	2%	5%	3%

* The tables in this section use “alone or in combination” categories. This means people may identify as many races and ethnicities as they choose, and they are counted once in each category. Percentages are based on the number of people who identified each race and ethnicity out of the total number of people for whom race/ethnicity data were reported.

Rapid rehousing placements

Regionally, 61% of people placed in rapid rehousing in year two were people of color. In Clackamas County, the percentage was 50%, in Multnomah County it was 63% and in Washington County it was 57%.

Rapid rehousing placements	Clackamas County	Multnomah County	Washington County	Regional total
American Indian, Alaska Native or Indigenous	4%	14%	7%	12%
Asian or Asian American	0%	3%	2%	2%
Black, African American or African	11%	31%	13%	25%
Hispanic or Latine	43%	21%	46%	31%
Native Hawaiian or Pacific Islander	0%	7%	5%	6%
Non-Hispanic White	43%	34%	39%	37%
Race/ethnicity unreported	7%	3%	5%	4%

Homelessness prevention

Across the region, 68% of people served by homelessness prevention services in year two were people of color. In Clackamas County, the percentage was 25%, in Multnomah County the percentage was 76% and in Washington County the percentage was 54%.

Homelessness prevention	Clackamas County	Multnomah County	Washington County	Regional total
American Indian, Alaska Native or Indigenous	5%	2%	3%	2%
Asian or Asian American	1%	13%	3%	12%
Black, African American or African	10%	50%	23%	47%
Hispanic or Latine	15%	10%	34%	15%
Native Hawaiian or Pacific Islander	2%	6%	4%	6%
Non-Hispanic White	74%	16%	40%	27%
Race/ethnicity unreported	2%	8%	6%	7%

Length of time homeless

People served in SHS-funded programs in year two had been homeless for an average of more than three years across the three counties. The average length of time homeless was almost twice as high in Multnomah County as the other two counties.

Length of time homeless	Clackamas County	Multnomah County	Washington County	Regional range
Average years of homelessness for people served in SHS programs	3.53	6.72	3.47	3.47-6.72

PROVIDER PARTNERSHIPS

The successful implementation of SHS programs relies on the on-the-ground work of nonprofit and community-based service providers across the region. Counties have focused significant time and resources to build a strong regional network of SHS providers, with a particular focus on engaging new partners and culturally specific organizations.

Procurement strategies

Since the launch of SHS funding, counties have implemented procurement strategies designed to expand partnership opportunities to a diverse range of providers, including two tri-county Requests for Programmatic Qualifications (RFPQs) in 2022 and 2023. The RFPQs incorporated application questions and evaluation criteria that emphasized racial equity and the delivery of culturally responsive and culturally specific services. To support the participation of smaller and emerging organizations, one-on-one technical assistance was available to assist applicants with navigating the process and writing their proposals.

The 2023 RFPQ qualified 60 additional community-based organizations for the tri-county SHS provider pool, increasing the total pool to 169 organizations. Many of the organizations in the pool have never held a government contract before.

Counties also updated and strengthened their internal procurement and allocation processes to expand contracting opportunities for new and emerging providers, with a particular emphasis on culturally specific providers.

Service provider contracts

Counties partnered with 77 nonprofit and community-based organizations to deliver SHS services in year two with contracts totaling \$114.1 million.

All providers	Clackamas County	Multnomah County	Washington County	Regional total
Number of service providers contracted to deliver SHS services in year two	17	50	23	77*
Total value of contracts with service providers	\$12.3 million	\$64.2 million	\$37.7 million	\$114.1 million

**Eleven providers contracted with more than one county. The regional totals reflect the unduplicated number of providers.*

The contracted providers include small and emerging organizations that are new to the counties' networks as well as established providers that have leveraged SHS resources to scale up existing programs, expand into other service areas or serve other parts of the region. Eleven providers have contracts with multiple counties while 66 providers are focused on a single county.

Culturally specific provider contracts

All three counties expanded their partnerships with culturally specific providers in year two, partnering with 14 culturally specific organizations to deliver SHS-funded services, with contracts totaling \$22.6 million. (Culturally specific provider contracts are a subset of the contracts with all service providers in the previous section.)

Clackamas and Washington counties each added three new culturally specific providers to their networks in year two and Multnomah County added four. Clackamas and Washington counties' homeless service systems had contracts with only one culturally specific provider prior to SHS, making the expansion of culturally specific partnerships particularly notable.

Culturally specific providers	Clackamas County	Multnomah County	Washington County	Regional total
Number of culturally specific providers contracted to deliver services in year two	5	7	7	14*
Total value of contracts with culturally specific providers	\$2.7 million	\$9.3 million	\$10.6 million	\$22.6 million

**Four providers contracted with more than one county. The regional totals reflect the unduplicated number of providers.*

Each county's culturally specific provider contracts include organizations that specialize in delivering services to the following communities:

- Black
- Latine
- Native American/Indigenous
- Immigrant and refugee

Culturally specific providers deliver a wide range of SHS-funded services:

- Clackamas County's culturally specific partners provide housing navigation, housing placement, case management and outreach services.
- Washington County's culturally specific providers deliver housing case management, rapid rehousing, housing liaison, shelter, outreach, recuperative care and permanent supportive housing services.
- Multnomah County's culturally specific partners provide permanent supportive housing, short-term housing assistance, other supportive services, system support and development, shelter and outreach.

In addition to contracts with seven culturally specific organizations, Multnomah County also contracted with five mainstream organizations that have culturally specific programming.

CAPACITY BUILDING

SHS implementation has required a historic expansion of the region's homeless service system infrastructure. Counties have had to strengthen their internal capacity to administer contracts and payments, manage data reporting and oversight and support providers with implementation. Contracted providers have also had to quickly scale up their staffing and administrative capacity to enable them to implement SHS-funded programs. The pace of ramp up necessary to support SHS implementation has been hindered by these capacity building challenges.

Regional infrastructure

A primary focus for counties in year two was the continued work to build sustainable systems to support SHS implementation. This included increased staffing capacity, updated coordinated entry and outreach systems, and improvements to data collection and reporting infrastructure.

- **Staffing:** All three counties increased their staffing capacity to support the administration of SHS contracts and programs. The increase was most dramatic in Clackamas County, which tripled its housing services staff from 13 to 42 members in year two. Other counties increased staffing capacity in specific areas of work.
- **Coordinated entry:** To strengthen equitable access to SHS-funded services, the counties continued to evaluate and modify their coordinated entry systems. Clackamas County streamlined and simplified the assessment process and increased staffing capacity to clear a backlog of calls and create a more responsive call system. Multnomah County worked with stakeholders to refine the county's coordinated access process and create a tool to pull a monthly by-name list of chronically homeless adults. Washington County evaluated its recently restructured assessment process to ensure it is supporting equitable access. The counties also worked with the tri-county planning body to explore opportunities to align coordinated entry at a regional level.
- **Outreach:** Counties continued to expand their outreach and mobile screening capacity to facilitate connections with services. Clackamas County launched the county's first coordinated outreach system, which connects people to services through a combination of site-based, in-reach, pop-up and mobile methods. In Multnomah County, SHS funding supported an increase in street outreach capacity and funded new mobile outreach, intake and screening services for people with developmental disabilities and for aging, disability and veterans services. Washington County expanded its outreach program to include additional providers and launched a Locally Coordinated Command Center strategy that focuses coordinated interventions on specific sites using a by-name list to connect unsheltered individuals to services as quickly as possible.

- **Data and evaluation:** Counties also strengthened their internal capacity to collect, analyze and report on data from SHS-funded programs. For example, Multnomah County developed a strategic plan for improving data quality and modernizing its data infrastructure and is working to implement new performance indicators and a new data dashboard. The three counties' data teams have been meeting monthly to operationalize regional metrics, problem-solve and share best practices. All three counties also participate in the national Built for Zero initiative which works with communities to measurably end homelessness by strengthening data-driven systems.

Provider capacity building

The counties increased their capacity building supports to providers in year two, funding technical assistance, training and capacity building grants. For example:

- Clackamas County entered into contracts with two new grassroots providers in year two, providing an influx of funding, dedicated capacity building funds and connections to technical assistance to support their expansion. The County also contracted with four organizations to deliver technical assistance to smaller providers to support internal systems capacity in year three. The County plans to conduct in-depth analyses of providers' use of SHS funding and their financial record-keeping in year three, coupled with the provision of technical assistance.
- Multnomah County allocated \$713,000 in technical assistance funding to 19 providers to support increased staffing and administrative capacity and improve equity training. In addition, nine service providers received capacity building allocations totaling \$1.7 million which they used to strengthen organizational stability and effectiveness. The County also expanded training for frontline staff, offered 12 new training sessions for service providers, and supported service providers' data reporting through increased data quality review, communication and one-on-one support.
- Washington County launched a phased grant offering contracted providers up to \$200,000 in one-time funding to provide technical assistance and organizational assessment, with 19 organizations participating in the first year. A new systemwide training program provided 2,515 hours of training to frontline staff. The County also conducted provider performance evaluations to identify strategies for improving data quality and reporting. Planned improvements for year three include the addition of quality assurance staff for each provider.

Workforce and wage equity

Workforce challenges have imposed significant constraints on provider capacity. Contracted providers have struggled to recruit and retain the staff necessary to launch new SHS-funded programs and expand existing services. Without sufficient

staffing capacity, the counties and their partners cannot scale operations to meet their SHS goals. Staff recruiting and retention challenges are rooted in regional workforce shortages affecting multiple sectors, but they are exacerbated by inadequate wages and staff burnout from the emotional toll of the work.

Counties took initial steps to address workforce challenges in year two, with recognition that additional steps will be needed. All three counties conducted wage studies of SHS-contracted providers that gathered data on rates of pay for frontline workers and the distribution of pay for employees by agency. These studies informed initial strategies to improve wage equity. For example, Clackamas County advocated for higher rates of pay for staff when negotiating or renewing contracts. The County also funded mental health services for frontline staff in some contracts to support employee retention. Multnomah County funded a wage increase for the lowest earners and increased the cost of living adjustment in existing SHS-funded contracts. The County also allocated \$10 million for capacity building grants to support the organizational health of contracted providers in year three. Workforce issues will be a primary focus of work by Metro, the counties and the tri-county planning body in year three to enable nonprofit and community-based partners to provide livable wages for their staff.

Contracting and invoicing

Long-established countywide contracting and invoicing systems have created additional barriers to effective deployment of SHS resources. Counties' procurement and funding allocation processes are slow and cumbersome, hindering the efficient allocation of SHS resources. Some contracted providers experienced challenges implementing the counties' complex accounting and invoicing requirements, and counties struggled to add staffing capacity quickly enough to manage the growing workload associated with managing contracts and processing invoices. This resulted in delays with contract implementation and invoice payments.

Providers also experienced challenges with the counties' contracting structures and financial procedures, creating financial hardships for smaller and emerging providers. Countywide contracting regulations require providers to invoice for services provided and then receive reimbursement. Providers without sufficient financial reserves struggle to front the funding for program costs before getting reimbursed, further destabilizing their capacity. Delays in timely invoice payments exacerbated these challenges.

Counties have worked to address these issues by funding capacity building grants for providers and piloting new processes to offer contract advances to support program start-up. Metro also worked collaboratively with the counties' finance teams on the development of best practice guidelines for contracting to be released in year three. However, fully solving these challenges will require system-level changes to countywide procurement and contracting systems.

CROSS-SECTOR WORK

Homelessness is a complex issue requiring coordination among multiple systems of care. Cross-sector partnerships and service integration are key to building an effective regional homelessness response infrastructure. In year two, counties used SHS funding to implement cross-sector initiatives in partnership with behavioral health, healthcare, law enforcement, community corrections, housing and other systems. The examples highlighted in this section demonstrate the scope and breadth of this cross-sector work.

Behavioral health

- Clackamas County placed two case managers in the county's Health Centers division to assist people requiring higher levels of behavioral health support to find and remain in permanent housing, receiving over 100 referrals.
- Clackamas County funded a behavioral health case manager to partner with a Milwaukie Police Department behavioral health specialist to provide services to individuals referred for targeted outreach.
- Multnomah County expanded programs that pair 125 regional long-term rent assistance vouchers with intensive case management for people with severe and persistent mental health challenges.
- Multnomah County opened a new 33-bed shelter for adults with behavioral health needs co-located in the county's Behavioral Health Resource Center.
- Multnomah County opened a 14-bed culturally specific transitional housing program for justice-involved Black men who are having behavioral health challenges.
- Washington County's Housing Liaisons program embedded trained housing system navigators in behavioral health programs, working side by side with staff to help their participants navigate the homeless services system.
- Washington County opened the 54-unit Heartwood Commons permanent supportive housing building that includes on-site services provided by Sequoia Behavioral Health.

Healthcare

- The counties, Metro, Health Share and other health system partners worked together to plan for implementation of the Medicaid 1115 Demonstration Waiver and improve system coordination across the healthcare and housing systems to meet the needs of households in both systems of care.
- Multnomah County's Joint Office partnered with the Behavioral Health Division, Health Share and CareOregon to align Medicaid-funded services with 65 permanent supportive housing units in a Metro housing bond-funded project set to open in year three.

- Washington County implemented a medical case-conferencing program in partnership with Providence Health Services, Kaiser Permanente and Health Share that supports data sharing and care coordination for people experiencing homelessness with unmet medical needs.
- Washington County partnered with Virginia Garcia Memorial Health Center to develop the county’s first recuperative care program for patients being discharged from the hospital without stable housing for recovery.

Law enforcement/community corrections

- Clackamas County expanded the Law Enforcement Assisted Diversion program, which diverts households experiencing or at risk of homelessness from arrest and incarceration toward case management and housing placement services, in partnership with law enforcement agencies and the District Attorney’s Office.
- Multnomah County’s Joint Office partnered with the Department of Community Justice to provide access to regional long-term rent assistance for people on parole or probation who are experiencing chronic homelessness.
- Washington County’s Housing Liaison program expanded to include two liaison positions embedded in the Community Corrections Department to facilitate connections to shelter and housing for people exiting the criminal justice system.

Metro affordable housing bond

A key example of cross-sector work is the alignment between the SHS fund and the Metro affordable housing bond. The opportunity to align SHS-funded services and rent assistance with bond-funded capital investments significantly expands the region’s ability to develop permanent supportive housing for people experiencing prolonged homelessness.

Across the three counties, SHS-funded supportive services and rent assistance are being integrated with bond-funded capital investments to create a total of 571 PSH units in bond-funded projects, with more in the pipeline.

Permanent supportive housing	Clackamas County	Multnomah County	Washington County	Regional total
PSH units that integrate SHS funding and bond funding	231	228	112	571

Examples include:

- Fuller Road Station (Clackamas County): 25 PSH units with services provided by Clackamas Women’s Services.
- Tukwila Springs (Clackamas County): 36 PSH units for older adults and 12 PSH units for Native Americans with services provided by Native American Rehabilitation Association.

- Meridian Gardens (Multnomah County): 65 PSH units with recovery-focused services provided by Central City Concern.
- 74th and Glisan (Multnomah County): 41 PSH units with culturally specific services.
- Heartwood Commons (Washington County): 54 PSH units with services provided by Bienestar, Community Partners for Affordable Housing and Sequoia Mental Health.
- Viewfinder (Washington County): 30 PSH units with services provided by Project Homeless Connect.

REGIONAL COORDINATION

The SHS fund has created an unprecedented level of regional collaboration across jurisdictional partners to address homelessness. The counties and Metro work closely together to align SHS programs and systems. The tri-county planning body (TCPB) leads the development of strategies that leverage regionalism to increase the SHS fund's effectiveness.

Tri-county planning body

The TCPB is charged with setting regional goals, strategies and outcome metrics related to addressing homelessness in the region. Five percent of SHS funds are reserved for a regional investment fund designed to support the counties and Metro in achieving SHS alignment, coordination and outcomes at a regional level. The TCPB guides the fund's investments and supports coordination on solutions to regional challenges.

In year two, the TCPB developed six goals and recommendations designed to strengthen SHS implementation through regional solutions:

- **Coordinated entry:** Assess opportunities for regional coordination to make coordinated entry more accessible, equitable and efficient for staff and clients
- **Landlord recruitment:** Identify areas where regionalization can increase the availability of accessible and appropriate housing units for service providers
- **Healthcare system alignment:** Promote greater alignment and long-term partnerships with healthcare systems that meaningfully benefit people experiencing homelessness and the systems that serve them
- **Training:** Support regional training that provides service providers with access to the knowledge and skills required to operate at a high level of program functionality, prioritizing the needs of culturally specific providers
- **Technical assistance:** Support regional technical assistance and capacity building investments to ensure organizations have the support required to operate at a high level of functionality, prioritizing culturally specific providers
- **Employee recruitment and retention:** Establish regional standards for county contracts with SHS-funded agencies and providers to achieve livable wages for direct service staff

The TCPB is working with Metro, the counties and other partners to move forward work on each of these goals in coordination with the SHS oversight committee.

Regional long-term rent assistance

A workgroup with representatives from the counties and Metro has been meeting monthly since 2021 to develop regional policies and guidelines for the SHS-funded regional long-term rent assistance program. A regional data team also meets

regularly to develop coordinated data collection and reporting tools and methodologies for the program. The regional workgroup reviews and analyzes tri-county data reports on a quarterly basis to monitor progress, identify areas for improvement and ensure the program is achieving its goals. The workgroup also engages in shared learning and problem solving, the development of shared procedures and templates, and identifies updates to the regional policy framework to support effective implementation.

Landlord engagement

To strengthen landlord participation in the regional long-term rent assistance program, the three counties worked together to launch the RLRA Risk Mitigation Program, which provides financial protection to landlords renting to RLRA voucher holders. The program is guided by regional policies and administered at a regional level through a partnership with the Housing Development Center.

The three counties and Metro also began meeting monthly in year two to coordinate landlord outreach and education efforts, plan regional landlord trainings, share landlord engagement tools and identify innovative strategies for expanding unit availability across the region.

Regional service provider network

The three counties collaborated on a second tri-county Request for Programmatic Qualifications to further expand the regional SHS service provider network in year two. The development of a single, coordinated process for providers to qualify to deliver homeless services throughout the tri-county area reduces barriers to government contracting, particularly for smaller and emerging organizations, while supporting consistency in program standards and guidelines. The second RFPQ added an additional 60 providers to the pool, resulting in a total pool of 169 qualified providers with diverse expertise and geographic representation.

Regional data systems and standards

The counties and Metro have worked together since 2021 to develop regional data definitions and standards to support consistent SHS data collection and reporting practices. In year two this work focused on developing consistent methodologies to operationalize key SHS regional annual metrics. Metro and the counties also worked on a data sharing agreement to track progress toward measurable goals and support research, planning and program evaluation.

In January 2023, the counties conducted the first-ever regional Point in Time Count of homelessness. This tri-county coordinated effort included creating a shared methodology and analysis, a centralized command structure, and unified logistics around the recruitment and deployment of volunteers. The coordinated count supports regional deduplication of data and analysis of regional trends in unsheltered and sheltered homelessness.

The three counties also worked together to move toward regional implementation of the Homeless Management Information System, which will enable the counties to collaborate on sharing data. The new system will share some participant information with all system users throughout the region, which will expedite finding client information, streamline data entry and reduce the creation of duplicate client records.

Medicaid 1115 waiver coordination

The three counties engaged with Metro, Health Share and other partners to plan for the implementation of the forthcoming Medicaid 1115 Demonstration Waiver, which will allow certain housing services to be covered by Medicaid. Several work groups have grown out of these regional collaboration meetings focused on broader coordination across the healthcare and housing systems.

PROGRESS IN ADVANCING RACIAL EQUITY

In the greater Portland region and nationally, people of color are far more likely than their white counterparts to experience homelessness due to the cumulative impacts of systemic and institutional racism. Recognizing that to effectively reduce homelessness we must account for and correct these disparities, the SHS fund is guided by a commitment to serve people of color at higher rates than people of color are experiencing homelessness and to show equal or better outcomes for people of color.

Strategies to advance racial equity

Counties' local implementation plans and annual work plans include detailed goals and strategies for achieving equitable service delivery and housing outcomes. Progress on these goals is tracked through SHS regional outcome metrics and counties' annual work plan progress reports. In year two, counties advanced their racial equity goals through strategies that included:

- **Expanding culturally specific services:** A core strategy for connecting people of color to SHS-funded services is by expanding the availability of culturally specific services. All three counties increased their partnerships with culturally specific organizations in year two, adding contracts with additional providers and increasing their total contract allocations to \$22.6 million. Counties also provided technical assistance and capacity building support to assist culturally specific partners to expand their work.
- **Improving equitable access to services:** Counties continued to evaluate and modify their coordinated entry systems to improve access to services for people of color. For example, Clackamas County modified its coordinated entry assessments to address inherent biases and be inclusive of more diverse experiences, and it increased its bilingual assessment capacity. Multnomah County continued work to redesign its assessment tool to increase equitable access through a multi-year process with extensive community engagement. Washington County evaluated its recently redesigned assessment process to ensure it is facilitating equitable access to services.
- **Ensuring service provider staff diversity:** Counties assessed the demographic diversity of frontline staff in contracted provider organizations to ensure services are being delivered by people who reflect the communities they serve. The surveys showed high rates of diversity among staff. In Clackamas County, 50% of service provider staff identify as people of color and 55% have lived experience with homelessness or housing instability. In Multnomah County, 63% of service provider staff identify as people of color and 12% have lived experience with homelessness or housing instability. In Washington County, 48% of service provider staff identify as people of color and 45% have lived experience with homelessness or housing instability.

- **Ensuring services are culturally responsive:** Counties provided training and technical support to contracted providers to ensure that all SHS-funded services are delivered in a manner that is culturally responsive and anti-racist. For example, Multnomah County required all contracted SHS providers to complete an equity assessment and an equity work plan. Clackamas County’s program coordinators supported providers in developing program policies that are anti-racist and gender affirming. Washington County developed a training program for providers that includes trainings in anti-racist practices in program design and implementation, and trainings on culturally responsive service provision for all partner organization staff.
- **Engaging diverse community input:** Implementation of each county’s SHS work is overseen by community advisory bodies with strong representation from communities of color and people with lived experience of homelessness. Multnomah County reorganized its advisory structure in year two, developing five advisory bodies including an Equity Advisory Committee and a Lived Experience Committee. Clackamas and Washington counties laid the groundwork to launch updated advisory bodies in year three, both of which will include lived experience advisory groups. Counties also gathered targeted input from people of color and people with lived experience to inform specific program design and planning decisions.
- **Analyzing disaggregated data:** Counties continued to work with providers to strengthen the collection of demographic data for SHS participants. In year two, SHS quarterly and annual reports included disaggregated race and ethnicity data by program type and for Populations A and B. In addition, counties conducted equity analyses comparing SHS program data with population and system-level data to assess progress in meeting racial equity goals.

Equity analyses

Findings from counties’ year-two equity analyses indicate that SHS programs are leading to improved access to services for populations of color. The equity analyses compare the demographics of SHS-funded program participants with homeless population data from coordinated entry or point in time counts and with census data on each county’s population in poverty. Based on these analyses, counties report that populations of color are accessing services at higher rates than their representation in each county’s homeless population, though specific populations continue to experience disparities in some counties.

The findings and conclusions vary by county and population. For example:

- Clackamas County’s analysis shows that Black, Native American/Indigenous and Latine individuals are overrepresented in SHS-funded permanent supportive housing placements and are accessing services at greater rates than they are experiencing homelessness when compared to the county’s coordinated entry data. However, these populations continue to experience

homelessness and seek services through coordinated entry at higher rates than expected based on census data.

- In Multnomah County, while people of color represent larger shares of the participants who received SHS-funded services for Population A, and persons identifying as Black, Asian or Native Hawaiian/Pacific Islander represent larger shares of SHS-funded Population B clients, Native American/Indigenous populations were underserved in rapid rehousing placements and homelessness prevention for Population B.
- Washington County's analysis found that SHS programs are generally serving higher rates of Black, Native American/Indigenous and Latine households than are represented in the population in poverty and among households seeking services, but Asian and Pacific Islander populations are under-represented in the population seeking services through coordinated entry compared with their representation in the population in poverty.

