

Senate Bill 893 Legislative Report



Report to the Oregon Legislature on Oregon Housing and Community Services' actions and plans relating to recommendations by the HB 2100 Task Force on Racial Disparities in Homelessness

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Executive Summary

Oregon's severe shortage of affordable housing has resulted in a significant increase in unsheltered homelessness across the state. Families experiencing severe rent burden are one crisis away from becoming homeless. Being houseless is far too common; our neighbors in every corner of the state are experiencing trauma caused by the lack of safe, affordable housing due to rising rents, wages that are not keeping up with the cost of living, and traumatic life experiences. Unfortunately, homelessness continues to have a greater impact on communities of color, people with disabilities, and those who live in rural communities.

The rising disparities in who experiences housing instability and homelessness have caused leaders across Oregon to reevaluate our approaches to serving those in need and invest in strategies designed by the communities who are most impacted, rather than one-size-fits-all approaches that have failed to turn the tide on the persistent disparities in our system, especially amongst communities of color.

In recognition of the rising problem of homelessness with its associated disparities in 2021, the Oregon Legislature sought to address the statutory requirement that ongoing homeless services funding be distributed exclusively through the Community Action Agency (CAA) network and open up the ability for OHCS to allocate funding to new partners. Such a proposed shift represented significant, fundamental changes to systems that have existed for decades. Due to the nature of the conversations around the bill and through thoughtful negotiations, House Bill 2100 passed in June of 2022 requiring the establishment of the Task Force on Homelessness and Racial Disparities (HB 2100 Task Force), charged with:

- Investigating potential changes to the state's funding structure to address disparities in homelessness,
- Considering additional methods to receive advice and information about needed services, and
- Identifying methods to modify contracting processes and eligibility for providers of services to individuals experiencing homelessness and housing insecurity.

Composed of culturally specific organizations, Community Action Agencies, local governments, individuals with lived experience of homelessness, representation from Oregon Housing and Community Services, the Oregon Housing Stability Council, and Governor's Racial Justice Council, and a bipartisan and bicameral group of legislators, the HB 2100 Task Force began meeting in of December of 2021. OHCS contracted support from [ICF International, Inc.](#), a global consulting agency with expertise in homeless services systems change work to support facilitating the HB 2100 Task Force. The group's first charge was to produce a report by February 2022 with recommendations to the Legislature on methods to shift Oregon's homeless services funding structure and receive additional guidance from other partners to reduce racial disparities.

After a marathon process, amid the height of the COVID-19 pandemic and OHCS and service providers receiving hundreds of millions of dollars in emergency funding to be quickly distributed, the HB 2100 Task Force released its [first set of recommendations](#). The report identified critical reflections on the work ahead and that additional time and attention would be needed to build on those recommendations. Thus, in the 2022 Short Session, the HB 2100 Task Force was extended through January 2026. Through the reauthorization, the Oregon Legislative Assembly charged the HB 2100 Task Force to identify implementation pathways for:

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- Changes to the state's funding structure,
- Modifications for contracting processes, and
- Solutions regarding the eligibility and funding of services.

In March 2023, the HB 2100 Task Force delivered its [March 2023 Report on Implementation Pathways](#). The findings concluded that OHCS' current funding model is built around a structure that is not specifically designed for a statewide response to homelessness, and it plays a role in sustaining a housing landscape that disproportionately harms people of color. The HB 2100 Task Force determined that updating the existing funding model is a top priority and recommended transforming OHCS' funding structures, contracting processes, and provider eligibility requirements. A cornerstone of this transformational work is to operationalize equity, enabling OHCS to direct resources to positively impact high and racially disparate rates of homelessness. [Senate Bill 893 \(2023\)](#) (SB893) mandates that OHCS make efforts toward these modifications in time to implement new and responsive funding methods for the 2025-2027 biennium.

In the time since the passage of HB 2100 and informed by the two reports the HB 2100 Task Force produced, OHCS has been taking intentional measures to analyze existing systems, identify and act on opportunities to increase responsiveness, engage a broader array of providers to meet the critical needs of Oregonians and increase funding and accountability. OHCS has also taken steps to understand where operational and administrative gaps exist that need to be addressed to lay a foundation for mature and impactful homelessness and housing stabilization funding and partnering.

OHCS understands that the primary driver identified in the HB 2100 Task Force recommendations is a transformation of how the agency's homelessness funding moves to communities across the state. This large-scale change will impact existing partnerships and services in every region. For that reason, the agency is bringing its policy and subject matter experts together to conduct a rigorous current state analysis and engage in intentional planning. Working closely with the Governor's office, OHCS will identify pathways to a more aligned, effective, and impactful homeless service system capable of racially equitable and outcomes-directed funding. The agency has taken significant steps toward the following:

- Increasing the efficacy of local coordination and collaboration,
- Delivering statewide outcomes on key priorities to keep people sheltered, and
- Providing effective pathways and resources to support people moving from homelessness to housing

Future planning and implementation will build on local and regional coordination efforts launched by Governor Kotek's [Executive Order 23-02](#) (EO) and related funding and implementation. Solutions to homelessness and the racial disparities among those who experience it will align with the renewed Interagency Council on Homelessness' ([EOs 23-03](#) and [24-03](#)) efforts toward system mapping and alignment and transparent and consistent state and regional reporting on racially disparate outcomes. The agency and our partners will leverage clearly identified key performance indicators (KPIs) and outcomes to determine where funding and system gaps exist and to develop strategies to reduce racial disparities, including intentional funding through service providers best positioned to reduce those disparities.