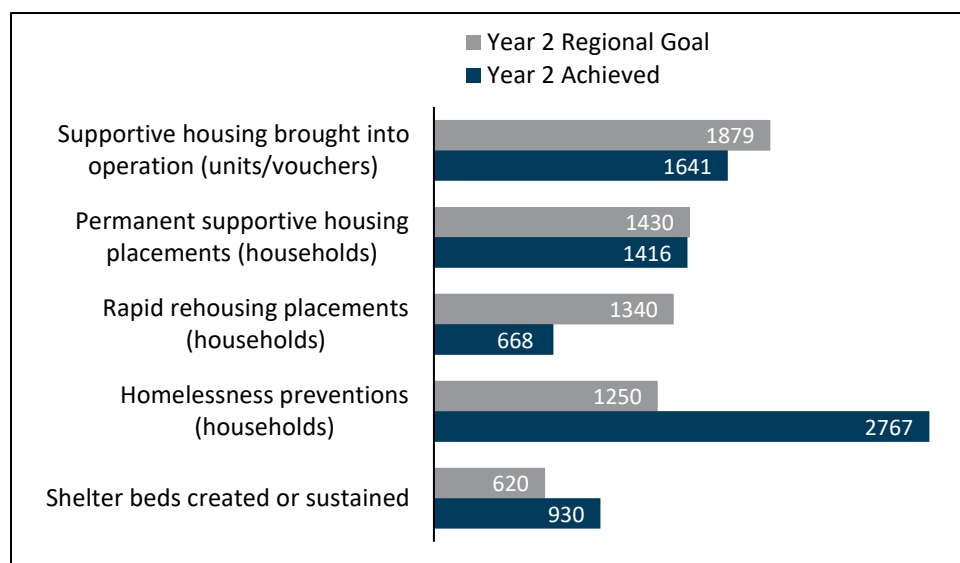
Counties plan to use the data from their equity analyses to inform targeted strategies to increase service access for specific communities. Counties will also need to monitor SHS outcomes over time to ensure SHS programs are leading to housing placement and retention rates for participants of color that are equal to or better than housing retention rates for white participants.

Broader systemic disparities create ongoing challenges for populations of color that may impact program outcomes despite improved access to SHS services. For example, Washington County's culturally specific SHS providers note that Black households often have more difficulty finding permanent housing due to landlord bias, discriminatory housing practices and higher rates of justice system interactions, which can create barriers to obtaining housing. These types of challenges will persist as long as deep-rooted systems of institutionalized racism go unaddressed.

PERFORMANCE ASSESSMENT

One of the oversight committee’s primary charges is to assess counties’ performance for alignment with the priorities and goals identified in their local implementation plans (LIPs) and annual work plans. Overall, counties’ year-two activities and investments were well-aligned with their LIP priorities for phase one, which focuses on years one through three of implementation.

Counties also made significant progress on their year-two work plan goals, exceeding the regional goals for homeless preventions and shelter beds and achieving more than 80% of the regional goals for supportive housing units and placements. Due to the challenges described earlier in the report with county infrastructure and provider workforce and capacity, new SHS-funded rapid rehousing programs took longer to launch than anticipated, resulting in only 50% of the planned placements. Counties note that the work done in year two to lay the foundation for these services will support much higher placement rates in year three.



Clackamas County

Clackamas County’s year-two activities and investments align well with its local implementation plan, achieving progress on all the county’s phase-one priorities.

Phase-one local implementation plan priorities

System-wide priorities

LIP priority	Year-two achievements
Build community-based organization capacity	<ul style="list-style-type: none"> Contracted with 17 community-based organizations, with contract allocations of \$12 million. Provided two grassroots service providers with an influx of funding, dedicated capacity building funds and access to technical support.

	<ul style="list-style-type: none"> Established contracts to provide technical assistance to smaller providers.
Expand culturally specific services	<ul style="list-style-type: none"> Expanded from one culturally specific provider before SHS to five, with contract allocations of \$2.7 million. Worked internally to implement procurement strategies to expand culturally specific services. Coordinated on a tri-county procurement that offered technical assistance to support the participation of culturally specific providers.
Evaluate system and program strategies to inform priorities and ensure quality improvement	<ul style="list-style-type: none"> Conducted an evaluation of staff diversity and pay equity in SHS-contracted providers. Completed an annual equity analysis of SHS-funded programs. Identified strategies to improve performance and outcomes in year three.
Strengthen data collection and reporting	<ul style="list-style-type: none"> Increased the capacity of the County's data team to capture, process and analyze SHS data. Continued engagement in Built for Zero, creating the county's first by-name list. Coordinated with the other counties on regional implementation of the Homeless Management Information system and regional metrics and reporting standards.
Enhance system navigation, outreach and coordinated entry to ensure equitable access	<ul style="list-style-type: none"> Expanded the capacity of the county's coordinated entry system, clearing a backlog of 1,800 calls and beginning to answer calls live every day of the week. Launched the county's first coordinated street outreach program, reaching 579 households. Created plans to launch service-enriched resource centers in year three.
Expand County implementation capacity	<ul style="list-style-type: none"> Added 29 staff in year two, for a total of 42 staff, supporting expanded capacity in program design, implementation, administration and contract management.

Housing-related priorities

LIP priority	Year-two achievements
Increase emergency shelter capacity	<ul style="list-style-type: none"> Supported 140 units of emergency and transitional shelter with SHS resources, serving 788 people.
Increase housing placement services	<ul style="list-style-type: none"> Placed 619 people in permanent supportive housing for a total of 794 people placed in permanent supportive housing since SHS funding began.
Expand existing high performing programs including eviction prevention as funding allows	<ul style="list-style-type: none"> Served 643 people through eviction preventions. Committed to create 231 permanent supportive housing units by integrating SHS funding into Metro affordable housing bond-funded developments.
Convert time-limited vouchers to long-term rental assistance	<ul style="list-style-type: none"> Housed 676 people using regional long-term rent assistance vouchers, including 507 people newly leased up in year two.

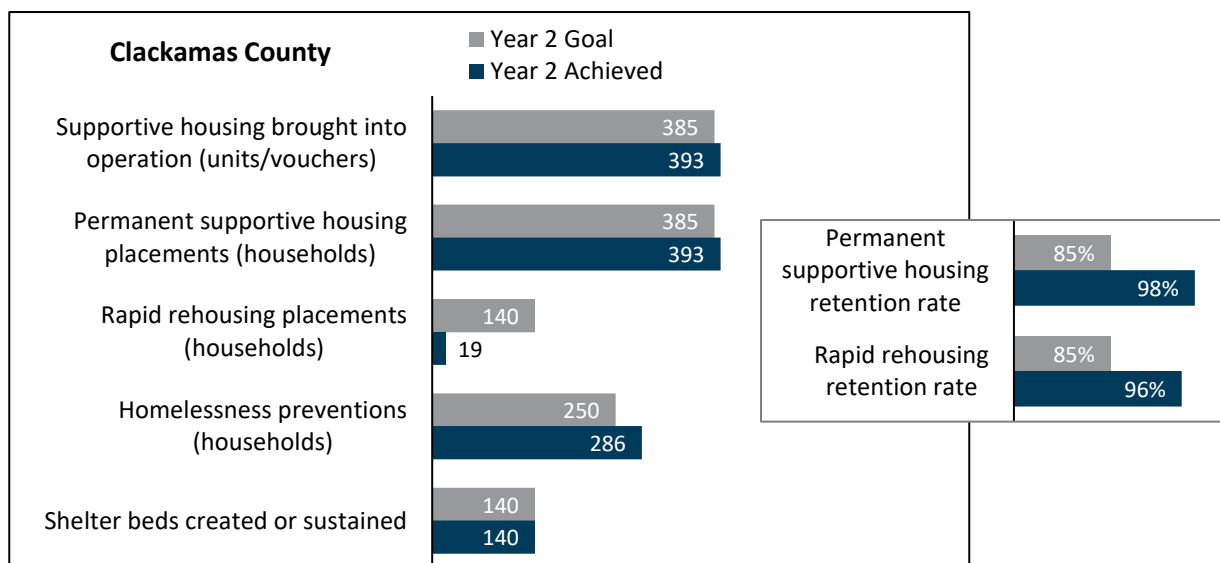
Supportive services-related priorities

LIP priority	Year-two achievements
Increase outreach and engagement	<ul style="list-style-type: none"> Launched the first coordinated outreach and engagement system in the county's history, reaching 579 households.
Expand wraparound services to support housing stabilization	<ul style="list-style-type: none"> Doubled the number of organizations providing housing case management. 98% of households in supportive housing retained their housing over 12 months.
Expand behavioral health services integrated with homelessness and housing services	<ul style="list-style-type: none"> Funded two behavioral health case managers in the county's Health Centers and a peer support specialist in the City of Milwaukie to connect people with behavioral health needs to housing services.

Year-two work plan goals

Clackamas County met or exceeded all but one of the regional housing metric goals included in its year-two work plan and made significant progress toward goals related to racial equity, capacity building and other LIP priorities.

- Housing/program goals:** The County met or exceeded its goals for supportive housing units, permanent supportive housing placements, homelessness preventions, shelter beds and retention rates. It did not achieve its goals for rapid rehousing due to a delayed launch stemming from strained capacity both internally and within contracted providers. Program infrastructure is now in place to scale up rapid rehousing placements in year three. In addition to the regional metrics, the County set a goal of serving 700 households in outreach. Because this new program required extra time to reach full implementation, the County fell short of its goal, providing outreach to 579 households. Outreach providers are now fully staffed, and the County is committed to the continued growth of this new program in year three.



- **Racial equity goals:** The County met all of its work plan goals for racial equity, which included increasing the number of culturally specific providers from two to five, hiring program coordinators to support providers in building anti-racist and gender affirming practices, providing access to services for people of color at greater rates than people of color experiencing homelessness, and implementing the recommendations in the county’s local implementation plan to advance racial equity within the coordinated entry system. The County did not meet its objective of hiring an Equity Lead, but plans are in place to fill that position by the second quarter of year three.
- **Capacity building goals:** The County achieved three of its four goals for capacity building: It significantly expanded its housing services team, contracted with two grassroots organizations and provided them with capacity building allocations, and engaged with the Built for Zero initiative to create the county’s first by-name list. It made progress on its goal to expand inclusive decision-making with plans to complete implementation of a Lived Experience Council and expand the membership of its Housing Services Committee in year three.
- **Other goals based on LIP:** The County met its goal to strengthen alignment with the behavioral health system, funding two behavioral health case managers in the county’s Health Centers division and funding a peer support specialist in the City of Milwaukie. It also met its goal of using county general funds to expand homeless services in rural Clackamas County.

Multnomah County

Multnomah County’s year-two activities and investments align well with its local implementation plan, achieving progress on all but one of the county’s phase-one priorities.

Phase-one local implementation plan priorities

System-wide priorities

LIP priority	Year-two achievements
Build community-based organization capacity	<ul style="list-style-type: none"> • Contracted with 50 community-based organizations with a total allocation of \$65 million, including \$9 million to culturally specific providers. • Provided technical assistance awards to 19 contracted providers and capacity building allocations to nine providers. • Expanded training for frontline staff and launched five new training opportunities for service providers.
Ongoing evaluation to ensure quality improvement	<ul style="list-style-type: none"> • Required all contracted providers to complete an equity assessment and annual equity work plan. • Conducted an evaluation of staff diversity and pay equity in SHS-contracted providers. • Completed an annual equity analysis of SHS-funded programs.

Strengthen data systems, collection and reporting	<ul style="list-style-type: none"> Launched evaluations of alternative shelters and geographic equity. Supported service providers' use of HMIS through data quality review and one-on-one support. Developed a strategic plan for improving data quality and systems. Coordinated with the other counties on regional implementation of the Homeless Management Information system and regional metrics and reporting standards. Made progress on implementing new performance indicators and a new data dashboard.
Improve navigation, outreach and coordinated entry to ensure equitable access	<ul style="list-style-type: none"> Worked with Built for Zero to create a quality by-name list of single adults experiencing chronic homelessness. Worked to improve coordinated entry to ensure equitable access through a multi-year, stakeholder-led process. Expanded mobile outreach and screening for people with intellectual disabilities and for aging, disability and veterans services. Expanded street outreach capacity to 107 outreach workers.
Expand County program implementation capacity	<ul style="list-style-type: none"> Expanded staffing capacity for the Joint Office's data team and communications team.

Housing-related priorities

LIP priority	Year-two achievements
Supportive housing in bond-funded projects and for specific communities	<ul style="list-style-type: none"> Increased supportive housing capacity by 612 units, including vouchers and project-based apartments dedicated to specific populations. Placed 624 people in permanent supportive housing. Committed SHS funding to create 228 units of permanent supportive housing in bond-funded projects.
Regional long-term rent assistance	<ul style="list-style-type: none"> Housed 496 people using regional long-term rent assistance vouchers, including 279 people newly leased up in year two. Regional long-term rent assistance capacity grew to support a total of 662 households.
Flexible short- and medium-term rental assistance	<ul style="list-style-type: none"> 694 people were placed in rapid rehousing.
Eviction prevention	<ul style="list-style-type: none"> 5,380 people were served through eviction preventions.
Street and shelter services	<ul style="list-style-type: none"> 460 shelter beds were added or sustained with SHS funding. SHS funding supported an increase in mobile outreach workers to ensure that outreach is conducted seven days a week by several providers with different areas of expertise.

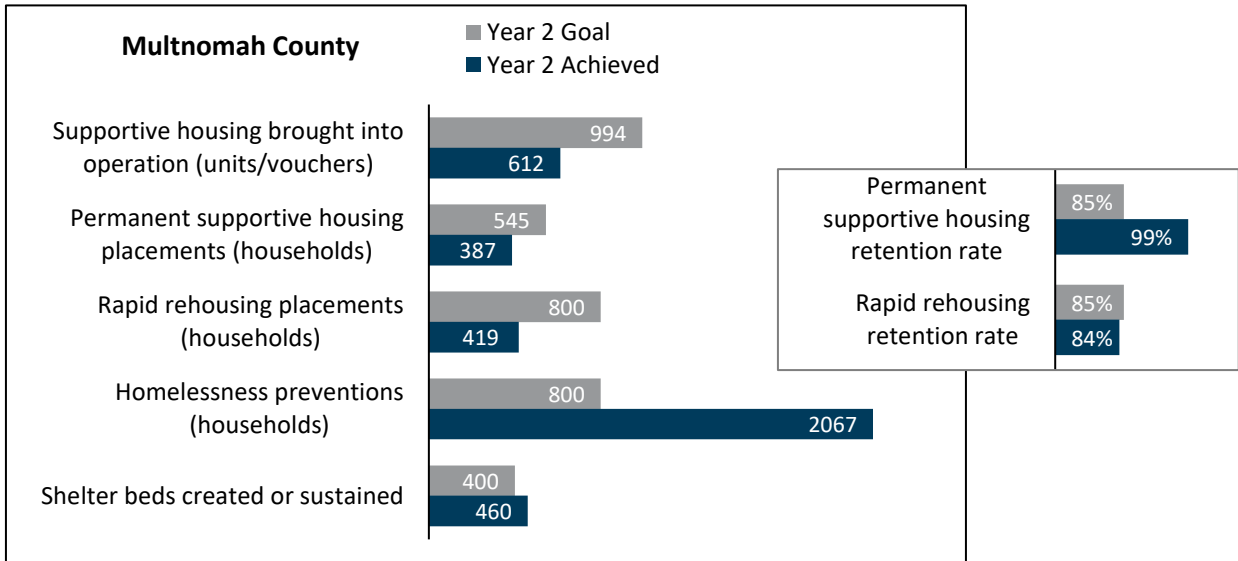
Supportive services-related priorities

LIP priority	Year-two achievements
Behavioral health services	<ul style="list-style-type: none"> Coordinated with the Health Department to open a new 33-bed shelter for adults with behavioral health needs located in the Behavioral Health Resource Center. Coordinated with the Health Department on a culturally specific transitional housing program for justice-involved Black men with behavioral health issues. Expanded programs that pair 125 regional long-term rent assistance vouchers with intensive case management for people with severe and persistent mental health needs. Worked with partners to align Medicaid-funded services with 65 permanent supportive housing units in a recovery-focused project set to open in year three. Contracted with New Narrative to provide emergency shelter motel vouchers for people receiving behavioral health services, with capacity to serve 70 people.
Education, training, employment and benefits	<ul style="list-style-type: none"> SHS-funded programs included the Workforce Brigade Employment Program, with capacity to serve 60 people.
Housing placement and retention case management	<ul style="list-style-type: none"> 99% of households in supportive housing retained their housing over 12 months. SHS-funded programs included housing placement, retention and case management services.
Legal assistance	<ul style="list-style-type: none"> SHS-funded programs included an Oregon Law Center legal services program with capacity to serve 2,000 people and a Metropolitan Public Defenders program with capacity to serve 340 people.
Childcare and other supports for families with children	<ul style="list-style-type: none"> This priority was not addressed in the County’s reporting on year-two achievements.

Year-two work plan goals

Multnomah County exceeded three of the regional housing metric goals included in its year-two work plan and made progress on its other housing goals. The County also made significant progress toward goals related to racial equity, capacity building and other LIP priorities.

- Housing/program goals:** Multnomah County exceeded its goals for homeless preventions, shelter beds and permanent supportive housing retention. It did not fully meet its other goals, primarily due to the challenges with county infrastructure and provider workforce and capacity issues identified elsewhere in this report. It achieved 62% of its supportive housing unit goal, 71% of its permanent supportive housing placement goal, 60% of its rapid rehousing placement goal and was one percentage point below its rapid rehousing retention goal. To strengthen its capacity to achieve these housing and program goals, the County is engaged in ongoing work to address provider capacity issues, support workforce recruitment and retention, and improve contract management.



- Racial equity goals:** The County achieved its goals to use disaggregated race and ethnicity data to center equity in all decisions, launch the SHS Advisory Committee and ensure that people of color are overrepresented on all decision-making and advisory bodies. It achieved 80% of its goal to contract with five additional culturally specific organizations. It initiated contract negotiations to achieve its goal of increasing culturally specific emergency bed capacity by 10% but did not complete the goal during year two. Achievement of its goal to increase the number of people of color served by housing placement and retention services by 10% is pending the development of a methodology for accurately tracking and analyzing the data.
- Capacity building goals:** The County achieved its goals to launch a technical assistance program, launch five new training opportunities, create a quality by-name list of single adults experiencing long-term homelessness, and support providers to effectively collect and enter data into the Homeless Management Information System. It decided against implementing its goal to develop data hubs to assist providers with their HMIS reporting requirements, encouraging providers to instead seek support through technical assistance.
- Other goals based on LIP:** The County met its goal to conduct a community-wide wage assessment to determine opportunities for higher wages for frontline workers. It made substantial progress but did not complete its goal to analyze the geographic distribution of services in Multnomah County; the project team identified data elements and completed a racial equity lens review of the research design, and it will continue work on this project in year three.

Washington County

Washington County’s year-two activities and investments align well with its local implementation plan, achieving progress on all the county’s phase-one priorities.

Phase-one local implementation plan priorities

System-wide priorities

LIP priority	Year-two achievements
Expand culturally specific services	<ul style="list-style-type: none"> Expanded from one culturally specific provider before SHS to seven, with contract allocations of \$10.6 million. Coordinated on a tri-county procurement that offered technical assistance to support the participation of culturally specific providers. Culturally specific organizations’ staff completed 781 training hours. Conducted informational interviews with culturally specific partners to inform a Culturally Specific Cohort work plan.
Support community-based organization capacity	<ul style="list-style-type: none"> Funded a network of 23 organizations with contract allocations of \$37.7 million. Launched a phased grant to provide technical assistance and organizational assessment for contracted service providers. Conducted a provider performance evaluation and report to support improvements in data quality and programming. Provided 2,515 hours of training to service providers.

Housing-related priorities

LIP priority	Year-two achievements
Winter and year-round shelter operations	<ul style="list-style-type: none"> Increased shelter capacity by 230 additional beds/units, for a total of 330 beds/units created or sustained with SHS funding in year two. Converted all winter-only shelter programs to year-round operations.
Housing barrier costs and short-term rent assistance	<ul style="list-style-type: none"> Placed 396 people in rapid rehousing. Served 1,137 people through homeless preventions.
Regional long-term rent assistance	<ul style="list-style-type: none"> Housed 1,530 people with regional long-term rent assistance vouchers, including 1,071 people newly leased up in year two.
System capacity	<ul style="list-style-type: none"> Increased supportive housing capacity to 1,364 SHS-funded units and a total capacity of 1,763 units. Increased SHS-funded shelter system capacity to 330 year-round beds/units.

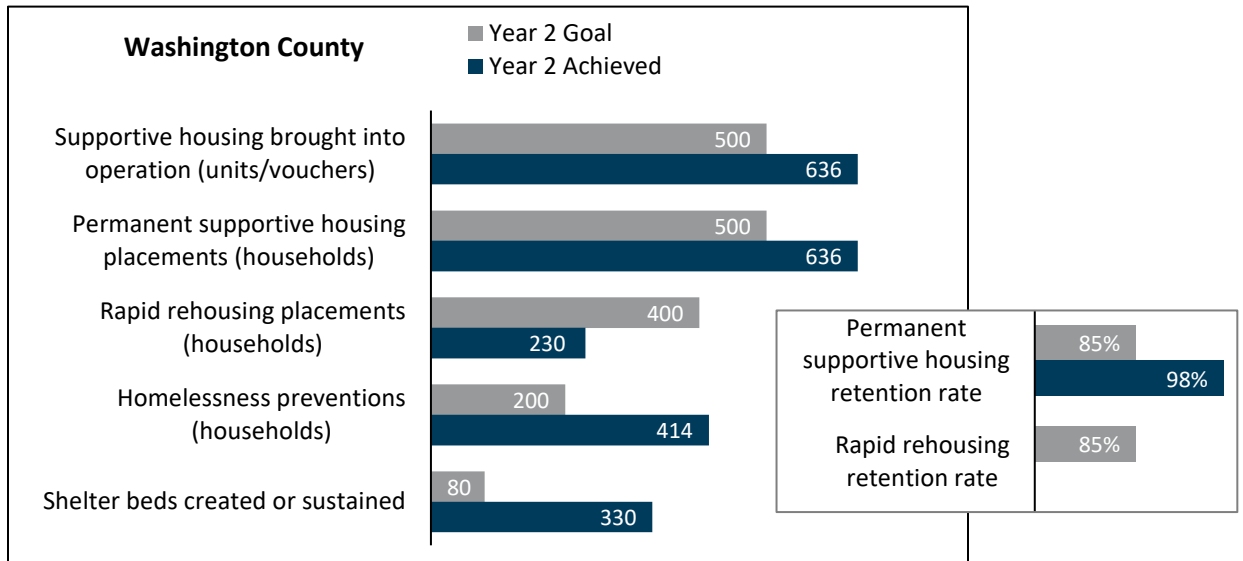
Supportive services-related priorities

LIP priority	Year-two achievements
Outreach and navigation services	<ul style="list-style-type: none"> • Evaluated the county’s coordinated entry system to ensure equitable access to programs. • Expanded the county’s SHS-funded outreach program to increase engagement and facilitate access to services. • Embedded Housing Liaisons in other systems of care to help people in those systems access housing services.
Behavioral health services	<ul style="list-style-type: none"> • Connected behavioral health services participants with housing resources through Housing Liaisons embedded in behavioral health programs. • Opened Heartwood Commons, a 54-unit permanent supportive housing building that includes on-site services provided by Sequoia Behavioral Health.
Supportive services	<ul style="list-style-type: none"> • 98% of households in supportive housing retained their housing over 12 months. • All households placed in supportive housing received case management services. • 112 project-based units will provide enhanced supports with on-site wraparound services.

Year-two work plan goals

Washington County met or exceeded nearly all the regional housing metric goals included in its work plan and made significant progress toward goals related to racial equity, capacity building and other LIP priorities.

- **Housing/program goals:** The County exceeded its goals for supportive housing units, permanent supportive housing placements, homelessness preventions, emergency shelter and permanent supportive housing retention. It met 58% of its goal for rapid rehousing placements because it is a new program and additional time was needed for ramp up; with program infrastructure now in place, the County expects to meet this goal in year three. Data were unavailable for rapid rehousing retention because no households had been housed through that program for more than 12 months by the end of year two.



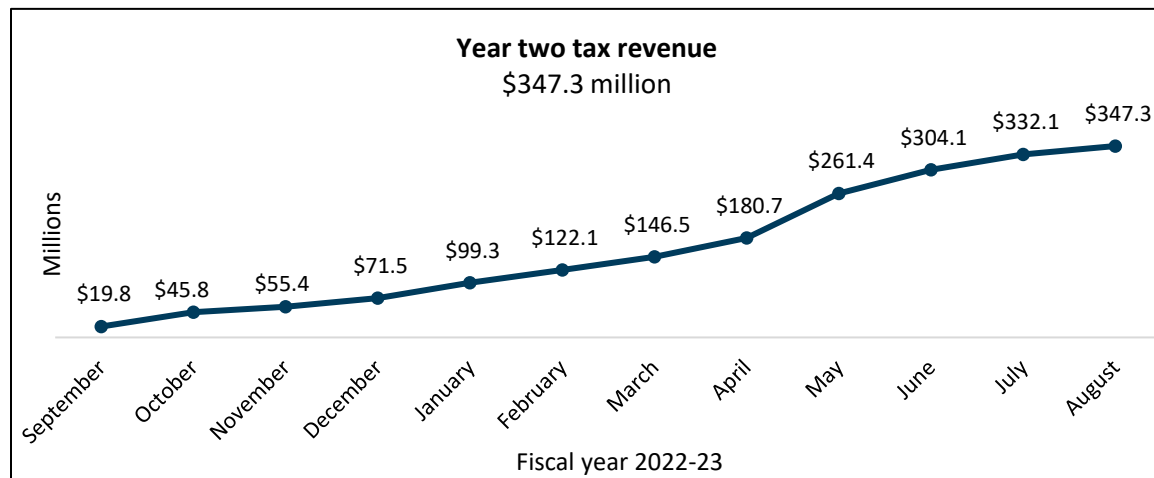
- Racial equity goals:** The County achieved its goals to partner with more culturally specific providers, measure partner program staff diversity, re-evaluate coordinated entry and begin to measure the number of technical assistance hours provided. It made progress on its goal to strengthen a capacity building cohort for culturally specific organizations, gathering feedback to inform a work plan that will guide the relaunch of the cohort in year three. The County began the build out of a centralized training platform for providers and plans to increase training offerings in year three. Feedback on trainings was gathered from over 60 providers in year two, and work to gather and integrate feedback will be expanded in year three.
- Capacity building goals:** The County achieved its goals to add 80 year-round shelter beds and add 72 service staff to increase providers' housing, outreach and shelter staff capacity. It achieved 70% of its goal to create 120 new project-based permanent supportive housing units, with 84 units. It plans to ramp up progress on this goal in year three by expanding its strategies to incentivize the development of project-based permanent supportive housing.
- Other goals based on LIP:** The County developed guidelines and plans for balancing geographic distribution of services and capital investments with urgency of need. It expanded shelter and outreach capacity in locations throughout the county and has plans to add access center capacity across the county. Project-based permanent supportive housing units are currently located in Aloha and Tigard with plans to expand to other parts of the county.

FINANCIAL REVIEW

Total SHS spending by the counties was 2.7 times higher in year two than in year one. However, challenges with ramp up, implementation capacity, workforce shortages and bureaucratic hurdles to procurement and contracting prevented counties from fully spending available revenue. This section provides an overview of tax collections, disbursements, county revenue and spending in year two. A more comprehensive financial report is available in the Exhibits.

Tax collections

Metro tax revenue for year two totaled \$347.3 million, exceeding the original forecast by \$122 million. The increase is due to payments for tax year 2021 that were made in fiscal year 2022-23 as well as unanticipated levels of income growth.

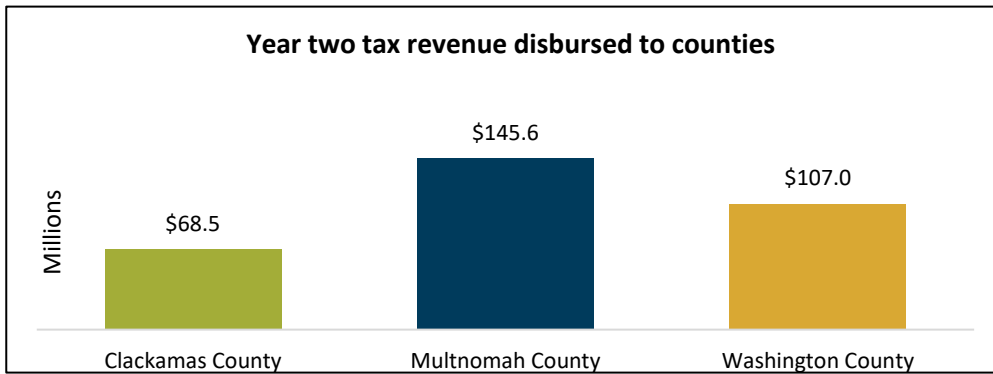


The September 2022-August 2023 period shown in the chart reflects the period of fiscal year 2022-23 tax revenue, in accordance with generally accepted accounting principles.

Revenue above the original forecast will be carried over to fund one-time or limited-term programming starting in year three. Due to the timing of income taxes, with the largest payments coming in April, the counties do not have time to adjust their programming within the fiscal year to respond to the increased collections.

Tax disbursements

The counties' share of year-two tax revenue totaled \$321.1 million. In accordance with the SHS fund's distribution formula, 21.3% was disbursed to Clackamas County, 45.3% to Multnomah County and 33.3% to Washington County.



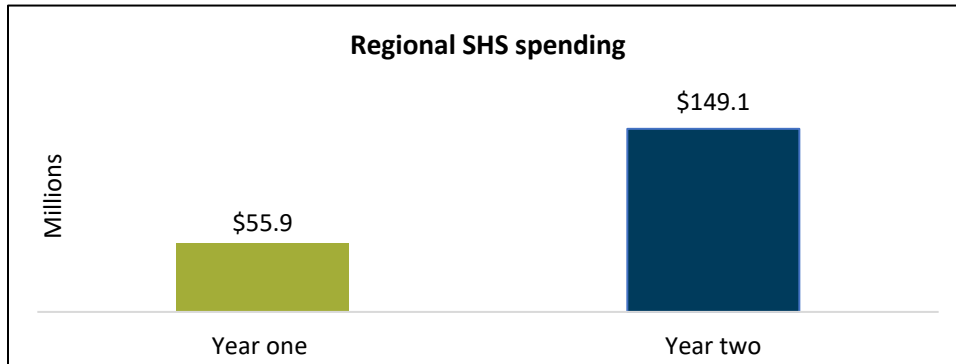
County revenue and carryover funds

Counties' revenue for year two included carryover funds from year one plus the counties' portion of fiscal year 2022-23 tax revenue and interest earnings. The combined \$150.1 million in prior year carryover and \$327.5 million in new revenue created a total of \$477.5 million in resources.

Revenue and carryover (in millions)	Clackamas County	Multnomah County	Washington County	Regional total
Prior year carryover	\$40.9	\$61.7	\$47.4	\$150.1
SHS program revenue	\$70.2	\$141.1	\$116.2	\$327.5
Total resources	\$111.1	\$202.8	\$163.6	\$477.5

County SHS spending

SHS spending in year two by the counties totaled \$149.1 million. This was 2.7 times higher than year one spending.



The increase in spending from year one to year two was greatest in Clackamas County, but total spending in Multnomah County was significantly higher than the other counties.

Spending (in millions)	Clackamas County	Multnomah County	Washington County	Regional total
Year one	\$3.4	\$36.4	\$16.2	\$55.9
Year two	\$18.4	\$82.6	\$48.1	\$149.1
% increase	448%	127%	198%	167%

Non-displacement of funds

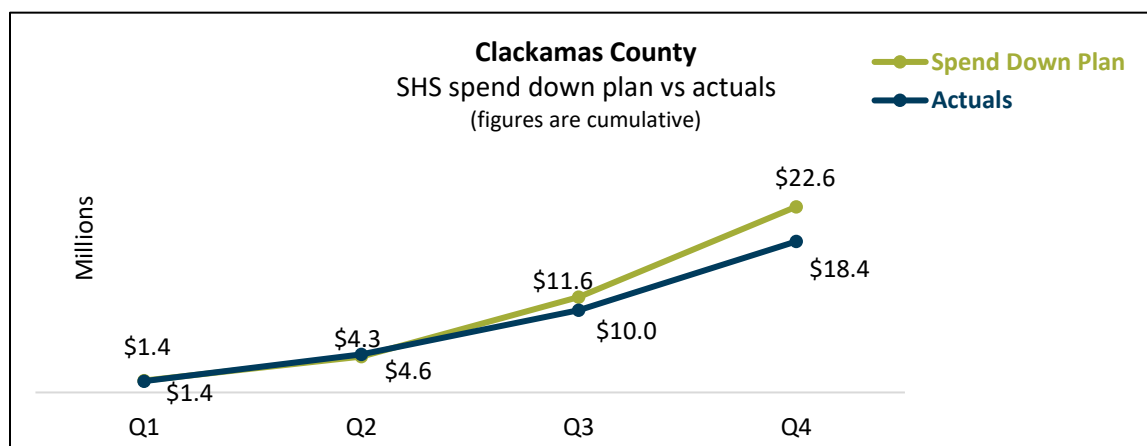
Metro’s agreements with the three counties require that SHS funds do not displace existing county-provided general funds for supportive housing services. Counties’ fiscal year 2022-23 budgets submitted to Metro showed no displacement of funds.

Counties’ year-two budgets and expenditures

Clackamas County

Clackamas County’s fiscal year 2022-23 SHS budget of \$32.2 million was based on the anticipated carryover balance of revenue received in fiscal year 2021-22 and prior. The County did not budget any new revenue, based on its practice of budgeting revenue in the year following collections to ensure sufficient resources.

The County’s spend down plan projected that it would spend 78% of its annual program budget in fiscal year 2022-23; actual spending was 63%. Spending did not increase at the anticipated rates for the third and fourth quarters due to strained capacity and workforce hiring and retention challenges.

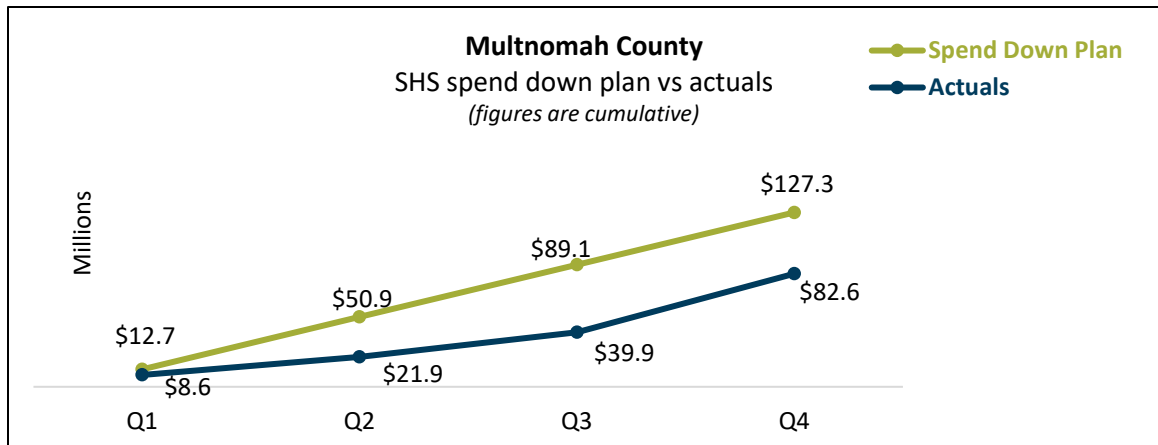


Due to the combination of carryover funds and fiscal year 2022-23 collections, Clackamas County had a total of \$111.1 million in resources by the end of year two. Clackamas County reported \$18.4 million in expenses, which left a carryover of \$92.7 million for next fiscal year. With revenue collections becoming more consistent, the County’s future budgets will be based on forecasted new revenue for the fiscal year, in addition to any anticipated prior year carryover balance.

Multnomah County

Multnomah County budgeted a total of \$90.8 million in fiscal year 2022-23 based on Metro’s forecasted SHS revenue and \$44.9 million in carryover funds from the previous year.

The County spend down plan projected that it would spend 100% of its budgeted SHS funding. Due to challenges with county infrastructure and administrative processes as well as provider workforce and capacity, the County did not reach that goal and finished the fiscal year with 65% spent.

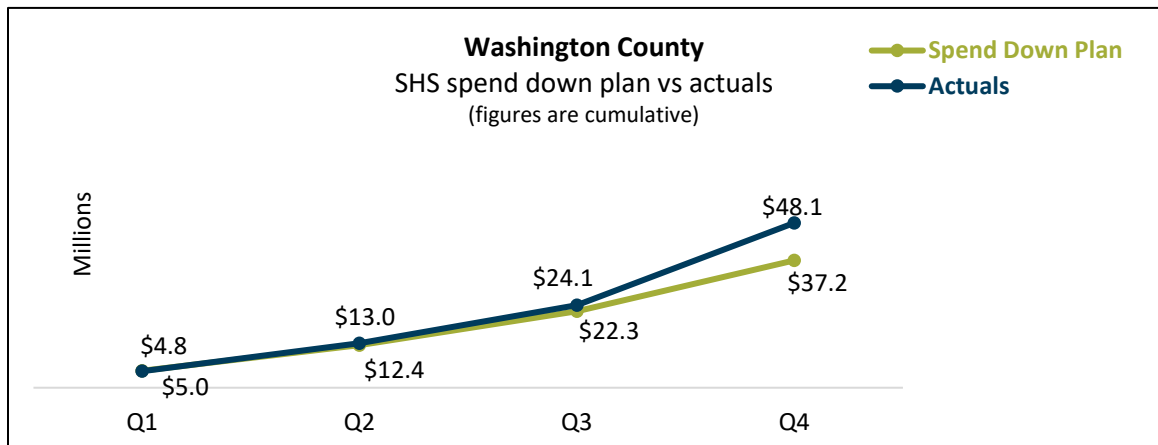


Due to higher actual carryover and fiscal year 2022-23 collections than originally projected, Multnomah County had a total of \$202.8 million in resources by the end of the fiscal year. Multnomah County reported \$82.6 million in expenses, which left a carryover of \$120.2 million for next fiscal year, including \$5 million in reserves.

Washington County

Washington County budgeted \$50.3 million for year two, the full amount of forecasted revenue. The County’s budget did not include estimated carryover.

The County’s spend down plan projected that it would spend 75% of its budgeted SHS funding. Final spending exceeded this projection, with 97% of the budget spent, due in part to funding opportunities for capital investments in shelter expansion and capacity building funding to address the needs of community-based providers.



Due to higher actual carryover and fiscal year 2022-23 collections than originally projected, Washington County had a total of \$163.6 million in resources by the end

of year two. The County reported \$48.1 million in expenses, leaving a carryover of \$115.5 million for next fiscal year.

Multnomah County corrective action plan

The scale of Multnomah County's underspending in year two led Metro to initiate a corrective action plan following the county's quarter two financial report. The plan, which was developed in collaboration with County leadership, lays out a strategy and timeline for the County to distribute the unspent funds to address priority needs. The plan was signed in August 2023, and Metro and the oversight committee are meeting monthly with the County to monitor progress.

Workforce challenges were a major factor contributing to Multnomah County's underspending. The biggest investment in the corrective action plan is \$10 million for capacity building grants for service providers to be allocated in year three. The corrective action plan also resulted in additional year-two spending for service provider wage increases, technical assistance and near-term strategic capital investments.

Spending by population

The SHS fund serves two primary populations: Population A – defined as people who have experienced literal homelessness for extended periods of time, have a disability and little to no income, and Population B – defined as people who are experiencing or have a substantial risk of experiencing homelessness.

As defined by the SHS measure, 75% of SHS investments over the life of the program are expected to be dedicated to meeting the housing and service needs of Population A, while 25% of the investments may be dedicated to housing and services that address the needs of Population B.

Counties submitted initial data to Metro on spending by Populations A and B in follow up to their year-two annual reports (see Exhibit F). Tracking homeless services spending by population is a systemwide challenge since the Homeless Management Information System is designed to track service delivery based on people served and services delivered, not spending. This is the first year of required reporting on spending by Populations A and B, and due to issues with incomplete data and inconsistent methodologies, the data do not provide a reliable assessment of regional spending by population.

Metro's analysis of the submitted data (see Exhibit F) highlights multiple challenges including lack of alignment in reported service types, differences in levels of data availability and differences in allocation methodologies. Metro will work with counties to lead the development of tools, definitions, methodologies and guidance for measuring spending by Populations A and B to ensure reliable regional data are available in annual reports going forward.

Administrative spending

The Supportive Housing Services measure allows for up to 5% of net tax collections to cover the costs of Metro program administration and oversight. Metro’s agreements with the counties also recommend that no more than 5% of SHS program revenue is used to cover the costs of each county’s program administration. In fiscal year 2022-23, the counties’ administrative costs represented 1% of SHS program revenue.

Administrative costs	Clackamas County	Multnomah County	Washington County	Regional total
% of SHS program revenue	2%	1%	1%	1%

In addition to tracking the administrative cost caps and recommendations based on revenue, Metro also tracks administrative costs as a percentage of expenses. In fiscal year 2022-23, total regional administrative costs represented 5% of all SHS costs. Metro’s administrative costs represented 2% of total costs and counties’ administrative costs represented 3% of total costs.

Administrative costs	Clackamas County	Multnomah County	Washington County	Metro	Regional total
% of SHS program costs	7%	2%	2%	2%	5%

County administrative costs do not include the administrative costs of contracted service providers or regional long-term rent assistance. RLRA is administered by the housing authority of each county, separate from SHS, and these administrative costs are detailed below. Metro recommends that administrative costs for RLRA not exceed 10% of annual RLRA expenses, and all counties were below this recommended limit.

RLRA administrative costs	Clackamas County	Multnomah County	Washington County	Regional total
% of RLRA program costs	4%	5%	2%	3%

Service provider administrative costs are reported as direct costs. Moving forward, the counties will provide information on service provider administrative costs as part of their annual reports.

LOOKING AHEAD

The results from the SHS fund's first two years demonstrate the promise of this historic investment in our region's homelessness response system and also highlight the work still needed to build the infrastructure for a regional system of care where homelessness is rare, brief and non-recurring. The oversight committee has provided comprehensive recommendations for strengthening SHS implementation. Metro staff will work in collaboration with the oversight committee, county partners, service providers and the tri-county planning body to move forward the recommendations while strengthening overall oversight and monitoring of the SHS fund over the upcoming year.

Regional communication and engagement

Metro's housing department is developing a regional communications strategy that will strengthen the ability of decision makers and the public to track progress toward SHS goals. The department is expanding its communications capacity to support this work and will contract with a third-party communications expert to develop a regional communications plan. Implementation of the communications plan will launch by summer 2024 and be fully rolled out by December 2024.

Metro will continue to work closely with the counties to align messaging and support communications capacity across the region. This includes working with the counties to identify additional resources or training that Metro can provide to support their communications.

Financial and data transparency and accountability

Optimize financial reporting

Metro will continue working with the counties to improve the quality, clarity and consistency of regional financial reporting. As a first priority, Metro will work with the counties to develop a consistent methodology and release guidance for tracking spending by Populations A and B to ensure accurate and reliable data are provided in counties' year three annual reports. Metro will also work with the counties to update quarterly and annual reporting templates to better align financial reporting with program metrics and improve reporting on future financial obligations. An enhanced fiscal review will be incorporated into the oversight committee's regional financial reports with additional details on administrative costs, allocations of SHS funding to reserves and contingencies, and tax collection challenges.

Enhance data integrity

Metro will continue working with the counties to update quarterly and annual reporting templates to ensure comprehensive and consistent tracking of regional data and incorporate the oversight committee's reporting recommendations. This

includes clearly defining the SHS fund's 10-year goals and aligning programmatic reporting with the goals to support clearer tracking on progress. Metro will also work with counties to refine methodologies for tracking and reporting on outreach, returns to homelessness, inflow and outflow, and other metrics that can provide a broader context for SHS program outcomes. To support the oversight committee's role, Metro will work to provide user friendly high-level summary information on program data and regional progress.

In alignment with Metro's intergovernmental agreements with the counties, Metro will continue working with the counties to develop data sharing agreements and systems for regional data collection that meet the needs of providers and counties while supporting Metro's regional oversight responsibilities.

Evaluate to inform improvement

Metro is in the process of establishing a data and compliance team that will strengthen SHS monitoring, program evaluation and compliance related activities. A priority for this work in the upcoming year will be establishing frameworks for assessing progress in achieving the SHS fund's regional housing placement and racial equity goals.

Metro has contracted with a consulting firm to develop a compliance and monitoring framework and tools. The first phase of compliance monitoring is expected to begin in spring 2024, and Metro will consult with the counties prior to implementation.

Metro has also launched a process to develop frameworks for assessing service quality and fidelity to established standards of practice across SHS programming. As a first step, work is currently underway to establish SHS standards for permanent supportive housing, including clarifying eligible populations, establishing clear definitions, levels of care and service models.

Workforce and capacity issues

Address providers' workforce and capacity needs

Metro is building a regional capacity team charged with developing technical assistance and training programs to support the capacity of SHS service providers. The team is leading a cooperative procurement process with the counties to increase the pool of qualified providers of technical assistance and will work with counties and service providers to build out a series of regional capacity building programs. The tri-county planning body is supporting this work by developing recommendations for regional training for direct service staff, with a particular focus on the needs of culturally specific organizations.

Provide multi-year capacity building funding

Metro has been working with the counties to assess the feasibility and potential design of a multi-year capacity building funding program for service providers, with a particular focus on the needs of culturally specific, small and emerging providers. Metro will continue to collaborate with the counties to support the development of strategies for multi-year capacity building grants and will keep the oversight committee informed.

Institute livable wages

The tri-county planning body is taking the lead on developing regional standards to achieve livable wages for direct service staff. The TCPB is working with a consultant to conduct a scan of local and national service provider compensation practices, with recommendations to be released in early 2024. The TCPB's proposed strategy will be presented to the oversight committee for approval once it is complete.

Streamline county administrative practices

Metro will work collaboratively with the counties to support the development of administrative practices that are able to leverage the SHS fund's unprecedented flexibility and will report back to the oversight committee with updates.

Program expansions

Expand access to health and behavioral health services

Metro and the counties will continue working with Health Share to identify and implement strategies that facilitate integration of health services with the homeless services system. A new leadership and workgroup structure to support this work was adopted in November 2023 with a regional leadership team that includes representatives from Clackamas, Multnomah and Washington counties, Health Share and Metro. Metro has contracted with a consulting firm with experience in health systems integration to facilitate and structure this work.

Planning for the implementation of the forthcoming Medicaid 1115 Demonstration Waiver, which will allow certain housing services to be covered by Medicaid, is also continuing at the regional leadership meetings. Oregon Housing Authority has identified people who are at risk of eviction or homelessness as the initial priority populations to receive housing benefits from Medicaid under the waiver.

Metro will work to ensure the oversight committee receives clearer and more comprehensive reporting on these regional efforts and on the integration of health and behavioral health services into SHS programming.

Strengthen implementation of new programs

Metro will work with the oversight committee to develop a framework to support the committee's monitoring and assessment of new and expanded program areas to support accountability and effectiveness.

Outreach

Promote comprehensive outreach

Metro will work with the counties to provide the oversight committee with a more comprehensive overview of current outreach strategies and outcomes. The counties' updated annual work plan template for fiscal year 2024-25 includes outreach-related goals, which will provide a framework for improved committee oversight and monitoring of this area of work beginning in July 2024.

EXHIBIT A: OVERSIGHT COMMITTEE 2023 RECOMMENDATIONS: PROGRESS REPORT

Supportive housing services – Oversight committee recommendations

Last updated: January 2024

This document contains updates on the recommendations that the SHS oversight committee developed for the FY22 annual regional report.

These recommendations were finalized in July 2023, and given that some are process improvement recommendations where we have made progress we have shared updates below. Other recommendations involve building new systems and processes that will require additional capacity and time.

PROGRESS TO DATE	
Complete	This task has been completed, or is expected to be completed by March 2024.
In progress	This task is underway. Details are included below.
On hold	This task is on hold. An explanation for why is included below.

Category 1: Regional communication strategy			
<p>Create a robust communication strategy on the progress and nature of Metro supportive housing services that effectively reaches the broader community.</p> <p>Metro staff will lead and coordinate with jurisdictional partners and nonprofit providers to create and implement a communication strategy that helps the public understand the nature and goals of Metro supportive housing services and communicates progress, successes and challenges of the supportive housing services fund in a manner that is easily accessible and understandable by the general public. Additionally, Metro will offer communication support to jurisdictions and nonprofit providers in the form of technical assistance and access to the Metro communications team.</p> <p>Metro will contract with external communications experts to help design the campaign and allocate internal resources to implement and manage the campaign.</p> <p>A successful strategy will ensure the public understands clearly what the Metro supportive housing services team and each county are doing in layperson’s terms and that the information is shared through various mediums.</p>			
Task	Lead(s)	Timeline and deliverables	Progress to date
Create and implement a communication strategy	Metro – Housing communications	December 2024: Strategy to be fully built out	Work has begun with consultant (see below).
Contract with external communications experts to help design the campaign	Metro – Housing communications	FY24: Consultant will develop strategy	A scope of work is currently being developed with a consultant, who will begin working in February / March to develop the strategic communications strategy for the department.
Offer communication support to jurisdictions and nonprofit providers	Metro – Housing communications	Ongoing	Metro will continue working closely with the counties to align on messaging and increase the effectiveness of communications across the region, and work to further identify needs around communications, and what resources and/or training Metro may provide.

Category 2: Budgeting/financial reporting and expectations

Update reporting templates by the start of FY23-24 to clearly show quarterly and annual progress toward annual work plan goals. In coordination with jurisdiction partners, Metro will update all programmatic and financial tools, including the annual budget template, spend down plans, and quarterly and annual financial reporting, to effectively communicate the fiscal state of supportive housing services. Adjustments include the following elements:

- a. Improved communication on budget to actuals
- b. Quarterly reporting on roll-over and spend down plans to actuals
- c. Clarity on unspent funds and their intended use
- d. Clarity on future financial obligations such as long-term rental assistance payments
- e. Narrative regarding financial challenges
- f. Information about number of contracts and amount of contracted funding
- g. Semi-annual reporting of total invoiced by providers by investment area
- h. Clearly articulated financial expenditures to outcomes, including spending on Population A and Population B
- i. Updates on tax collections costs, implementation and challenges

Metro will also coordinate technical assistance for jurisdictions and partners as necessary.

Task	Lead(s)	Timeline and deliverables	Progress to date
Improved communication on budget to actuals	Metro – Housing finance	FY23: Updated county quarterly financial reports; Metro quarterly financial reports	Oversight committee receives quarterly financial report with improved communication and clarity on budget to actuals.
Quarterly reporting on roll-over and spend down plans to actuals	Metro – Housing finance	FY23: Updated county quarterly financial reports; Metro quarterly financial reports	County quarterly financial template has been updated. Oversight committee receives this information on a quarterly basis.
Clarity on unspent funds and their intended use	Metro – Housing finance	FY23: Updated county quarterly financial reports	County quarterly financial template has been updated.
Clarity on future financial obligations such as long-term rental assistance payments	Metro – PSH lead	Spring 2023: PSH estimates received from CSH	Metro is currently working with CSH to develop rental assistance estimated costs for PSH, which will be available in spring of this year.
Narrative regarding financial challenges	Metro – Housing finance	FY23: Updated county quarterly financial reports; Metro quarterly financial reports	County quarterly financial template has been updated. Oversight committee receives this information on a quarterly basis.
Information about number of contracts and amount of contracted funding	Metro – Housing finance	FY23: Updated annual reporting template	Annual reporting template has been updated. Oversight committee receives this information on an annual basis.
Semi-annual reporting of total invoiced by providers by investment area	Metro – Housing finance	FY23: Updated annual reporting template; updated quarterly reporting template	Annual reporting template has been updated. Oversight committee receives this information on an annual basis. More discussion needed on whether this is needed semi-annually.

Clearly articulated financial expenditures to outcomes, including spending on Population A and Population B	Metro – Housing finance	FY24: Updated annual reporting template	The counties provided the first Population A/B financial expenditures for FY 22-23. Given the information provided Metro will work with counties to ensure a consistent methodology for the annual reports for FY 23-24.
Updates on tax collections costs, implementation and challenges	Metro – Housing finance	FY23: Updated Metro annual financial reports	Oversight committee receives annual financial report from Metro with this information.

Category 3: Workforce issues

Develop a work plan and timelines that incorporate short-term and long-term strategies for addressing workforce issues. Though the supportive housing services regional goals and metrics include workforce related items, these represent minimum standards.

The work plan should consider the following:

- a. More robust training for providers
- b. Multi-year capacity building investments
- c. More intentional capacity support to small/emerging culturally specific providers
- d. Evaluating current allocation and use of administrative funds with the goal of ensuring that all expenses related to Metro supportive housing services administration are covered. Research will include incorporating feedback from providers and jurisdictions
- e. More capacity building support for providers
- f. Increased ability to hire and retain workers
- g. Specific data on the number of staff positions and diversity of organizations workforce, what they are doing for employee retention including preventing burnout and average pay for peers/outreach
- h. Raising awareness that these workforce problems exist for other publicly funded services as well, and those challenges must also be addressed
- i. Additional supports for existing staff (e.g. mental health and wellbeing) for retention

Metro will update the committee by July 2023 on progress toward a work plan that includes strategies for expanding resources, technical assistance, training and other supports to service providers in service of strengthening provider capacity. Workforce-related goals and metrics may also be updated as part of the tri-county planning body's recommendations.

Task	Lead(s)	Timeline and deliverables	Progress to date
Develop a work plan that incorporate short-term and long-term strategies for addressing workforce issues	Metro – Tri-county planning body	FY24: Regional training needs identified	The tri-county planning body is developing recommendations that enable the counties and Metro to coordinate and support regional training that meets the diverse needs of individual direct service staff, with sensitivity to the needs of BIPOC agencies.
	Metro – Regional capacity	February 2024: RFQu released Spring 2024: Pool of qualified providers identified	A cooperative procurement process with the Counties will launch in February to increase the pool of qualified providers of technical assistance available.
		FY25: Series of regional capacity building programs developed	This work to begin once the Regional Capacity manager is onboarded in February 2024.

Determine the feasibility and potential design of multi-year capacity building investments for service providers and report findings back to the oversight committee. The feasibility analysis should answer:

- a. Can these types of investments be made? If not, why?
- b. Could these be made available at least to culturally specific and small/emerging organizations? If not, why?

Then, create a multi-year funding program for culturally specific, small and emerging supportive housing services providers. Report back to the committee with funding requirements, expected outcomes, potential funding commitments and implementation timeline.

The above are specific strategies the oversight committee recommends being deployed within one year, with a report back from Metro staff or counties on commitments and timelines by May 2023.

Task	Lead(s)	Timeline and deliverables	Progress to date
Determine the feasibility of multi-year capacity building investments.	Counties	April 2024: Feasibility analysis provided to Metro	The counties are continuing to analyze their processes and identify if there is an opportunity for a multi-year funding program for culturally specific, small and emerging supportive housing services providers.
If feasible, create a multi-year funding program for culturally specific, small and emerging supportive housing services providers.	Counties	TBD	This work depends on the feasibility analysis above.
Report back to the committee with funding requirements, expected outcomes, potential funding commitments and implementation timeline.	Counties	TBD	This work depends on the feasibility analysis above.

Address service provider wage/compensation equity to provide better guidance to county partners in meeting their SHS equity goals and to develop more consistency in wage standards across the region. Strategies should be developed in collaboration with local and state stakeholders and prioritize culturally specific providers.

Task	Lead(s)	Timeline and deliverables	Progress to date
Develop strategies to address service provider wage/compensation equity.	Metro – Tri-county planning body	Early 2024: Draft recommendations for regional standards finalized	The tri-county planning body is currently working with Homebase, who is conducting a scan of local and national service provider compensation practices as part of their goal to ensure contracts between counties and SHS funded agencies and providers will establish standards throughout the region to achieve livable wages for direct service staff.
	Counties	Ongoing	All three counties conducted wage studies of SHS providers. The results are summarized in their annual reports. These studies supported Clackamas in advocating to their internal teams on

			higher wages for providers during their yearly contract renewal process. Multnomah County conducted a more comprehensive study of all contracted providers. The study can be found here .
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Category 4: Program expansions

Identify and implement regional strategies that facilitate integration of health services, with a focus on behavioral health including mental health and substance use services, that lead to increased service access/options for people experiencing homelessness. The strategies should prioritize the needs of Black, Indigenous and other people of color (BIPOC) and LGBTQ+ households in accessing health services. The strategies that are developed should apply in outreach, shelter, housing navigation, short-term housing and permanent housing, including strengthening crisis and long-term health supports.

Task	Lead(s)	Timeline and deliverables	Progress to date
Identify regional strategies	Metro – Tri-county planning body	June 2024: Draft strategies and framework developed	Metro has been in close communication with County leadership and Health Share to identify and implement strategies that facilitate integration of health services with the homeless services system.
	Counties	June 2024: Draft strategies and framework developed	There is a regional leadership team that includes representatives from Clackamas, Multnomah, Washington, Health Share, Metro and Homebase. Sub-groups will include a data sharing/integration workgroup and multiple systems integration project teams. The Medicaid Waiver work is also part of the regional leadership meetings.
Implement regional strategies	Metro – Tri-county planning body	TBD	This work will advance once strategies are identified.
	Counties	TBD	This work will advance once strategies are identified.

Category 5: Data, reporting and evaluation

Evaluate current practices for data collection, reporting and evaluation to ensure that all reporting, evaluation and program needs are being met. Metro staff will come back to the oversight committee with any additional considerations for reporting needs from this evaluation, including the following suggestions from the committee:

- a. Numbers served, disaggregated by demographics
- b. Key performance measures for each intervention
- c. Overall regional numbers and trends
- d. Regional long-term rent assistance vouchers deployed and retention
- e. Evidence-based reporting on contributing factors
- f. Other evaluation, programmatic and compliance needs that arise

Task	Lead(s)	Timeline and deliverables	Progress to date
Evaluate current practices for data collection, reporting and evaluation	Metro – SHS team	FY23: Update annual reporting template	The annual report template has been updated. Major changes include: table of SHS programs and populations served; provider contracts table; data tables showing progress to county annual workplan goals; full regional metrics reporting, including equity metrics; and stronger focus on spending successes, challenges and next steps
		Spring FY24: County monitoring to begin	Metro is working with Homebase to establish a compliance framework to ensure ongoing monitoring, compliance and performance risk assessments. The first phase of monitoring is expected to begin Spring 2024.

Create a plan to address ongoing regional data alignment and community input needs, including developing regional data definitions, standards and methodologies. Metro staff may consider launching an ongoing regional data workgroup.

Task	Lead(s)	Timeline and deliverables	Progress to date
Develop regional data definitions, standards and methodologies	Metro – SHS team	FY25: Metro staff will work with counties to develop a plan.	Metro is building out its data and compliance team. This team will be hired and onboarded by the end of FY 24. This team will develop a plan establishing regional definitions, standards and methodologies building upon the work Metro has already done.
	Metro – Tri-county planning body	FY24: Workgroup started	The tri-county planning body is working with the regional data team to develop benchmarks for quarterly and annual report metrics.
Create a plan to address ongoing regional data alignment and community input needs	Metro – SHS team	FY24 & FY 25: Develop a plan that includes the community.	Metro and the counties are continuing to negotiate the data sharing agreement, which will advance our ability to measure program performance, efficacy, quality and integrity.

EXHIBIT B: GLOSSARY OF TERMS

Administrative costs: Metro recommends no more than 5% of SHS program revenue to cover the costs of each county’s program administration. County administrative costs are those related to managing the program, not delivering services. Examples include senior management personnel, accounting, insurance, procurement, and other costs that are not attributed to a particular SHS program or program delivery.

Carryover funds: Funding remaining from one fiscal year that is “carried over” and used in a future fiscal year. One-time carryover results from higher than expected revenue or lower than expected spending. Recurring carryover results from the timing of revenue flow, such as fourth quarter tax collections.

Contingency funds: An account that is established to provide resources for emergency situations or unplanned program expenditures that, if left unattended, could negatively impact service delivery. Counties may establish contingency accounts that do not exceed 5% of budgeted program funds in a given fiscal year.

Coordinated entry: A systemwide intake and assessment process that uses standardized tools to connect people experiencing a housing crisis to services and resources that best fit their specific situation and needs.

Homelessness: An individual or family who lacks a fixed, regular and adequate nighttime residence including:

- Individuals or families who are sharing the housing of others due to loss of housing, economic hardship or a similar reason; are living in motels, hotels, trailer parks or camping grounds due to the lack of alternative adequate accommodations; are living in emergency or transitional shelters; or are abandoned in hospitals
- Individuals or families who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings. This includes individuals or families who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations or similar settings.

Local implementation plan (LIP): A plan developed through extensive community engagement that defines a county’s priorities and goals for supportive housing services program activities and investments.

Measure 26-210: A ballot measure approved by voters in May 2020 that creates a new regional tax to fund supportive housing services.

Metro affordable housing bond: A 2018 voter-approved bond that provides capital funding to support affordable housing development across the region.

Metro supportive housing services work plan: A plan developed by Metro with community input to guide implementation of the regional fund.

Permanent supportive housing (PSH): Permanent housing with supportive services to assist people with a disability who have experienced long-term homelessness to achieve housing stability.

Populations A and B: The SHS fund serves two primary populations: 75% of SHS investments are expected to be dedicated to services for Population A, defined as people who are extremely low income, have one or more disabling conditions, and are experiencing or at imminent risk of experiencing long-term or frequent episodes of literal homelessness; 25% of SHS investments may be dedicated to services for Population B, defined as people who are experiencing or have a substantial risk of experiencing homelessness.

Procurement: The process by which county governments secure the services needed to support SHS implementation by identifying and contracting with qualified service providers. Each county's procurement procedures are strictly regulated to ensure responsible stewardship of tax-funded resources.

Rapid rehousing: Programs that provide short and medium-term rent assistance, typically up to two years, with targeted services to help people who have recently fallen into homelessness to find and maintain stable housing.

Regional investment fund: A fund created through a five percent set-aside from each county to be used for regional supportive housing services strategies.

Regional long-term rent assistance (RLRA): A regional program that subsidizes the cost of rent so that households with very low incomes can afford housing.

Stabilization reserve: Counties are required to establish a stabilization reserve to protect ongoing services from the impact of revenue fluctuations. The target minimum reserve level is equal to 10% of budgeted program funds in a given fiscal year. Reserves must be fully funded within the first three years of implementation.

Supportive housing: Permanent supportive housing and other service-enriched housing for Population A, such as transitional recovery housing.

Supportive Housing Services Regional Oversight Committee: A community committee established to provide transparent oversight of the supportive housing services fund on behalf of the Metro Council.

Tri-County Planning Body (TCPB): A community committee established to set regional priorities and guide implementation of the regional investment fund.

EXHIBIT C: COUNTIES' QUARTERLY AND ANNUAL REPORTS

Fiscal year 2022-23 SHS quarterly reports

Quarter 1

- [Clackamas County](#)
- [Multnomah County](#)
- [Washington County](#)

Quarter 2

- [Clackamas County](#)
- [Multnomah County](#)
- [Washington County](#)

Quarter 3

- [Clackamas County](#)
- [Multnomah County](#)
- [Washington County](#)

Quarter 4

- [Clackamas County](#)
- [Multnomah County](#)
- [Washington County](#)

Fiscal year 2022-23 SHS annual reports

- [Clackamas County](#)
- [Multnomah County](#)
- [Washington County](#)

EXHIBIT D: ADDITIONAL DEMOGRAPHIC DATA

Disability status

Housing placements: supportive housing

	Clackamas County	Multnomah County	Washington County	Regional total
Persons with disabilities	55%	56%	63%	58%
Persons without disabilities	43%	41%	27%	35%
Disability unreported	2%	4%	10%	6%

Housing placements: rapid rehousing

	Clackamas County	Multnomah County	Washington County	Regional total
Persons with disabilities	61%	51%	40%	48%
Persons without disabilities	35%	33%	57%	41%
Disability unreported	4%	17%	3%	11%

Homelessness prevention

	Clackamas County	Multnomah County	Washington County	Regional total
Persons with disabilities	49%	7%	20%	13%
Persons without disabilities	51%	82%	80%	79%
Disability unreported	0%	11%	<1%	8%

Gender identity

Housing placements: supportive housing

	Clackamas County	Multnomah County	Washington County	Regional total
Male	43%	44%	42%	43%
Female	55%	52%	50%	51%
A gender that is not singularly 'Male' or 'Female'	<1%	2%	1%	1%
Transgender	0%	1%	1%	1%
Questioning	0%	0%	<1%	<1%
Gender unreported	1%	2%	6%	4%

Housing placements: rapid rehousing

	Clackamas County	Multnomah County	Washington County	Regional total
Male	46%	43%	40%	42%
Female	48%	54%	57%	55%
A gender that is not singularly 'Male' or 'Female'	0%	2%	1%	1%
Transgender	4%	<1%	1%	1%
Questioning	0%	<1%	0%	<1%
Gender unreported	2%	1%	2%	2%

Homelessness prevention

	Clackamas County	Multnomah County	Washington County	Regional total
Male	35%	43%	44%	43%
Female	65%	54%	56%	56%
A gender that is not singularly 'Male' or 'Female'	<1%	<1%	<1%	<1%
Transgender	0%	<1%	<1%	<1%
Questioning	0%	0%	0%	0%
Gender unreported	0%	3%	<1%	2%

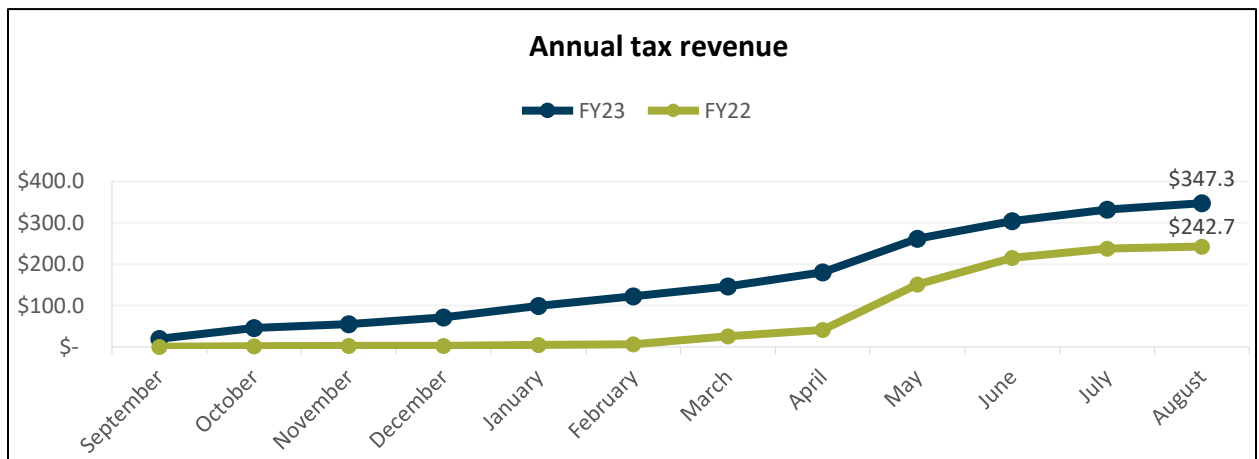
EXHIBIT E: SHS REGIONAL ANNUAL FINANCIAL REPORT

Metro Supportive Housing Services FY22-23 Annual Financial Report July 1, 2022 – June 30, 2023

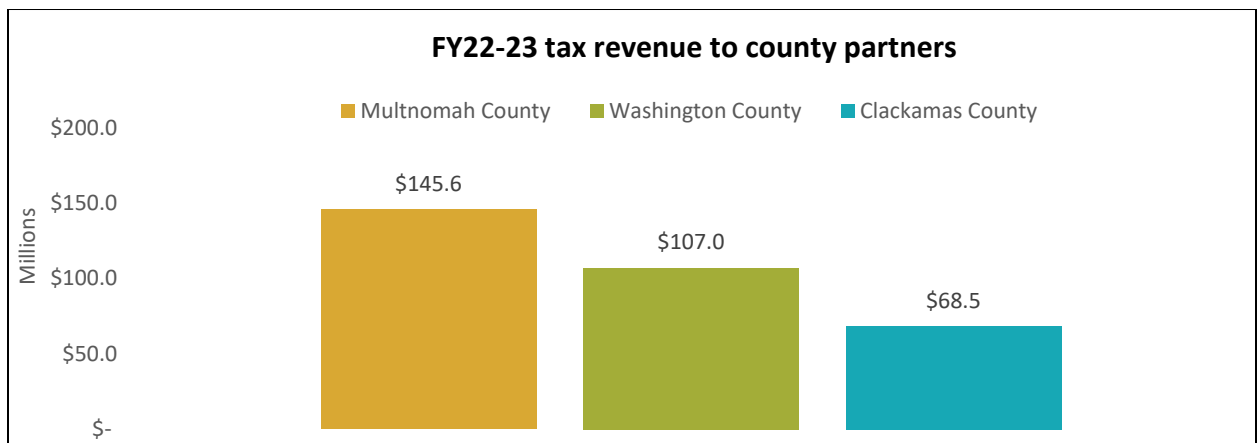
Metro designed this financial report to provide the information necessary for the SHS Oversight Committee to monitor the financial aspects of the program. It includes details on tax collections and disbursements, county partner expenses, tax collection costs and administrative costs. This annual financial report provides an update to the figures provided in the FY23 Q4 report, which changed slightly due to year-end adjustments.

Year 2 annual financial overview

In FY22-23, Metro’s tax revenue totaled \$347.3 million. This exceeded the FY22-23 budget by \$122.3 million. The increase is due to spill over from tax year 2021 (payments for tax year 2021 that were made in FY22-23) and widespread income growth coming out of the pandemic, which was also seen at the state and national level.

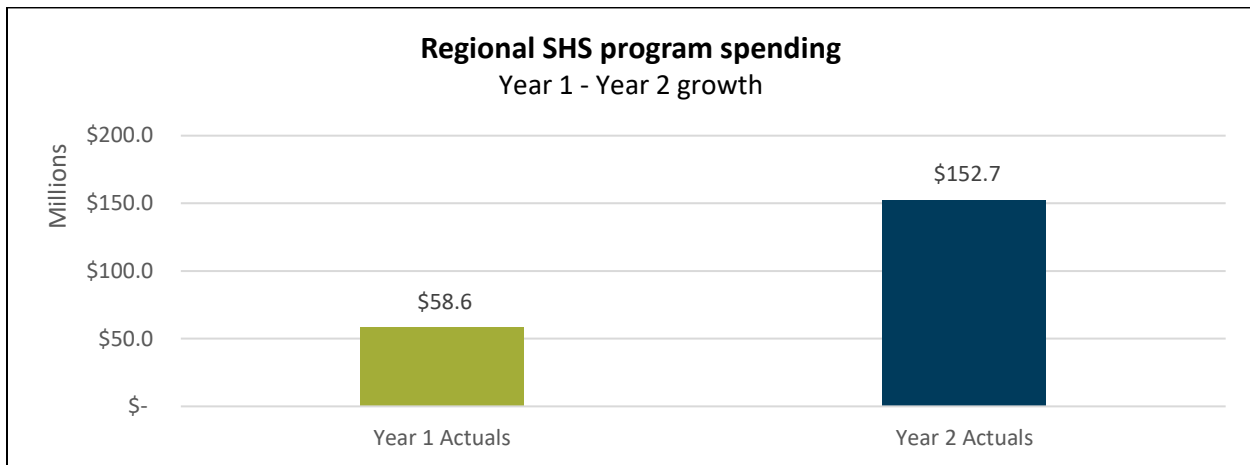


The September 2022 – August 2023 period shown in the chart reflects the period of FY23 tax revenue, in accordance with generally accepted accounting principles.



Revenue in excess of the forecasted amount was carried over to fund one-time or limited-term Supportive Housing Services programming starting in FY23-24. Due to the natural timing of income taxes, with large payments and tax filings primarily in April, the counties do not have time to adjust their programming within the fiscal year to respond to the increased collections. Spend down plans specific to carryover funds have been provided by the counties as part of their FY23-24 budget submission.

Spending in Year 2 was significantly higher than the prior year as the program continued to ramp up. Overall, Year 2 spending was \$152.7 million – 2.6 times higher than Year 1.



For County specific data, see the Year 1 – Year 2 Growth charts in the County Snapshots below.

Supportive Housing Services tax overview

Key takeaways

- As noted above, tax revenue in Year 2 totaled \$347.3 million.
- Tax collection costs were below budget, primarily due to unused contingency on the tax system implementation.

Tax Revenue Summary			
	Budget	YTD Actuals	% of Budget
Tax Revenue	225,000,000	347,290,142	154%
Tax Collection Costs (Details Below)	14,436,666	9,271,584	64%
Net Tax Revenue	210,563,334	338,018,558	161%
Metro Admin Allowance (5%)	10,528,167	16,900,928	161%
County Partner Revenue	200,035,167	321,117,630	161%
Multnomah County	90,682,609	145,573,326	161%
Washington County	66,678,389	107,039,210	161%
Clackamas County	42,674,169	68,505,094	161%

Tax Collection Costs			
	FY23 Budget	FY23 Actuals	% of Budget
Tax Collection Costs	14,436,666	9,271,584	64%
Implementation	3,923,280	781,504	20%
Personnel	4,879,657	4,062,020	83%
Software	3,498,257	3,497,383	100%
Other M&S	1,345,061	930,677	69%
Contingency	790,411	-	0%

Tax collections above are on an accrual accounting basis. This includes collections by the tax administrator through July 2023, received by Metro and disbursed to county partners in August 2023, since these tax payments are for income earned during the fiscal year.

County partner snapshots

The following pages summarize financial information by county, in both numerical and visual form. This provides a consistent format to compare the similar but unique programs of each county.

Note: SHS Program Revenue reported below is per the counties' financial reports. It will differ from the revenue reported above due to additional revenue, such as interest earnings, and differences in timing per each county's accounting policies.

Key takeaways

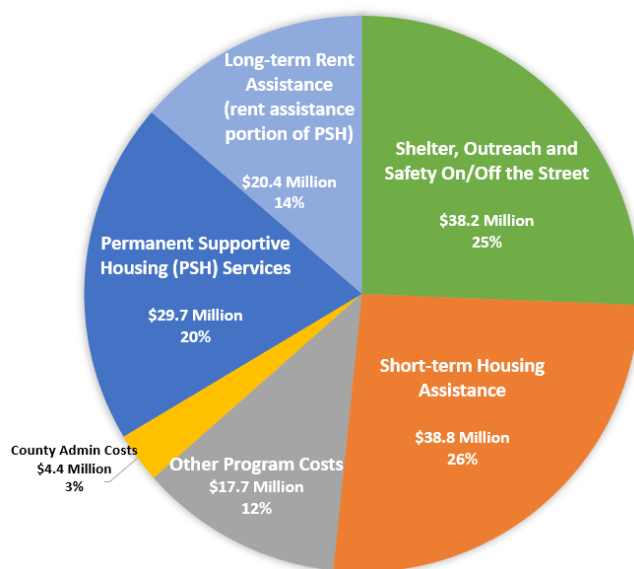
- Together, the counties spent a combined total of \$149.1 million on SHS program costs in Year 2 (July 2022 – June 2023).
- All counties had more carryover in Year 2 than in Year 1, which was expected due to the estimated 3-4 year program ramp-up period. Spend down plans specific to carryover funds were provided by the counties as part of their FY23-24 budget submission.

County Summary (in millions)				
	Clackamas County	Multnomah County	Washington County	Total
Prior Year Carryover	\$40.9	\$61.7	\$47.4	\$150.1
SHS Program Revenue	\$70.2	\$141.1	\$116.2	\$327.5
Total Resources	\$111.1	\$202.8	\$163.6	\$477.5
Program Costs	\$18.4	\$82.6	\$48.1	\$149.1
Total Expense	\$18.4	\$82.6	\$48.1	\$149.1
Reserves	\$0.0	\$5.0	\$0.0	\$5.0
Ending Balance (incl. Reserves)	\$92.7	\$120.2	\$115.5	\$328.4

Non-displacement of funds

Metro’s agreements with the three counties require that SHS funds do not displace existing County-provided general funds for supportive housing services. The FY22-23 budgets submitted to Metro showed no displacement of funds.

Regional SHS spending by program category



Clackamas County snapshot

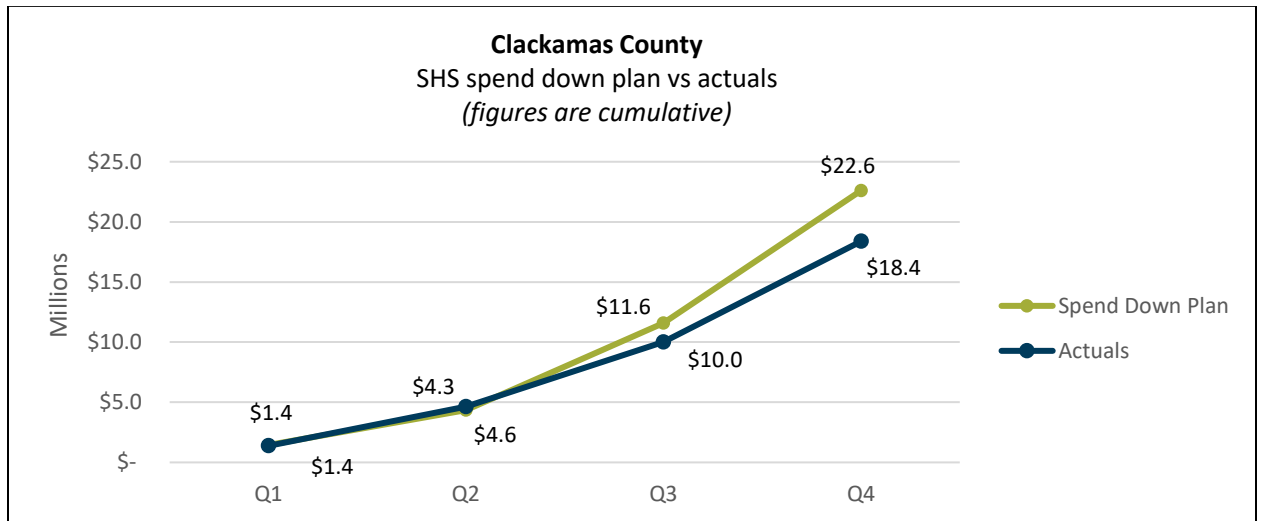
Clackamas County budgeted estimated carryover as its total revenue for FY22-23. The County did not budget any new revenue, under the principle that FY22-23 revenues would fund FY23-24 program costs. This was due to a cashflow issue in Year 1, when the vast majority of tax collections happened in Q4. In FY23-24 Clackamas County budgeted both new SHS revenues and carryover.

Due to higher actual carryover and FY22-23 collections, Clackamas County had a total of \$111.1 million in resources by the end of Year 2. Clackamas County reported \$18.4 million in FY22-23 expenses, which left a carryover of \$92.7 million for next fiscal year.

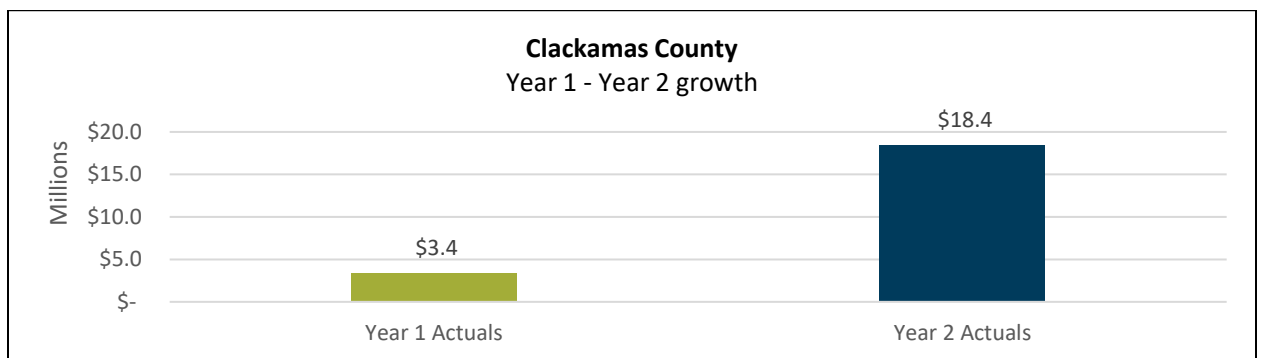
Clackamas County			
	Budget	YTD Actuals	% of Budget
Prior Year Carryover	32,200,000	40,912,115	127%
SHS Program Revenue	-	70,171,378	
Total Resources	32,200,000	111,083,493	345%
Program Costs	28,980,000	18,381,615	63%
Contingency	1,610,000	-	0%
Expense & Contingency	30,590,000	18,381,615	60%
Reserves	1,610,000	-	
Ending Balance (incl. Reserves)	1,610,000	92,701,878	

Charts

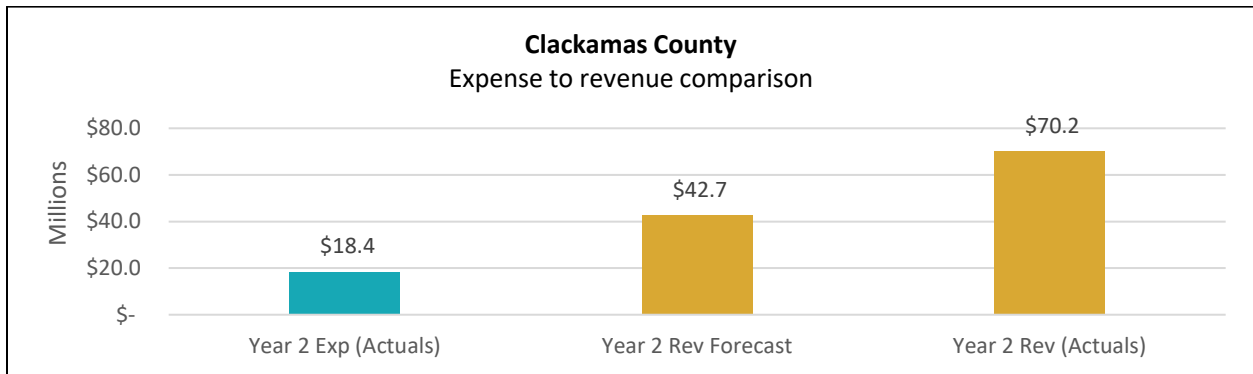
The chart below compares Clackamas County's Spend Down Plan with its actual expenses. Clackamas County's Spend Down Plan projected that it would spend 78% of its annual program budget in FY22-23; actual spending was 63%. A series of new procurements was expected to result in contracts by the beginning of Q4, but staff capacity and scope changes caused a one quarter delay. In addition, service providers faced recruiting and retention challenges that resulted in underspending.



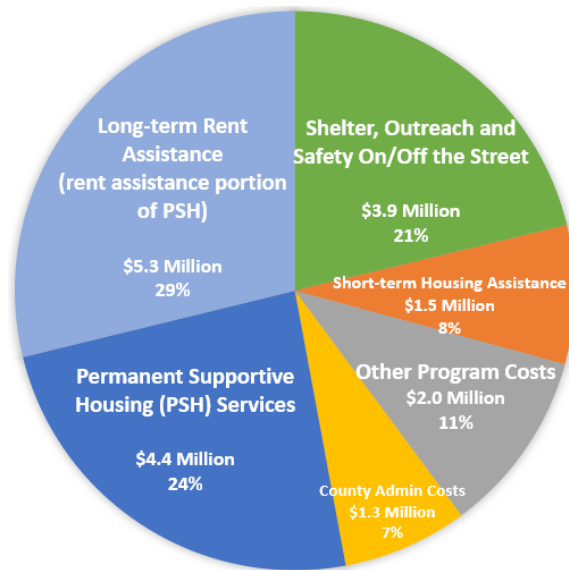
The following chart compares Year 1 spending with Year 2. Clackamas County spent over 5 times more in Year 2 as compared to Year 1.



The chart below compares expense and revenue (original forecast and actuals). Actual revenue reflects the county's calculation of fiscal year revenue and may differ from Metro's calculation due to differences in accrual accounting policies and interest earned by the county.



Clackamas County SHS spending by program category
(Year 2: July 2022 – June 2023)



Multnomah County snapshot

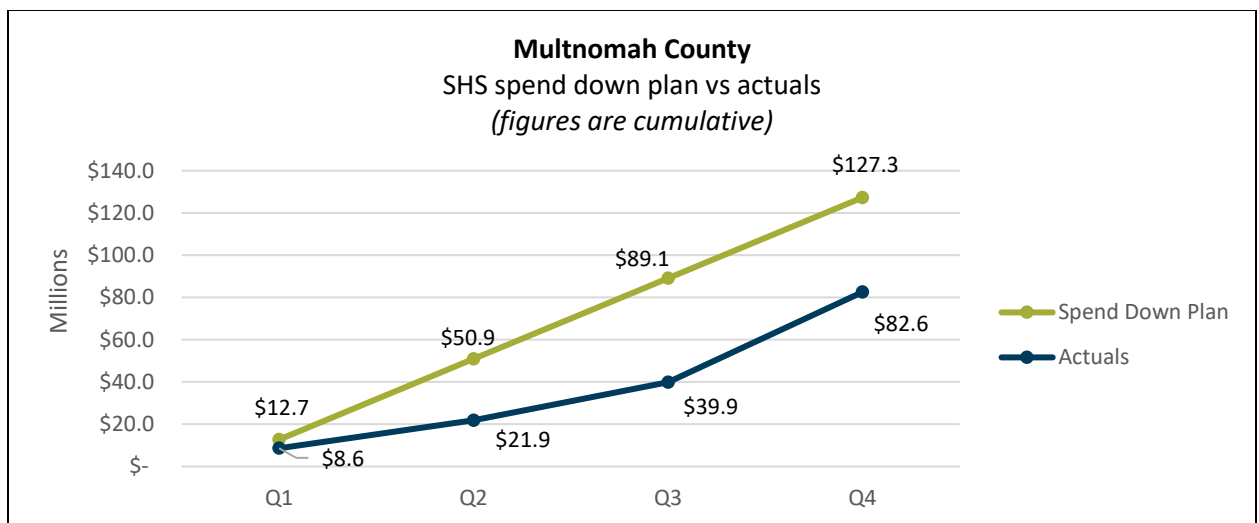
Multnomah County included estimated carryover in its FY22-23 budget. Due to higher actual carryover and FY22-23 collections, Multnomah County had a total of \$202.8 million in resources by the end of Year 2. Multnomah County reported \$82.6 million in FY22-23 expenses, which left a carryover of \$120.2 million for next fiscal year, including \$5 million in reserves.

Due to overall spending below the spend down plan target for the year, Metro and Multnomah County agreed to a Corrective Action Plan (CAP) with specific spending goals for FY22-23 and FY23-24. The CAP resulted in FY22-23 spending of \$3.7 million for technical assistance provider support, funding for service provider wages and near-term strategic capital investments.

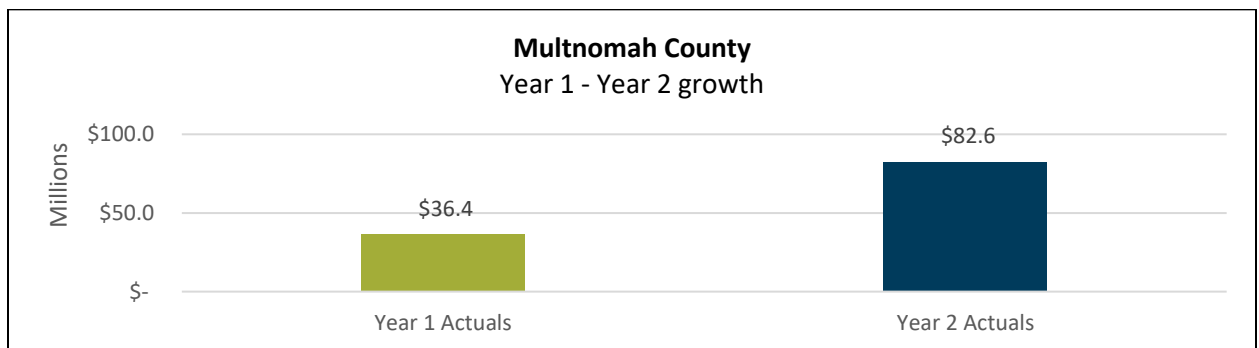
Multnomah County			
	Budget	YTD Actuals	% of Budget
Prior Year Carryover	44,918,800	61,720,728	137%
SHS Program Revenue	90,803,734	141,104,550	155%
Total Resources	135,722,534	202,825,278	149%
Program Costs	127,342,534	82,576,442	65%
Contingency	8,380,000	-	0%
Expense & Contingency	135,722,534	82,576,442	61%
Reserves	-	5,000,000	
Ending Balance (incl. Reserves)	-	120,248,836	

Charts

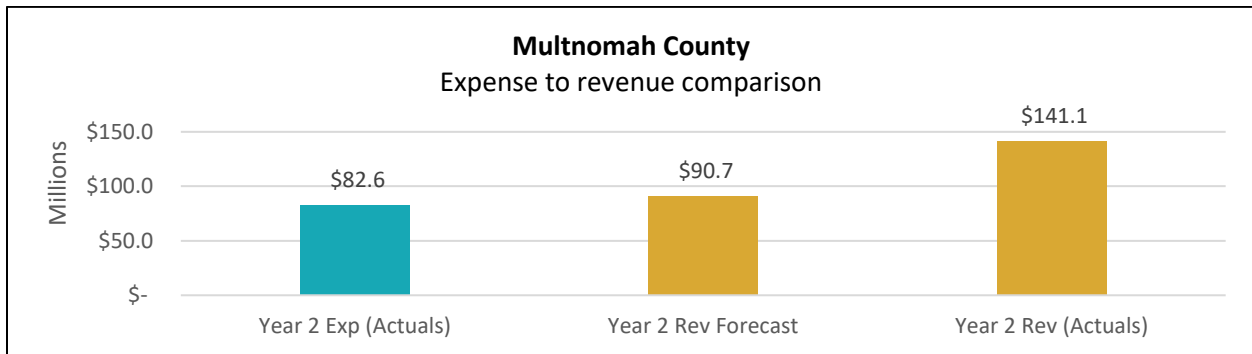
The chart below compares Multnomah County’s Spend Down Plan with its actual expenses. Multnomah County’s Spend Down Plan projected that it would spend 100% of its annual program budget in FY22-23; actual spending was 65%.



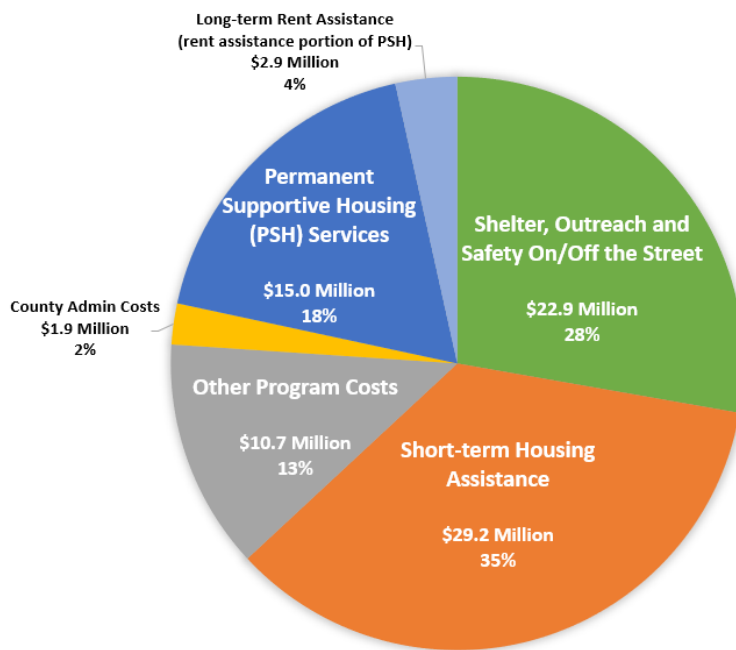
The following chart compares Year 1 spending with Year 2. In Year 2, Multnomah County more than doubled its spending as compared to Year 1.



The chart below compares expense and revenue (original forecast and actuals). Actual revenue reflects the county’s calculation of fiscal year revenue and may differ from Metro’s calculation due to differences in accrual accounting policies and interest earned by the county.



Multnomah County SHS spending by program category
(Year 2: July 2022 – June 2023)



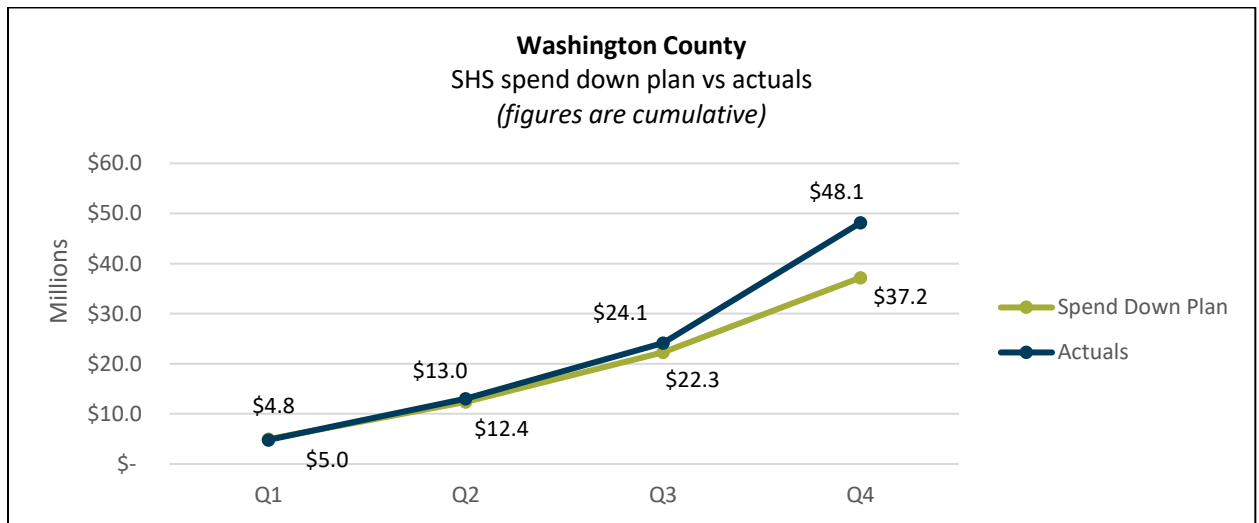
Washington County snapshot

Washington County did not include estimated carryover in its FY22-23 budget and program revenue was based on Metro’s original forecast, which was later revised higher. Due to higher actual carryover and FY22-23 collections, Washington County had a total of \$163.6 million in resources by the end of Year 2. Washington County reported \$48.1 million in FY22-23 expenses, leaving a carryover of \$115.5 million for next fiscal year.

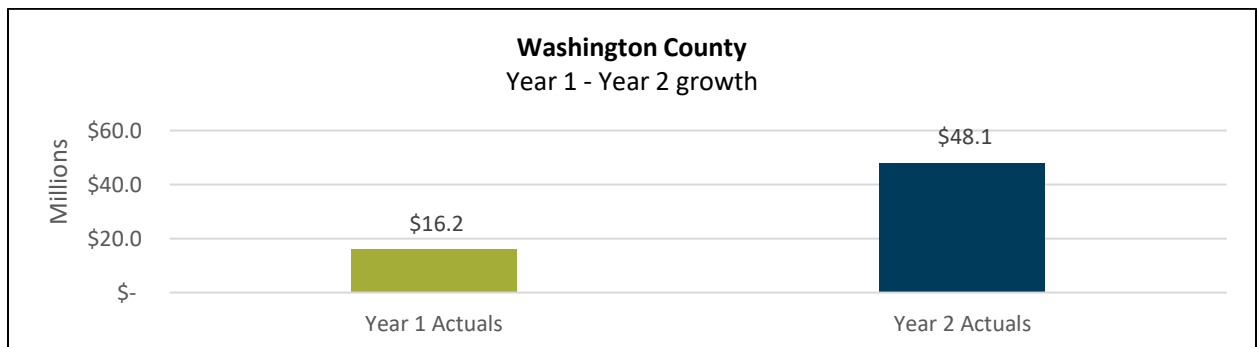
Washington County			
	Budget	YTD Actuals	% of Budget
Prior Year Carryover	-	47,427,624	
SHS Program Revenue	50,328,300	116,183,687	231%
Total Resources	50,328,300	163,611,311	325%
Program Costs	49,587,320	48,137,244	97%
Contingency	740,980	-	0%
Expense & Contingency	50,328,300	48,137,244	96%
Reserves	-	-	
Ending Balance (incl. Reserves)	-	115,474,067	

Charts

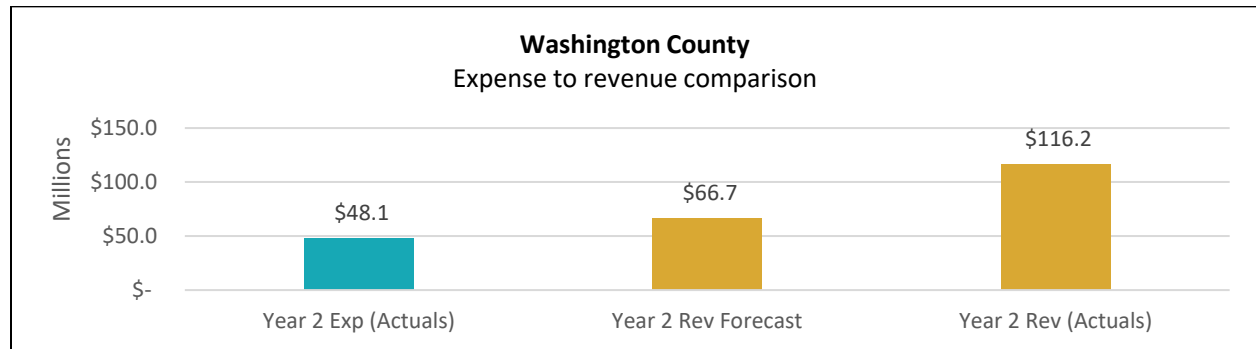
The chart below compares Washington County’s Spend Down Plan with its actual expenses. Washington County’s Spend Down Plan projected that it would spend 75% of its annual program budget in FY22-23 as the program continues its ramp-up; actual spending was 97%.



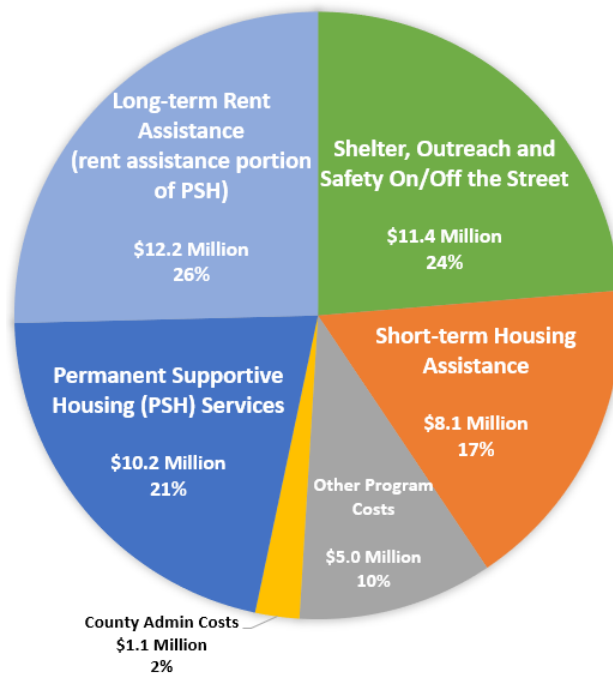
The following chart compares Year 1 spending with Year 2. In Year 2, Washington County nearly tripled its spending as compared to Year 1.



The chart below compares expense and revenue (original forecast and actuals). Actual revenue reflects the county’s calculation of fiscal year revenue and may differ from Metro’s calculation due to differences in accrual accounting policies and interest earned by the county.



Washington County SHS spending by program category
(Year 2: July 2022 – June 2023)



Administration and oversight costs

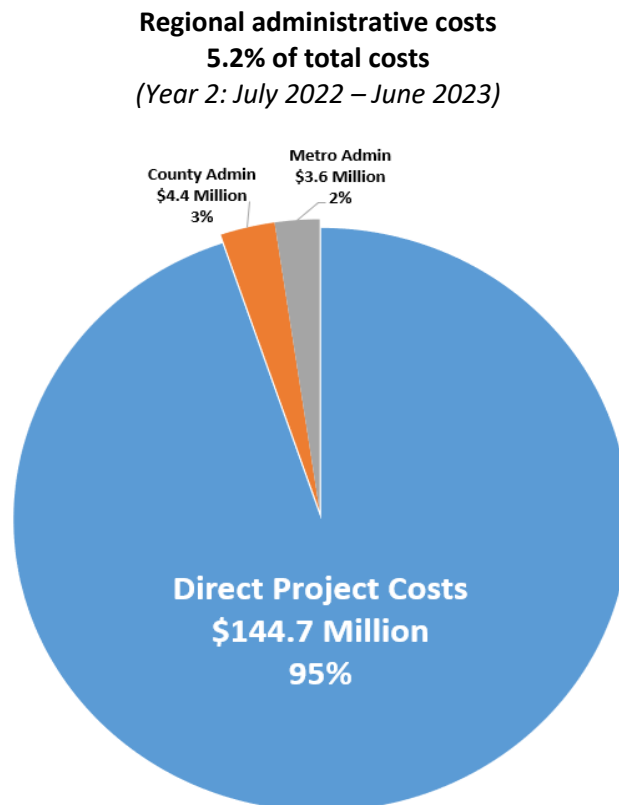
Program administration

The Supportive Housing Services measure allows for up to 5% of net tax collections to cover the costs of Metro program administration and oversight. This includes the Metro SHS team, as well as supporting operations like finance, legal, communications, IT and HR.

Metro recommends no more than 5% of SHS program revenue to cover the costs of each county’s program administration. This includes:

- senior management personnel
- administrative staff travel costs
- general services such as HR, accounting, budget development, procurement, marketing, agency audit and agency insurance
- partner-wide membership fees and dues
- general facilities costs such as rent, depreciation, operation and maintenance
- equipment rental/purchase, insurance, utilities and IT costs that are not program specific
- any other costs not specifically attributed to a particular SHS program or program delivery.

In addition to tracking the administrative cost caps and recommendations based on revenue, Metro also tracks administrative costs as a percentage of expenses. This is shown in the chart below.



Key takeaways

- In FY22-23, regional administrative costs of Metro and the counties made up 5.2% of total costs:
 - County administrative costs totaled 2.9% of total costs.
 - Metro’s administrative costs totaled 2.3% of total costs.
- Administrative costs are expected to fluctuate as program operations continue to ramp up at Metro and the counties.

County Administrative Costs				
	Clackamas County	Multnomah County	Washington County	Total
County Administrative Costs	1,328,720	1,907,764	1,130,529	4,367,013
<i>% of SHS program revenue (recommended limit is 5%)</i>	2%	1%	1%	1%
<i>% of SHS program costs</i>	7%	2%	2%	3%

Metro Administrative Costs			
	FY23 Budget	YTD Actuals	% of Budget
Prior Year Carryover	-	7,773,934	
YTD Admin Allowance (5%)	10,528,167	16,900,928	161%
Interest Earnings	281,250	591,556	210%
Total Resources	10,809,417	25,266,418	234%
Direct Personnel	1,429,783	1,038,071	73%
Indirect Costs (Allocation Plan)	1,827,068	1,827,068	100%
Materials & Services	1,457,540	708,992	49%
Contingency	6,095,026	-	0%
Expense & Contingency	10,809,417	3,574,131	33%
Carryover to next period	-	21,692,288	

As with the ramp up of county programs, Metro expects its own administrative spending to ramp up over the first 3-4 years. As of July 2022, the SHS team had 4.7 FTE; as of July 2023, it had grown to 12.1 FTE; and during FY23-24 it plans to grow to 34.6 FTE. Metro ended the year with \$21.7 million in carryover. Metro will be using carryover funds to fund program growth in FY23-24, including limited duration FTE and other one-time investments to provide necessary capacity for new and growing bodies of work and programmatic opportunities.

Provider administration

The county administrative costs detailed above do not include the administrative costs of service providers or regional long-term rent assistance (RLRA). RLRA is administered by the housing authority of each county, separate from SHS, and these administrative costs are detailed below. Provider administrative costs, including for RLRA, are reported as direct costs. Moving forward, the counties will provide information on service provider administrative costs as part of their annual reports.

Regional Long-term Rent Assistance Administrative Cost				
	Clackamas County	Multnomah County	Washington County	Total
RLRA Administrative Costs	230,238	135,221	254,815	620,274
<i>% of RLRA costs (recommended limit is 10%)</i>	4%	5%	2%	3%

Metro recommends that administrative costs for RLRA not exceed 10% of annual RLRA expenses. Per the chart above, all counties were below this recommended limit.

EXHIBIT F: COUNTIES' MEMO ON SPENDING BY POPULATION A AND B



To: Patricia Rojas, Metro Housing Director
From: Jes Larson, Assistant Director of Housing Services, Washington County
Vahid Brown, Deputy Director of Housing & Community Development, Clackamas County
Kanoelehua Egleston, Joint Office of Homeless Services Director of Programming, Multnomah County
RE: Fiscal Year 2022-23 Population A and B Supportive Housing Services Spending by Population
Date: December 29, 2023

Introduction

The Supportive Housing Service Measure (Measure) passed by voters in May of 2020 established dedicated funding for programs and services for people experiencing homelessness or at risk of experiencing homelessness, with priority for services to address the needs of people experiencing, or at risk of, chronic homelessness. Based on this priority to address chronic homelessness, Metro's Supportive Housing Services Program Work Plan (Work Plan) requires that each county's Local Implementation Plan (LIP) include a commitment that 75% of funds will be devoted to people that are extremely low-income, have one or more disabling conditions, and are experiencing or at imminent risk of experiencing long-term or frequent episodes of literal homelessness (Population A). The remaining 25% of funds are to be devoted to people that are experiencing homelessness or have a substantial risk of experiencing homelessness (Population B). County LIPs comply with this requirement and articulate specific programmatic priorities and investments to meet the needs of each population.

Actual county spending from year to year is not expected or required to be split cleanly 75/25 between Population A and B, but it should meet this requirement over the life of the Measure. Metro's Work Plan states that the distribution of resources to serve priority populations may be adjusted over time as chronic and prolonged homelessness is reduced.

Counties currently report spending and program outcomes to Metro on a quarterly and annual basis. Up to this point, that reporting has not included data on spending specific to Populations A and B, aside from where goals or programs can be inferred to primarily serve a specific population, such as Population A being the primary recipient of investments in permanent supportive housing and Population B being the primary recipient of investments in eviction prevention. This memo is intended as an addendum to FY 2022-23 quarterly and annual reporting to provide initial information specific to program spending according to Population A and B definitions for assessment against the 75/25 requirement over the life of the Measure.

Reporting on Population-specific Spending

The counties have reviewed data from FY 2022-23 to provide an initial assessment of program spending against the requirement that it be split 75/25 between Populations A and B over the life of the Measure. In quarterly reporting, consistent with the reporting template, the counties report on the A/B status of all households served in the following three service types: 1) Eviction Prevention; 2) Rapid Rehousing; and 3) Permanent Supportive Housing. There is currently no population specific quarterly reporting for Outreach/Safety on the Streets or Shelter/Safety off the Street, the other two reported service types.

The counties have used the following methodology for the initial assessment of population specific spending:

- Identified the total number of people or households served for each service type and the respective share of each Population A and B.
- Calculated spending by population based on the respective share of people or households served.

Multnomah County

Service Type	Population A	Population B	Total People Served	Population A %*	Population B %*	Total Spending	Population A Spend	Population B Spend	
Shelter/Outreach/Safety on/off the	1,765	336	2,101	84%	16%	\$22,920,867	\$19,255,274	\$3,665,593	
Eviction Prevention	57	5,211	5,268	1%	99%	\$12,320,089	\$133,304	\$12,186,785	
Rapid Rehousing	351	343	694	51%	49%	\$16,856,104	\$8,525,205	\$8,330,899	
Permanent Supportive Housing	528	96	624	85%	15%	\$14,990,035	\$12,683,876	\$2,306,159	
Long-term Rent Assistance	404	-	404	100%	0%	\$2,739,250	\$2,739,250	\$0	
Other Supportive Services	472	266	738	64%	36%	\$5,792,167	\$3,704,475	\$2,087,692	
Total						\$75,618,512	\$47,041,384	\$28,577,128	
<i>*Population percentages based on individuals.</i>							% of Total Services Spending by Population	62%	38%

Washington County

Service Type	Population A	Population B	Total People Served	Population A %*	Population B %*	Total Spending	Population A Spend	Population B Spend	
Outreach	233	116	349	67%	33%	\$451,228	\$301,250	\$149,978	
Shelter	794	435	1,229	65%	35%	\$10,948,967	\$7,073,621	\$3,875,346	
Eviction Prevention	358	457	815	27%	73%	\$5,186,696	\$1,406,562	\$3,780,134	
Rapid Rehousing	301	362	663	49%	51%	\$2,955,514	\$1,456,944	\$1,498,570	
Supportive Housing	1,230	433	1,663	74%	26%	\$22,213,666	\$16,429,831	\$5,783,835	
Total						\$41,756,071	\$26,668,207	\$15,087,864	
<i>*Population percentages based on households, not individuals. Households with undetermined status were assigned to populations using the category's existing split. Washington County will re-evaluate this assumption and make adjustments in FY 2023-24 Q3 reporting.</i>							% of Total Services Spending by Population	64%	36%
<i>** Supportive Housing includes Permanent Supportive Housing, Housing Case Management System and Regional Long-Range Assistance.</i>									
<i>*** Expenses that are not part of this calculation are spending on consulting, system and capacity building, technical assistance for service providers, as well as internal administrative charges. In total, these amount to \$5,381,173.</i>									

Clackamas County

Service Type	Population A	Population B	Total People Served	Population A %*	Population B %*	Total Spending	Population A Spend	Population B Spend	
Outreach/Safety on the Street	254	45	299	85%	15%	\$943,212	\$801,257	\$141,955	
Shelter/Safety off the Street	669	119	788	85%	15%	\$2,958,239	\$2,511,500	\$446,739	
Eviction Prevention	-	643	643	0%	100%	\$1,378,711	\$0	\$1,378,711	
Rapid Rehousing	39	7	46	85%	15%	\$95,427	\$80,905	\$14,521	
Permanent Supportive Housing	526	93	619	85%	15%	\$9,496,389	\$8,069,630	\$1,426,760	
Total						\$14,871,978	\$11,463,292	\$3,408,687	
<i>*Due to data limitations that have been resolved for future population-specific reporting, Clackamas County used its Permanent Supportive Housing data as a proxy for Outreach/Safety on the Street, Shelter/Safety Off the Street, and Rapid Rehousing. It also conservatively assumed 100% Population B for Eviction Prevention for the similar reasons.</i>							% of Total Services Spending by Population	77%	23%



600 NE Grand Ave.
Portland, OR 97232-2736
oregonmetro.gov

To: SHS Oversight Committee
From: Patricia Rojas, Director of Housing Department
RE: Metro Analysis of Tri-County Population A and B Supportive Housing Services Allocation by Population
Date: January 22, 2024

Hello Oversight Committee Members,

One of the critical responsibilities of the SHS Oversight Committee is monitoring financial aspects of program administration, which includes reporting on spending by population A and B. Counties are required to report yearly on how SHS funds are spent by population. Metro's Supportive Housing Services Program Work Plan requires that each county allocate:

- 75% of funds to services for people that are extremely low-income, have one or more disabling conditions, and are experiencing or at imminent risk of experiencing long-term or frequent episodes of literal homelessness (Population A),
- 25% of funds to services for people that are experiencing homelessness or have a substantial risk of experiencing homelessness (Population B).

Metro staff received the attached Tri-County Population A/B Memo on December 29th, 2023. The starting place for the data in this memo is each county's unique Continuum of Care data infrastructure. This is the first-year counties have reported spending by population A and B, a requirement unique to the SHS measure.

In our review, due to variability in reported service types, data availability, assumptions and allocation methodologies, Metro cannot determine spending by populations A and B. This initial memo from the counties flags multiple challenges in reporting spending by population, and a need for clear guidance and tools from Metro for future reporting. In that sense, this memo is a good first step toward accurate reporting of spending by population. However, Metro staff does not believe this memo provides a reliable assessment of regional spending by population.

Challenges

Counties service types are not aligned. Counties are reporting service types differently, which makes it challenging to roll up the data to regional spending by population. For example, the counties are describing shelter and supportive housing under different service categories.

Counties are in different places with data collection and reporting. All counties used available population A and B data to allocate total spending by population. However, the counties have different levels of data available – some are collecting population A and B data and tracking it in HMIS, and others are interpreting HMIS data. There are also service types that have no data available. For example, Multnomah County is tracking populations by intaking people, while the two other counties are using proxy information for certain service types.

Reconciliation to the annual financial report. The Tri-County Population A/B memo only includes direct client service costs, not all SHS costs. It is understandable that some costs, such

as County admin, cannot be allocated by population, but excluded costs should be named and explanations provided. The reconciliation below shows the costs excluded:

	Clackamas County	Multnomah County	Washington County
Pop A/B Total Spending	\$14,871,978	\$75,618,512	\$41,756,072
Other supportive services	\$747,049	\$0	\$1,042,160
SHS Program operations	\$729,030	\$0	\$0
System dev and capacity building	\$0	\$3,130,979	\$3,867,150
System support and coordination	\$385,942	\$1,674,617	\$0
RLRA admin	\$230,238	\$135,221	\$254,815
County admin, other	\$1,381,467	\$1,907,764	\$1,130,529
Regional strategy implementation	\$35,911	\$109,349	\$86,518
Annual Report Total	\$18,381,616	\$82,576,442	\$48,137,244
<i>Total excluded costs</i>	<i>\$3,509,638</i>	<i>\$6,957,930</i>	<i>\$6,381,172</i>

Incomplete information for the SHSOC Regional Annual Report. Given that information provided is not aligned across the counties now, it cannot be rolled into a regional population A and B financial expenditure split.

Next steps:

Given that this is the first-year counties are tracking the funding by populations, Metro’s assessment is that there are opportunities to improve and align a process for reporting on spending by population. Metro will lead development of tools, definitions, methodologies and guidance for measuring spending by population going forward.

Metro is looking forward to working on the following items with the counties:

- Alignment in service type categories (i.e. Supportive Housing, Shelter, RLRA)
- Alignment in data collection, and in assumptions and interpretations of data
- Alignment in allocation methodology
- Structure for reporting on all financial costs and alignment of direct client service costs for allocation by population
- Identification of people being served outside of these service type categories
- Identification of how costs of services differ between population A and B
- Consistency in how counties are interpreting the definition of population A and B

Metro will work with the counties on these items and release guidance by Spring 2024 for use in reporting on FY23-24 spending by population. Metro will provide the SHS Oversight Committee with ongoing updates on progress made to improve and align reporting on spending by population.

Sincerely,

Patricia Rojas
Housing Director

If you picnic at Blue Lake or take your kids to the Oregon Zoo, enjoy symphonies at the Schnitz or auto shows at the convention center, put out your trash or drive your car – we’ve already crossed paths.

So, hello. We’re Metro – nice to meet you.

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Duncan Hwang, District 6

Auditor

Brian Evans

600 NE Grand Ave.
Portland, OR 97232-2736
503-797-1700

WPES: Waste Fee Policy Task Force
Presentations

Metro Council Work Session
Tuesday, March 19, 2024

WORK SESSION: WASTE PREVENTION AND ENVIRONMENTAL SERVICES WASTE FEE
POLICY TASK FORCE RECOMMENDATIONS

Date: March 6, 2024

Department: Waste Prevention and
Environmental Services

Meeting Date: March 19, 2024

Presenter(s): Marta McGuire (she/her)
Waste Prevention and Environmental
Services Director,
Brian Kennedy
(he/him) Chief Financial Officer.

Length: 40 minutes

ISSUE STATEMENT

The Waste Fee Policy Task force was convened in November 2023 to review Metro’s solid waste fee setting policy and provide recommendations to the Metro Council to guide development of FY 24-25 solid waste fees. The Task Force was asked to prioritize the fee setting criteria and identify any additional policy objectives and outcomes that the Council should consider in their fee setting process. The task force met six times during the months of November through February and developed recommendations for how to improve the fee setting process and proposed revisions to Metro’s financial and waste fee policies.

ACTION REQUESTED

Provide direction to staff on implementing the recommendations provided by the Waste Fee Policy Task Force.

IDENTIFIED POLICY OUTCOMES

Develop FY24 budget and set solid waste fees that align with Council priorities and Metro financial and solid waste fee policies.

POLICY QUESTIONS

- Should staff proceed with implementation of the task force recommendations?
- Should staff bring forward an additional solid waste fee option based on the updated fee policy criteria?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

1. Direct staff to develop an approach for improving engagement in budget and fee development including an oversight and advisory committee.
2. Direct staff to update financial and solid waste fee policy based on the task force recommendations.

3. Make modifications to the proposed task force recommendations.
4. Do not take any action.

STAFF RECOMMENDATION

Staff recommends implementation of the task force recommendations including improving engagement in budget and fee development and updating Metro’s solid waste fee and financial policies.

STRATEGIC CONTEXT

Metro’s annual budget is adopted by Metro Council and covers the fiscal year from July 1 to June 30. With the development of the budget each year, Metro Council adopts solid waste fees. Fees assessed on solid waste generate revenue to fund essential programs and services such as transfer station operations, waste reduction programs, cleanup of dumped garbage on public lands and general agency functions. The Solid Waste Fees set annually by Metro Council are divided into two categories – fees that are paid at Metro transfer stations and fees paid on the disposal of all solid waste in the region. The solid waste fee setting process runs parallel to the budget process, with fees typically adopted in March or April. The fee setting criteria and financial policies provide the foundation for this process.

The Waste Fee Policy Task Force was asked to identify any additional policy objectives and outcomes that the Council should consider in their fee setting process and make recommendations for prioritizing the fee setting criteria.

TASK FORCE PROCESS AND RECOMMENDATIONS

The task force was charged with reviewing Metro’s solid waste fee setting policy and providing recommendations to the Metro Council to guide development of FY25 solid waste fees. Membership included stakeholders with relevant subject matter expertise and active participants in the operations of the broader garbage and recycling system.

Mary Nolan, Task Force Chair	Metro Councilor
Christine Lewis, Task Force Vice Chair	Metro Councilor
Ashton Simpson	Metro Councilor
Tim Rosener	City of Sherwood Mayor
Pam Treece	Washington County Commissioner
Arianne Sperry	Oregon Dept. of Environmental Quality
Wendy Lawton	East County System User
Will Mathias	B&B Leasing Company
AJ Simpson	City of Roses
Jason Jordan	Republic
Terrell Garrett	Greenway Recycling
Beth Vargas Duncan	Oregon Refuse and Recycling Association
Laura Tokarski	Trash for Peace
Jacki Kirouac-Fram	ReBuilding Center

The task force reviewed existing fee policy criteria, considered primary policy drivers for fee setting, including material subsidies and incentives for waste reduction. The group discussed how the fee setting policy criteria should be updated and suggested new policy criteria. They considered how to prioritize both the new and current criteria and reviewed examples of how prioritization could impact fees. Group members also provided individual feedback on draft recommendations. The group completed discussion of their recommendations on February 27, 2024, and then reviewed and approved the final recommendations by survey vote.

The detailed recommendations are provided in Attachment A. Key highlights of the task force deliberations are provided below.

Accountability Recommendations

The group's discussion of the accountability criteria focused on how Metro could increase transparency and build trust in the fee setting process through increased collaboration and engagement with public, private, nonprofit and community partners, as well as improved public information. They recommended Metro convene a committee that includes representatives from public, private, nonprofit and community partners to advise the Metro Council and provide oversight on both fee and budget development. Suggestions included considering Washington County's Garbage and Recycling Advisory Committee as a model or expanding the scope of Metro's Regional Waste Advisory Committee. This should be coupled with improvements to public information including increased dissemination of information on Metro's fees. Additionally, they recommended that Metro continue to maintain separate fund balance reserves for transfer station operations and Regional System Fee-funded activities. Uses of transfer station operations and Regional System Fee fund balance reserves should be restricted to uses within the same sub-fund.

Fiscal Responsibility Recommendations

The group recommended that Metro update existing financial policies to include the solid waste fee criteria credit rating impacts, authority to implement, revenue adequacy and reliability as they are good practices that Metro should continue to follow. Proposed revisions to the financial policy are included in Attachment B.

Public Benefit Recommendations

The task force focused most of their time deliberating on the public benefit criteria. Upon review, additions were proposed to address gaps in the criteria. Three new criteria were added: accessible and equitable system, public-private system, and resilient economy. The waste reduction criteria was updated to healthy environment to reflect broader environmental outcomes. Through discussion and evaluation, the group prioritized four criteria for fee setting. The proposed updates to the solid waste fee policy are provided in attachment C.

ATTACHMENTS

- A: Waste Fee Policy Task Force Recommendations
- B: Proposed Update to Financial Policies
- C: Proposed Updates to Solid Waste Fee Policy Criteria



METRO WASTE FEE POLICY TASK FORCE

RECOMMENDATIONS

March 2024

OVERVIEW

Metro’s solid waste fee setting process is guided by a core set of criteria used to ensure effective management of the regional garbage and recycling system. The Waste Fee Policy Task force was convened in November 2023 to review Metro’s solid waste fee setting policy and provide recommendations to the Metro Council to guide development of FY 24-25 solid waste fees. The Task Force was asked to identify any additional policy objectives and outcomes that the Council should consider in their fee setting process and to recommend how the criteria for fee setting are prioritized.

The task force membership included stakeholders with relevant subject matter expertise and active participants in the operations of the broader garbage and recycling system. Metro Councilor Mary Nolan served as Task Force Chair and Metro Councilor Christine Lewis served as the Vice-Chair.

TASK FORCE MEMBERS

Mary Nolan, Task Force Chair	Metro Councilor
Christine Lewis, Task Force Vice Chair	Metro Councilor
Ashton Simpson	Metro Councilor
Tim Rosener	City of Sherwood Mayor
Pam Treece	Washington County Commissioner
Arianne Sperry	Oregon Dept. of Environmental Quality
Wendy Lawton	East County System User
Will Mathias	B&B Leasing Company
AJ Simpson	City of Roses
Jason Jordan	Republic
Terrell Garrett	Greenway Recycling
Beth Vargas Duncan	Oregon Refuse and Recycling Association
Laura Tokarski	Trash for Peace
Jackie Kirouac-Fram	ReBuilding Center

RECOMMENDATIONS

The Task Force held six meetings that took place December 2023 through February 2024. They reviewed information about how the garbage and recycling system is financed, existing fee policy criteria, and primary policy drivers for fee setting, including material subsidies and incentives for waste reduction. The group discussed how the fee setting policy criteria should be updated and suggested new policy criteria. They considered how to prioritize both the new and current criteria and reviewed examples of how prioritization

could impact fees. Based on these discussions the task force identified the following recommendations:

1. **Improve engagement and collaboration on budget and fee development.**
This includes an advisory and oversight committee with public, private, nonprofit and community partners to advise Metro Council on budget and fee development. This process should also ensure that community member voices are heard and considered in budget and fee development. Consider Washington County's Garbage and Recycling Advisory Committee as a model or expanding the Regional Waste Advisory Committee scope and membership.
2. **Improve public information and increase dissemination of information about how Metro's fees are developed and used.**
This includes simplifying information so it is clear and easy to understand and sharing outcomes achieved through fees, including environmental outcomes and program and service performance metrics.
3. **Continue to maintain separate fund balance reserves for transfer station operations and Regional System Fee-funded activities.**
This includes uses of transfer station operations, capital improvements and Regional System Fee fund balance reserves should be restricted to uses within the same sub-fund. Any exceptions to this should require Council approval. This is important for transparency, accountability and to maintain trust.
4. **Update Metro's financial policy to include fiscal responsibility and accountability criteria as good financial practices that Metro should continue to follow in the fee development process.**
This includes revising Metro's financial policy to include the following criteria.

Credit Rating Impacts: The fee structure should not negatively impact Metro's credit rating.

Authority to Implement: Metro should ensure that it has the legal ability to implement the fee structure; or, if such authority is not already held, evaluate the relative difficulty of obtaining the authority. And fees should be readily enforceable.

Revenue adequacy - Solid waste fees should be sufficient to generate revenues that fund the full cost of the solid waste system and provide fund balance reserves that are necessary for fee stabilization, policy compliance, and unexpected disruptions.

Reliability - Anticipated revenues used in the fee setting process should be considered stable and unlikely to deviate from financial plan expectations.

5. **Prioritize the following criteria in solid waste fee setting.**

This includes updating the fee setting policy to include new criteria and prioritization as outlined below.

Prioritized criteria in fee development:

Accessible and Equitable System (NEW): Fee setting should encourage public, private and nonprofit investment in services that provide regional benefit, emphasizing geographic equity, access to service and a reduction in local environmental and human health impacts.

Healthy Environment (formerly Waste Reduction): The fee structure should encourage keeping valuable materials out of the landfill, reducing climate and environmental impacts through highest material use, and safe disposal of hazardous waste.

Affordability: Fee setting should consider the economic effects and distribution of benefits to the various types of users in the Solid Waste System, including the cost of living on residential waste generators and the cost of doing business on non-residential generators, as well as the economic effect on others in the region.

Public-Private System (NEW): Fees should give fair weight to the operational and capital needs of all providers: publicly owned, privately owned, and nonprofit.

The following priorities were discussed and developed as important considerations, but not priorities as those above:

Predictability: Metro fee adjustments should be predictable and orderly to allow local governments, haulers, and rate payers to perform effective planning.

Resilient Economy for All (NEW): Fee setting should consider the economic effects of short- and long-term fee changes.

Service Provision: Charges to users of the waste disposal system should be directly related to disposal services received. Fee impacts to residents of the Metro service district who may not be direct users of the disposal system should be related to other benefits received.

Consistency: Solid waste fee setting should be consistent with Metro's agency-wide planning policies and objectives, including but not limited to the Regional Waste Plan.

Administration: Fee setting should evaluate the relative cost and benefits of administering the fees with financial and policy goals.

METRO FINANCIAL POLICIES

Proposed revisions

In 2004 the Metro Council enacted Resolution No. 04-3465, “adopting comprehensive financial policies for Metro.”

Each year as part of the annual budget adoption process the Metro Council reviews the financial policies which provide the framework for the overall fiscal management of the agency. Operating independently of changing circumstances and conditions, these policies are designed to help safeguard Metro’s assets, promote effective and efficient operations, and support the achievement of Metro’s strategic goals.

These financial policies establish basic principles to guide Metro’s elected officials and staff in carrying out their financial duties and fiduciary responsibilities. The Chief Financial Officer shall establish procedures to implement the policies established in this document.

General policies

1. Metro’s financial policies shall be reviewed annually by the Council and shall be published alongside the adopted budget.
2. Metro shall prepare its annual budget and Annual Comprehensive Financial Report consistent with accepted public finance professional standards.
3. The Chief Financial Officer shall establish and maintain appropriate financial and internal control procedures to assure the integrity of Metro’s finances.
4. Metro shall comply with all applicable state and federal laws and regulations concerning financial management and reporting, budgeting, and debt administration.

Accounting, auditing, and financial reporting

1. Metro shall annually prepare and publish an Annual Comprehensive Financial Report including financial statements and notes prepared in conformity with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board.
2. Metro shall maintain its accounting records on a basis of accounting consistent with the annual budget ordinance.
3. Metro shall have an independent financial and grant compliance audit performed annually in accordance with generally accepted auditing standards.

Budgeting and financial planning

1. As prescribed in Oregon budget law, total resources shall equal total requirements in each fund, including contingencies and fund balances.
2. Metro shall maintain fund balance reserves that are appropriate to the needs of each fund. Targeted reserve levels shall be established and reviewed annually as part of the budget process. Use of fund balance to support budgeted operations in the General Fund, an operating fund, or a central service fund shall be explained in the annual budget document; such explanation shall describe the nature of the budgeted reduction in fund balance and its expected future impact. Fund balances in excess of future needs shall be evaluated for alternative uses.

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- a. The Metro Council delegates to the Chief Operating Officer the authority to assign (and un-assign) additional amounts intended to be used for specific purposes narrower than the overall purpose of the fund established by Council.
 - b. Metro considers restricted amounts to have been spent prior to unrestricted (committed, assigned, or unassigned) amounts when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. Within unrestricted amounts, committed amounts are considered to have been spent first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.
 - c. The following information shall be specified by Council in the establishment of Stabilization Arrangements as defined in GASB Statement No. 54: a) the authority for establishing the arrangement (resolution or ordinance), b) the requirements, if any, for additions to the stabilization amount, c) the specific conditions under which stabilization amounts may be spent, and d) the intended stabilization balance.
3. Metro staff shall regularly monitor actual revenues and expenditures and report to the Office of the Chief Operating Officer at least quarterly on how they compare to budgeted amounts, to ensure compliance with the adopted budget. Any significant changes in financial status shall be timely reported to the Council.
 4. Metro shall use its annual budget to identify and report on department or program goals and objectives and measures of performance.
 5. A new program or service shall be evaluated before it is implemented to determine its affordability.
 6. Metro shall authorize grant-funded programs and associated positions for a period not to exceed the length of the grant unless alternative funding can be secured.
 7. Each operating fund will maintain a contingency account to meet unanticipated requirements during the budget year. The amount shall be appropriate for each fund.
 8. Metro shall prepare annually a five-year forecast of revenues, expenditures, other financing sources and uses, and staffing needs for each of its major funds, identifying major anticipated changes and trends, and highlighting significant items which require the attention of the Council.
 9. Metro will annually prepare a cost allocation plan prepared in accordance with applicable federal guidelines to maintain and maximize the recovery of indirect costs from federal grants, and to maintain consistency and equity in the allocation process.

Capital asset management

1. Metro shall budget for the adequate maintenance of capital equipment and facilities and for their orderly replacement, consistent with longer-term planning for the management of capital assets.
2. The Council's previously adopted policies governing capital asset management are incorporated by reference into these policies.

Cash management and investments

1. Metro shall maintain an investment policy, which shall be subject to annual review and re-adoption.

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2. Metro shall schedule disbursements, collections, and deposits of all funds to ensure maximum cash availability and investment potential.
3. Metro shall manage its investment portfolio with the objectives of safety of principal as the highest priority, liquidity adequate to needs, as the second highest priority, and yield from investments as its third highest priority.

Debt management

1. Metro shall issue long-term debt to finance capital improvements, including land acquisition that cannot be readily financed from current revenues or to reduce the cost of long-term financial obligations.
2. Metro will not use short-term borrowing to finance operating needs unless specifically authorized by the Council.
3. Metro shall repay all debt issued within a period not to exceed the expected useful life of the improvements financed by the debt.
4. As required by its continuing disclosure undertakings and Section 8 herein, and consistent with SEC Rule 15c2-12, as amended from time to time, Metro shall fully disclose financial and pertinent credit information as it relates to Metro's outstanding securities.
5. Metro shall strive to obtain the highest credit ratings to ensure that borrowing costs are minimized, Metro's access to credit is preserved and Metro has ample future flexibility to adjust its debt portfolio as needed to support operational goals.
6. Equipment and vehicles should be financed using the least costly method, including comparison to direct cash expenditure. This applies to purchases using operating leases, capital leases, bank financing, company financing or any other purchase programs. In evaluating such comparisons, Metro shall assume the opportunity cost for the use of its cash is the 90-day Treasury yield at the time of such analysis.

Solid Waste Fund Policies *(to be moved from solid waste fee setting criteria)*

1. The solid waste fee structure should not negatively impact Metro's credit rating.
2. Metro should ensure that it has the legal ability to implement and enforce the solid waste fee structure; or, if such authority is not already held, evaluate the relative difficulty of obtaining the authority.
3. Solid waste fees should be sufficient to generate revenues that fund the full cost of the solid waste system and provide fund balance reserves that are necessary for fee stabilization, policy compliance, and unexpected disruptions.
4. Metro will maintain separate fund balance reserves for transfer station operations and Regional System Fee-funded activities.
 - a. Uses of transfer station operations and Regional System Fee fund balance reserves will be restricted to uses within the same sub-fund. Any exceptions to this will require Council approval.

Tax exempt qualified obligations post issuance compliance - federal tax regulations and continuing disclosure

This Post Issuance Compliance (PIC) section sets forth specific policies of Metro designed to (a) monitor post issuance compliance of tax-exempt qualified obligations (the “Obligations”) issued by Metro with applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations promulgated there under (the “Treasury Regulations”) and (b) comply with continuing disclosure undertaking executed by Metro (the “Undertakings”) in connection with a primary offering of municipal securities (including Obligations and federally taxable bonds, collectively, “Bonds”) that are subject to Securities and Exchange Commission Rule 15c2-12, as amended from time to time (“Rule 15c2-12”).

The section documents existing practices and describes various procedures and systems designed to identify, on a timely basis, facts relevant to demonstrating compliance with the requirements that must be satisfied subsequent to the issuance of Bonds such that (a) the interest on such Obligations continue to be excludable from gross income for federal income tax purposes, and (b) Metro complies with its contractual obligations set forth in the Undertakings. Metro recognizes that compliance with applicable provisions of the Code and Treasury Regulations with respect to Obligations and Undertakings with respect to Bonds, is an on-going process, necessary during the entire term of the Bonds, and is an integral component of Metro’s financial policies. Accordingly, the analysis of those facts and implementation of the policies will require ongoing monitoring and consultation with bond counsel.

The Chief Financial Officer in the Finance and Regulatory Services department approves the terms and structure of Bonds executed by Metro. Such Bonds are issued in accordance with the provisions of Oregon Revised Statutes, the Metro charter, and if issued as tax-exempt, also issued in accordance with the Code. Specific post issuance compliance procedures address the relevant areas described below. The following list is not intended to be exhaustive and further areas may be identified from time to time by Finance staff in consultation with bond counsel.

1. General policies and procedures.

The following relates to procedures and systems for monitoring post issuance compliance generally. Staff may adjust procedures for non-tax advantaged Bonds as applicable.

- a. The Chief Financial Officer (the “CFO”) shall identify an appropriate staff member or members to be responsible for monitoring post issuance compliance issues (the “Staff Designee”). The CFO shall be responsible for ensuring an adequate succession plan for transferring post issuance compliance responsibility when changes in staff occur.
- b. The Staff Designee will coordinate procedures for record retention and review of such records.
- c. The Staff Designee will review post issuance compliance procedures and systems on a periodic basis, but not less than annually.
- d. Ongoing training shall be made available to the Staff Designee (generally, not less frequently than annually) to support such individual’s understanding of the tax requirements applicable to the Obligations.
- e. Electronic media will be the preferred method for storage of all documents and other records maintained by Finance and Regulatory Services. In maintaining

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such electronic storage, the Staff Designee will comply with applicable Internal Revenue Service (the "IRS") requirements, such as those contained in Revenue Procedure 9722.

2. Issuance of Bonds and creation of files

The following policies relate to specific issue of Obligations/Bonds.

- a. The Staff Designee will obtain and store a closing binder and/or CD or other electronic copy of the relevant and customary transaction documents including:
 - i. Intent Resolution.
 - ii. Bond transcript.
 - iii. Final Written Allocation and/or all available accounting records related to the financed facilities showing expenditures allocated to bond proceeds and expenditures (if any) allocated to other sources of funds, including information regarding including, but not limited to, whether such facilities are land, buildings or equipment, economic life calculations and information regarding depreciation.
 1. Records, including purpose, type, payee, amount, and date, of all expenditures of bond proceeds.
 - iv. All rebate and yield reduction payment calculations performed by a rebate analyst and all investment records provided to the rebate analyst for purposes of preparing the calculation.
 - v. Forms 8038-T together with proof of filing and payment of rebate.
 - vi. Investment agreement bid documents (unless included in the bond transcript) including:
 1. Bid solicitation, bid responses, certificate of broker;
 2. Written summary of reasons for deviations from the terms of the solicitation that are incorporated into the investment agreement; and
 3. Copies of the investment agreement and any amendments.
 4. Records, including dates and amounts, of investment income on bond proceeds.
 - vii. Any item required to be maintained by the terms of the tax compliance agreement involving the use of the financed facilities or expenditures related to tax compliance for the bonds.
 - viii. Any opinion of bond counsel regarding the bonds not included in the bond transcript.
 - ix. Amendments, modifications, or substitute agreements to any agreement contained in the bond transcript.
 - x. Any correspondence with the IRS relating to the bonds, including all correspondence relating to an audit by the IRS of the bonds or any proceedings under the IRS's Voluntary Closing Agreement Program (VCAP).
 - xi. For refunding bond issues, the Bond File for the refunded bonds.
 - xii. Evidence of completion of compliance documentation (including checklists) as described in Section 8.8 herein.

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- xiii. Evidence of periodic training of the Staff Designee.
- xiv. Evidence of tracking of private use and private payment, if any.
- xv. Evidence of continuing disclosure filings pursuant to any Undertaking (as defined herein) and consistent with SEC Rule 15c2-12.

3. Arbitrage rebate calculations

The following policies relate to the monitoring and calculating of arbitrage and compliance with specific arbitrage rules and regulations. The Staff Designee will:

- a. Coordinate the tracking of expenditures, including the expenditure of any investment earnings, with other applicable Finance staff.
- b. Obtain a computation of the yield on each issue from Metro's outside arbitrage rebate specialist and maintain a system for tracking investment earnings.
- c. Maintain a procedure for the allocation of proceeds of the issue and investment earnings to expenditures, including the reimbursement of reissuance expenditures.
- d. Coordinate with Finance staff to monitor compliance by departments with the applicable "temporary period" (as defined in the Code and Treasury Regulations) exceptions for the expenditure of proceeds of the issue and provide for yield restriction on the investment of such proceeds if such exceptions are not satisfied.
- e. Ensure that investments acquired with proceeds of such issue are purchased at fair market value. In determining whether an investment is purchased at fair market value, any applicable Treasury Regulation safe harbor may be used.
- f. Coordinate to avoid formal or informal creation of funds reasonably expected to be used to pay debt service on such issue without determining in advance whether such funds must be invested at a restricted yield.
- g. Consult with bond counsel prior to engaging in any post-issuance credit enhancement transactions.
- h. Identify situations in which compliance with applicable yield restrictions depends upon later investments and monitor implementation of any such restrictions.
- i. Monitor compliance with six-month, 18month or 2-year spending exceptions to the rebate requirement, as applicable.
- j. Arrange for timely computation of any rebate or yield reduction payment liability by Metro's outside arbitrage rebate specialist and, if rebate is due, file a Form 8038T and arrange for payment of such rebate liability.

4. Private activity concerns

The following polices relate to the monitoring and tracking of private use and private payments with respect to the facilities financed with the Obligations. The Staff Designee will:

- a. Coordinate with staff to maintain records determining and tracking facilities financed with specific Obligations and in what amounts.
- b. Coordinate with applicable staff to maintain records, which should be consistent with those used for arbitrage purposes, to allocate the proceeds of an issue and investment earnings to expenditures, including the reimbursement of pre-

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issuance expenditures.

- c. Coordinate with applicable staff to maintain records allocating to a project financed with Obligations any funds from other sources that will be used for otherwise non-qualifying costs.
- d. Coordinate with Finance staff to monitor the expenditure of proceeds of an issue and investment earnings for qualifying costs.
- e. Coordinate with applicable staff to monitor private use of financed facilities to ensure compliance with applicable percentage limitations on such use.

5. Reissuance considerations

The following policies relate to compliance with rules and regulations regarding the reissuance of Obligations for federal law purposes. The Staff Designee will:

- a. Identify and consult with bond counsel regarding any post-issuance changes or modifications to any terms of an issue of Obligations to determine whether such changes could be treated as a reissuance for federal tax purposes.
- b. Confirm with bond counsel whether any “remedial action” taken in connection with a “change in use” (as such terms are defined in the Code and Treasury Regulations) would be treated as a reissuance for tax purposes and, if so, confirm the filing of any new Form 8038G.

6. Records retention

The following policies relate to retention of records relating to the Bonds issued. The Staff Designee will:

- a. Coordinate with staff regarding the records to be maintained by Metro to establish and ensure that an issue remains in compliance with applicable federal tax requirements for the life of such issue.
- b. Coordinate with staff to comply with provisions imposing specific recordkeeping requirements and cause compliance with such provisions, where applicable.
- c. Coordinate with staff to generally maintain the following:
 - i. Basic records relating to the transaction (e.g., any non-arbitrage certificate, net revenue estimates and the bond counsel opinion);
 - ii. Documentation evidencing expenditure of proceeds of the issue;
 - iii. Documentation regarding the types of facilities financed with the proceeds of an issue, including, but not limited to, whether such facilities are land, buildings or equipment, economic life calculations and information regarding depreciation.
 - iv. Documentation evidencing use of financed property by public and private entities (e.g., copies of management contracts and research agreements);
 - v. Documentation evidencing all sources of payment or security for the issue; and
 - vi. Documentation pertaining to any investment of proceeds of the issue (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income

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received by the investment of proceeds, guaranteed investment contracts, and rebate calculations).

- d. Coordinate the retention of all records in a manner that ensures their complete access to the IRS. While this is typically accomplished through the maintenance of hard copies, records may be kept in electronic format so long as applicable requirements, such as Revenue Procedure 97-22, are satisfied.
- e. Electronic media will be the preferred method for storage of all documents and other records maintained by Finance and Regulatory Services. In maintaining such electronic storage, the Staff Designee will comply with applicable Internal Revenue Service (the "IRS") requirements, such as those contained in Revenue Procedure 9722.
- f. Keep all material records for so long as the issue is outstanding (including any refunding), plus five years.

7. Continuing disclosure Undertaking

The following policies related to the issuance of each specific issue of Bonds that is required by SEC Rule 15c2-12 to include an Undertaking. The Staff Designee will:

- a. Review the Undertaking to determine if new or additional information is required to be filed, compared with Metro's existing Undertakings.
- b. Update the master spreadsheet of disclosure requirements to reflect additional changes.
- c. At least twice a year (at budget preparation and during audit), review the various Undertakings' requirements to ensure they have been met. The first review is internal only. The second review is always with the Financial Auditors.
- d. The Controller, responsible for the ACFR, will coordinate with the Financial Planning Director to ensure the filing requirements are met, particularly if any changes are proposed for supplemental materials included in the ACFR.
- e. During this time, the Controller will review the filing requirements under all Undertakings and begin collecting information that is not presented in the ACFR or budget.
- f. Once the ACFR is presented to and approved by the Metro Council, it is posted on EMMA, which in no case will be later than the filing deadlines under all Undertakings.
- g. The annual budget is adopted no later than June 30th each fiscal year.
- h. The budget document is posted on EMMA soon after it is filed with the TSCC and counties by August 31st of each year and no later than the filing deadlines under all Undertakings.
- i. Supplementary information not presented in the ACFR or budget is posted on EMMA with the posting of the ACFR or budget, but in no case later than the filing deadlines under the applicable Undertakings.
- j. If a Material Event (as defined by SEC Rule 15c2-12, as amended from time to time) happens, the Staff Designee will cause the appropriate notices to be filed within 10 business days of the event.

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8. Identification and materiality determination of “Financial Obligations”

The following policies relate to each issuance of Bonds on and after February 27, 2019 that is required by SEC Rule 15c2-12 to include an Undertaking. Metro is obligated to disclose, within 10 business days after the occurrence of the following events:

- i. Incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material.
 - ii. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.
- a. To ensure Metro’s compliance with any disclosure obligations arising as a result of the occurrence of these events, the Staff Designee will:
- i. Review the incurrence of any Metro “financial obligation” and any agreement of Metro to covenants, events of default, remedies, priority rights, or similar terms of a financial obligations, to determine whether it might be material and, therefore, subject to disclosure on EMMA.
 1. The term “financial obligation” is defined by Rule 15c2-12 and in Metro’s Undertakings to have the following meaning: “financial obligation” means a: debt obligation; derivative instrument entered into in connection with, or pledged as security or source of payment for, an existing or planned debt obligation; or a guaranty of such debt obligations or derivatives.
 2. Under Rule 15c2-12 and in Metro’s Undertakings, the term “financial obligation” does not include Bonds as to which a final official statement has been provided to the Municipal Securities Rulemaking Board (e.g., filed on EMMA) consistent with Rule 15c2-12.
 3. Examples of “financial obligations” include debt or debt-like obligations, such as loan agreements, bank direct purchases, lease-purchase agreements, letters of credit and lines of credit.
 4. “Derivative instruments” include swaps, futures contracts, forward contracts, options, or similar instruments related to an existing or planned debt obligation. For the purposes of this section, derivatives do not include fuel hedges, energy hedges or other similar instruments not related to debt obligations. Leases that are not vehicles to borrow money (real estate leases, office equipment leases, etc.) are *not* financial obligations.
 5. To determine the materiality of a financial obligation, the Staff Designee, in consultation with Metro Counsel and Bond Counsel, as needed, will assess the obligation considering Metro’s operations and debt structure. An event is “material” under federal securities laws if a reasonable investor would consider it important in making an investment decision.
 6. Materiality is affected by a variety of factors, including the size of a financial obligation compared to Metro’s overall balance sheet and debt outstanding, the security for repayment pledged to the financial obligation (versus that pledged to bondholders), the financial

obligation's seniority position versus Metro bonds, covenants, and remedies to the lender in the event of a default. Generally, if information about a financial obligation would be included in an Official Statement for Metro Bonds, it would be material for purposes of filing a material event notice on EMMA.

- b. Review any default, acceleration, termination, modification, or similar event reflecting financial difficulties on a financial obligation, regardless of when Metro entered into the financial obligation, to determine whether such event is material.
- c. Make an EMMA filing disclosing the existence of a material financial obligation, a material agreement to terms of a financial obligation, or a default, acceleration, termination, modification, or similar event reflecting financial difficulties on a financial obligation, each within 10 business days of its "incurrence." For the purposes of this section, "incurrence" means the date on which the financial obligation becomes enforceable against Metro or on which the default, acceleration, termination, modification, or similar event occurs. Any filing disclosing the existence of a material financial obligation will include a summary of the key terms of such financial obligation (which may be satisfied by filing pertinent financing documents, subject to any redactions of information requested by Metro's lender)

9. Periodic post-issuance compliance review.

The following policies relate to each issuance of Obligations/Bonds. The Staff Designee will:

- a. Review and document the amount of existing private use or private payment on a periodic basis, but not less than annually, and consult with bond counsel as to any possible private use of or private payment on financed facilities that could cause an issue to exceed the limitations on private use/private payment; and
- b. Identify, review and document in advance any new sale, lease or license, management contract, sponsored research arrangement, or other arrangement involving private use of financed facilities and for obtaining copies of any sale agreement, lease, license, management contract, research arrangement or other arrangement for review by bond counsel.
- c. Consult with bond counsel to remedy any change in use or excess private use/private payment through an appropriate "remedial action" (described in section 1.141-12 of the Treasury Regulations) or the Voluntary Closing Agreement Program (VCAP) described in IRS Notice 2008-31 (or successor guidance).
- d. Review, assess and document that other periodic requirements (continuing disclosure obligations, arbitrage rebate review, etc.) have been completed.
- e. In connection with preparation of the Annual Comprehensive Financial Report and filing of annual financial information required to be filed on EMMA pursuant to Metro's Undertakings, review debt and debt-like agreements that may qualify as "financial obligations" (as defined herein) in connection with required event filings under Metro's Undertakings entered into on and after February 27, 2019.
- f. The Staff Designee may use a standardized checklist to guide its review and documentation as required in this Section.

Revenues

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1. Metro shall estimate revenues through an objective, analytical process.
2. Metro shall strive to maintain a diversified and balanced revenue system to protect it from short-term fluctuations in any one revenue source.
3. One-time revenues shall be used to support one-time expenditures or increase fund balance.
4. Metro shall pursue appropriate grant opportunities; however, before accepting any grant, Metro will consider the current and future implications of either accepting or rejecting it. The Chief Financial Officer may establish criteria to be used in evaluating the potential implications of accepting grants.

CAPITAL ASSET MANAGEMENT POLICIES

Section 1: Purpose

1. The Capital Asset Management Policies establish the framework for Metro's overall capital asset planning and management. They provide guidance for current practices and a framework for evaluation of proposals for future projects. These policies also seek to improve Metro's financial stability by providing a consistent approach to fiscal strategy. Metro's adopted financial policies show the credit rating industry and prospective investors (bond buyers) the agency's commitment to sound financial management and fiscal integrity. Adherence to adopted policies ensures the integrity and clarity of the financial planning process and can lead to improvement in bond ratings and lower cost of capital.
2. The capital asset planning process applies to projects of \$100,000 or more and having a useful life of at least five years. These projects include capital maintenance tasks that increase the life of the asset on assets with values of \$100,000 or more. In addition, the planning process includes information technology items over \$100,000 that may have a useful life of less than five years.
3. Metro's Capital Asset Management Policy shall be governed by the following principles:
 - a. Metro shall operate and maintain its physical assets in a manner that protects the public investment and ensures achievement of their maximum useful life. Ensuring the maximum useful life for public assets is a primary agency responsibility. Establishing clear policies and procedures for monitoring, maintaining, repairing, and replacing essential components of facilities is central to good management practices.
 - b. Metro shall prepare, adopt, and update at least annually a five-year Capital Improvement Plan (CIP). The CIP will identify and set priorities for all major capital assets to be acquired or constructed by Metro.
 - c. Metro shall establish a Renewal and Replacement Reserve account for each operating fund responsible for major capital assets. Renewal and Replacement includes any activity that serves to extend the useful life or increase the efficiency of an existing asset, while retaining its original use. Ensuring that the public receives the maximum benefit for its investments in major facilities and equipment requires an ongoing financial commitment.
 - d. Capital and renewal and replacement projects shall support Metro's Diversity in

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Contracting procurement goals, including the Sheltered Market and FOTA program and the goals of Metro's Diversity Action Plan.

- e. To the extent possible, improvement projects and major equipment purchases will be funded on a pay-as-you-go basis from existing or foreseeable revenue sources. Fund Balances above established reserve requirements may be used for one-time expenditures such as capital equipment or financing of capital improvements. Debt financing should be utilized only for new projects or complete replacement of major capital assets.
- f. Capital and renewal and replacement projects should support implementation of Metro's Sustainability Plan.
- g. Projects shall be analyzed considering environmental, regulatory, economic, historical, and cultural perspectives, as well as the capacity of the infrastructure and the availability of resources for ongoing maintenance needs.
- h. All approved capital projects shall be consistent with relevant goals and strategic plans as adopted by departments, the Metropolitan Exposition-Recreation Commission ("MERC"), or the Metro Council.
- i. A financial feasibility analysis shall be performed before any capital project, regardless of cost, is submitted to the Metro Council, MERC Commission, Chief Operating Officer, or General Manager of Visitor Venues for approval. The financial feasibility analysis shall include an analysis of the financial impact on the operating fund balance, return on investment, the availability and feasibility of funding sources, and cost estimates for the capital project. The analysis shall also identify the financial impact of the following requirements:
 - i. Any public art funding requirements imposed by the Metro Code, the facility's owner, or any other applicable law;
 - ii. All required licenses, permits, certificates, design approval documents, and similar documents required by any authority; and
 - iii. Any contractual or legal requirements that apply to the proposed capital project.
- a. In the capital project planning and review process, the Metro Council, MERC Commission, Chief Operating Officer, and General Manager shall be guided by the following financing principles:
 - i. Funds shall be expended only on capital projects that meet identified strategic priorities.
 - ii. Funds shall be expended only on capital projects for which an analysis of funding options has been conducted. This analysis shall include evaluation of all funding options (donations, revenue generation by the project, intrafund transfers, proposed borrowing), and an analysis of the capital project's strategic priority, useful life, revenue sources, and repayment options.
 - iii. Funds shall be expended only on new projects that include identified and protected funding sources for a renewal and replacement reserve to ensure that the value of the capital asset can be maintained.

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- iv. Funds shall be expended only on projects for which a funding source for operational requirements has been identified.
- v. Metro's Adopted Budget should include undesignated contingency funds to permit MERC and other departments with capital project responsibilities to respond to unexpected events or opportunities.

Section 2: Definitions

1. Capital asset – An item permanent in nature with future service capacity and used in operations, having an initial useful life of over one year, tangible or intangible, and held for purposes other than investment or resale with a cost (or fair market value if donated) equal to or greater than the capitalization threshold established for the asset category included later in this policy.
2. Capital maintenance – Expenditures for repair and maintenance services not provided directly by Metro personnel. These costs are relatively minor alterations, ordinary and routine repair, or effort necessary to preserve or repair an asset due to normal wear and tear so that it achieves its initial planned useful life. While not capitalized, significant capital maintenance projects (those with costs equal to or greater than \$100,000) must be included in the CIP and obtain Council authorization.
3. Total cost accounting – An analysis that includes the total initial acquisition cost of an asset as well as all operating costs for the expected useful life of the asset.
4. Renewal and replacement – Construction, reconstruction, or major renovation on capital assets. Renewal and replacement does not include relatively minor alteration, ordinary repair or maintenance necessary to preserve or repair an asset.
5. Return on investment (ROI) – A calculation of the financial gains or benefits that can be expected from a project. ROI is represented as a ratio of the expected financial gains (benefits) of a project divided by its total costs.

Section 3: New Capital Projects

1. All new capital projects over \$100,000 must be approved as part of the annual budget process. New project requests must comply with any other applicable Metro program or process requirements, including all Construction Project Management Office requirements and Metro's Green Building Policy.
2. New projects over \$100,000 identified during the fiscal year require approval as follows:
 - a. If the project does not require additional budgetary authority, the project may be approved by the Chief Operating Officer, or their designee.
 - b. If the project requires additional budgetary authority, the project must be approved by the Metro Council.
 - c. For Capital projects with a total anticipated cost of less than \$100,000 at the MERC venues, the General Manager of Visitor Venues may approve the project if sufficient budgetary authority is available.
 - d. Any capital project at the MERC venues with a total anticipated cost of \$100,000 or more also requires approval by the MERC Commission.

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3. Emergency capital projects may be approved as follows:
 - a. The Chief Operating Office or their designee may approve capital projects with a total anticipated cost of \$50,000 or more.
 - b. The MERC Commission delegates to the General Manager or their designee the authority to approve capital projects with a total anticipated cost of \$100,000 or more.
 - c. In the event an emergency capital project is approved, that approval shall be reported as follows:
 - i. The Chief Operating Officer shall report the approval to the Metro Council.
 - ii. The General Manager shall report the approval to the MERC Commission at the next regular Commission Meeting.

Section 4: Renewal and Replacement

1. The intent of Renewal and Replacement reserves is to ensure that sufficient resources are available for capital maintenance or replacement so that Metro's capital assets meet or exceed their estimated useful life. The Renewal and Replacement Reserve for each operating fund with major capital assets should initially be established based on the value of the asset and consideration of known best asset management practices.
2. General Guidelines – Renewal and replacement reserves and projects should be managed according to the following guidelines:
 - a. Renewal and replacement reserves are not intended to fund major capital assets such as building replacements or significant structural upgrades.
 - b. Renewal and replacement reserves are not intended to fund routine maintenance activities. Routine maintenance should be included in facility operating budgets. If routine maintenance costs for an asset are increasing, renewal and replacement projects may be moved forward in the schedule if the project can be shown to reduce operating and/or maintenance costs.
 - c. Facility managers should perform annual facility assessments to review renewal and replacement schedules.
 - d. All renewal and replacement projects should incorporate sustainability features that support Metro's sustainability goals, support adopted policies such as the Green Building Policy and Sustainable Procurement Policy and be evaluated on a total cost accounting basis relative to less sustainable options.
 - e. New capital projects should be added to renewal and replacement lists upon completion. Asset replacement costs shall initially be based on original asset costs. In future revisions, replacement costs shall be based on acquiring a new asset of equal utility. Increased sustainability features such as efficiency improvements or design changes (e.g. green roof vs. traditional roof design) are not increases in asset utility. Increased estimated replacement costs based on new or improved sustainability features shall be considered in the budget process.
 - f. On an annual basis, the Chief Financial Officer shall determine the minimum asset

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value for projects to be included in renewal and replacement reserves.

- g. For General Fund assets, the renewal and replacement reserves should be managed to ensure sufficient funding is available to complete all projects for the next 10 years. Enterprise fund renewal and replacement accounts should be managed to ensure that annual contributions are sufficient to fund renewal and replacement projects on an ongoing basis.
3. Budget Process – During the annual budget process, Department Directors shall submit a list of proposed renewal and replacement projects as part of the annual budget process. The renewal and replacement project lists shall include:
 - a. Cost estimates for all renewal and replacement projects (including projects carried forward from the prior year) that can be reasonably expected to be completed in the following fiscal year.
 - b. Cost estimates for design and/or engineering work necessary to develop the scope and cost of construction project estimates for future renewal and replacement projects.
 - c. Any projects with cost estimates above previous replacement cost estimates based on the inclusion of sustainability features in the project design that increase the initial cost of the project.
4. Renewal and replacement projects shall be included in aggregate in the Capital Improvement Plan for the Proposed Budget for Council Review.

Section 5: Capital Improvement Plan (CIP)

1. Metro will prepare, adopt, and update at least annually a five-year Capital Improvement Plan (CIP). The plan will identify and set priorities for all major capital assets to be acquired or constructed by Metro. The first year of the adopted CIP shall be included in the Proposed Budget. The CIP includes all Capital and Renewal and Replacement projects with a budget of \$100,000 or more.
2. Updates to the CIP may be made at any point during the fiscal year. Updates are required under the following circumstances:
 - a. New projects (over \$100,000) that are identified during the fiscal year and need to be initiated prior to the next fiscal year;
 - b. Actual or anticipated expenses for projects included in the current year adopted budget increase more than 20% above the original project budget, if the original budget amount is less than or equal to \$1,000,000, or 10% if the original budget amount is greater than \$1,000,000;
 - c. Actual or anticipated expenses for projects included in the current year adopted budget require an increase in budget appropriation, regardless of the amount of increase above the original project budget.

Section 6: Sustainability

1. All project proposals for new capital projects and renewal and replacement projects shall

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describe how the project supports Metro's Sustainability Plan in its efforts to reduce the environmental impact of Metro operations. When assessing capital or renewal and replacement projects for funding or prioritization, the following sustainability criteria should be applied:

- a. Use total cost of ownership to create project budget projections that consider the costs of operating the asset for its entire useful life, not just the initial costs.
 - b. Utilize the prioritization criteria in Metro's Sustainability Plan.
 - c. Strong impacts on Metro's sustainability goals (greenhouse gas emissions, toxics, waste, water quality and habitat):
 - i. Provide a strong foundation for future sustainable operations work
 - ii. Leverage other investments (internal or external)
 - iii. Present a strong return on investment (ROI)
 - iv. Reduce operations and maintenance costs over time
 - v. Provide strong public visibility and/or public education opportunity
 - vi. Support the region's economy
 - d. Support the requirements and preferred qualifications of Metro's Green Building and Sustainable Procurement administrative procedures.
 - e. Prioritize projects that, through their implementation, support Metro's MWESB procurement goals, including the Sheltered Market and FOTA programs and related goals of Metro's Diversity Action Plan.
 - f. Consider economic benefits or return on investment (i.e. simple payback) on projects that have a financial benefit to Metro over the life of the investment.
2. Capital and renewal and replacement projects should be incorporated into the site-specific work plans developed for each facility that indicate how the Sustainability Plan will be implemented.

Section 7: Reporting

1. Capital project budget and actual reporting and status reports shall be provided as follows:
 - a. Departments shall report to the Chief Operating Officer or designee quarterly;
 - b. The General Manager shall report to the MERC Commission quarterly;
 - c. Metro Council shall receive a report twice annually.



Solid Waste Fee Policy

Proposed revisions

Overview

Metro establishes Solid Waste fees based on principles that are generally accepted and widely followed throughout the utility industry. Three key analyses are done: 1) revenue requirement -which identifies the total revenue to fully fund the department on a standalone basis; 2) cost of service – which establishes how to distribute the costs to the end user of the service (or customer class); and 3) fee design – which develops a fee structure that generates sufficient revenue to meet the system’s revenue requirement and Solid Waste Fee pricing objectives.

Metro’s legal authority as determined by the Metro Code and Oregon Revised Statute, as well as policies adopted by the Metro Council guide solid waste fee setting. Per Metro Code 5.03.060, the solid waste fee setting process is guided by a core set of criteria used to ensure effective management of the regional solid waste system. The fee setting criteria were updated in 2018 and 2021.

The following table outlines the proposed revisions to the criteria recommended by the Waste Fee Policy Task Force.

Solid Waste Fee Setting Criteria and recommended revisions

Fiscal Responsibility Criteria	Revisions recommended by the Waste Fee Policy Task Force
<p>Credit Rating Impacts: The fee structure should not negatively impact Metro’s credit rating.</p>	<p>This is a good financial practice that Metro should continue to follow. Add to Metro’s Financial Policy and remove from the fee setting criteria.</p>
<p>Authority to Implement: Metro should ensure that it has the legal ability to implement the fee structure; or, if such authority is not already held, evaluate the relative difficulty of obtaining the authority. And, fees should be readily enforceable.</p>	<p>This is a good financial practice that Metro should continue to follow. Add to Metro’s Financial Policy and remove from the fee setting criteria.</p>

<p>Revenue Adequacy: Fees should be sufficient to generate revenues that fund the costs of the solid waste system, including reserves.</p>	<p>This is a good financial practice that Metro should continue to follow. The definition should be updated to include full cost of service.</p> <p>Revenue adequacy - Solid waste fees should be sufficient to generate revenues that fund the full cost of the solid waste system and provide fund balance reserves that are necessary for fee stabilization, policy compliance, and unexpected disruptions.</p> <p>Add to Metro’s Financial Policy and remove from the fee setting criteria.</p>
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<p>Accountability Criteria</p>	<p>Revisions recommended by the Waste Fee Policy Task Force</p>
<p>Reliability: Anticipated revenues used in the fee setting process should be considered stable and unlikely to deviate from financial plan expectations.</p>	<p>This is a good financial practice that Metro should continue to follow. Add to Metro’s Financial Policy and remove from the fee setting criteria.</p>
<p>Predictability: Metro fee adjustments should be predictable and orderly to allow local governments, haulers, and rate payers to perform effective planning.</p>	<p>No change, continue to use in fee setting process.</p>
<p>Transparency: Metro fee setting should be transparent, reflect policy guidance and provide visibility into the decision-making process.</p>	<p>Implement collaboration and engagement recommendations to support increased transparency and provide visibility into the decision-making process. These are ongoing practices and processes that Metro should implement as part of the budget and fee development process. Remove from fee setting policy criteria.</p>

Public Benefit Criteria	Revisions recommended by the Waste Fee Policy Task Force
Administration: Fee setting should evaluate the relative cost and benefits of administering the fees with financial and policy goals.	No change, continue to use in fee setting process.
Affordability: Fee setting should consider the economic effects and distribution of benefits on the various types of users in the Solid Waste System, including the cost of living on residential waste generators and the cost of doing business on non-residential generators, as well as the economic effect on others in the region.	Prioritize in fee setting process.
Consistency: Solid waste fee setting should be consistent with Metro’s agency-wide planning policies and objectives, including but not limited to the Regional Waste Plan.	No change, continue to use in fee setting process.
Service Provision: Charges to users of the waste disposal system should be directly related to disposal services received. Fee impacts to residents of the Metro service district who may not be direct users of the disposal system should be related to other benefits received.	No change, continue to use in fee setting process.
Waste Reduction: The rate structure should encourage waste reduction, reuse, and recycling.	Update definition and prioritize in the fee setting process: Healthy Environment: The fee structure should encourage keeping valuable materials out of the landfill, reducing climate and environmental impacts through highest material use, and safe disposal of hazardous waste.

The Task Force also recommended that three new criteria are added and prioritized in the fee setting process:

Accessible and Equitable System (NEW): Fee setting should encourage public, private and nonprofit investment in services that provide regional benefit, emphasizing geographic equity, access to service and a reduction in local environmental and human health impacts.

Public-Private System (NEW): Fees should give fair weight to the operational and capital needs of all providers: publicly owned, privately owned, and nonprofit.

Resilient Economy for All (NEW): Fee setting should consider the economic effects of short- and long-term fee changes.

Revised Solid Waste Fee Setting Criteria

With the revisions noted above, the solid waste fee criteria would be revised as outlined below.

Prioritized criteria in fee development:

Accessible and Equitable System (NEW): Fee setting should encourage public, private and nonprofit investment in services that provide regional benefit, emphasizing geographic equity, access to service and a reduction in local environmental and human health impacts.

Healthy Environment (formerly Waste Reduction): The fee structure should encourage keeping valuable materials out of the landfill, reducing climate and environmental impacts through highest material use, and safe disposal of hazardous waste.

Affordability: Fee setting should consider the economic effects and distribution of benefits to the various types of users in the Solid Waste System, including the cost of living on residential waste generators and the cost of doing business on non-residential generators, as well as the economic effect on others in the region.

Public-Private System (NEW): Fees should give fair weight to the operational and capital needs of all providers: publicly owned, privately owned, and nonprofit.

The following priorities were discussed and developed as important considerations, but not priorities as those above:

Predictability: Metro fee adjustments should be predictable and orderly to

allow local governments, haulers, and rate payers to perform effective planning.

Resilient Economy for All (NEW): Fee setting should consider the economic effects of short- and long-term fee changes.

Service Provision: Charges to users of the waste disposal system should be directly related to disposal services received. Fee impacts to residents of the Metro service district who may not be direct users of the disposal system should be related to other benefits received.

Consistency: Solid waste fee setting should be consistent with Metro's agency-wide planning policies and objectives, including but not limited to the Regional Waste Plan.