Part I: Implementation Pathways

The HB 2100 Task Force on Homelessness and Racial Disparities was charged, in summary, with:

- Identifying and investigating methods by which the state may decrease rates of racial disparity among people experiencing homelessness and receiving services,
- Identifying and investigating potential changes in the state's funding structure to address racial disparities among people experiencing homelessness and housing insecurity, including considering how housing transition of services delivery could be implemented to avoid service disruptions among people experiencing homelessness or housing insecurity,
- Considering existing methods and recommending additional methods by which the Housing and Community Services Department and Oregon Housing Stability Council may receive advice and information about needed services for individuals experiencing homelessness and housing insecurity,
- Identifying and investigating methods by which the Housing and Community Services Department and Oregon Housing Stability Council may modify the contracting process and eligibility for providers of services for individuals experiencing homelessness and housing insecurity, and
- Recommending solutions regarding the funding of services for individuals experiencing homelessness or housing insecurity, including legislation or rulemaking and modifications to:
 - The delivery and eligibility requirements for federal and state funds,
 - The receipt and distribution of information about homelessness and homelessness services by the state, and
 - Methods for addressing racial disparities.

The HB 2100 Task Force created principles for addressing racial disparity in homelessness across Oregon based on its analysis of the current context, trends, opportunities, and unmet needs. Its initial [findings and recommendations](#) were published in 2022. They include clear documentation of the existing racial disparities across Oregon in homelessness and housing instability and connect those disparities to larger economic and social conditions and disparities, including the education system, the carceral system, and access to wealth building.

With its reauthorization in [House Bill 4051 \(2022\)](#), the Oregon Legislative Assembly charged the HB 2100 Task Force to identify implementation pathways, published in the [March 2023 Report on Implementation Pathways](#), covering three core areas discussed below. OHCS is currently engaging in an analysis of the impact of implementing the recommendations for existing programs.

Task Force Recommendations and OHCS Progress

Below is an accounting of the HB 2100 Task Force's recommendations with accompanying summaries of OHCS' action in alignment with each.

Area 1: Solutions Regarding Eligibility and Funding of Services

The HB 2100 Task Force recommended specific and significant ongoing funding across a range of focus areas that they prioritized for addressing the homelessness and housing crisis and embedded disparities.

Recommendations were oriented to ongoing current service level (CSL) increases. Investments by the Legislature in the past two biennia, largely through one-time, general fund allocations, included many identified priorities. Below is a high-level summary of Task Force funding priorities and state-funding-related actions. This summary does not include Housing Stabilization CSL programs (Emergency Housing Assistance Program, State Homeless Assistance Program) or federal homelessness pass-throughs.

Task Force Report Priority Area: Rapid Rehousing and Permanent Supportive Housing, with targeted investment in Balance of State.

OHCS Activity Summary: Thanks to the Legislature, OHCS has received investments in Rapid Rehousing and Permanent Supportive Housing (PSH). Through Oregon's Emergency Homelessness Response, the agency has also shifted how it invests in the Balance of State. Below is a summary of areas that support this priority area:

- Rehousing, including specific funding directed to Balance of State and culturally responsive organizations, block leasing to ensure availability for rehousing,
- Longer Term Rental Assistance (LTRA) for up to 24 months for households rehoused under Oregon's Emergency Homelessness Response,
- Permanent Supportive Housing through Article XI Q Bonds and supplemental General Fund resources, and
- Homelessness prevention through Oregon Eviction Diversion and Prevention Program (ORE-DAP), and Eviction Prevention and Rapid Response (EPRR) programs, in addition to resources set aside for culturally responsive organizations.
- **OHCS Note on shelter funding:** The Task Force did not make specific funding callouts for shelters; however, the state made critical investments in shelters through House Bill 5019 and Senate Bill 5511 in the 2023 Session to support Oregon's Emergency Homelessness Response and in two allocations focused on preventing shelter closures through Senate Bill 5019 in 2023 and Senate Bill 1530 during the 2024 Short Session.

Task Force Report Priority Area: Expansion of Oregon's Housing Development Grant Program

OHCS Activity Summary: The Housing Development Grant Program has been extended through 2036, though not provided additional funding.

Task Force Report Priority Area: Creation of an Oregon Special Needs Assistance Program – a set aside of locally flexible funding for historically underfunded institutions that represent historically underserved populations.

OHCS Activity Summary: OHCS currently has included set asides for culturally specific organizations, including funding for the nine sovereign tribes through the By and For Initiative for the Native American Tribes of Oregon (BAFI-NATO). Additionally, \$55 million of SB 5511 funding was allocated for homelessness prevention through Oregon's Emergency Homelessness Response. 30% of that appropriation was set aside for culturally responsive organizations delivering prevention services. The Oregon Worker Relief Coalition, the Urban League of Portland, and Immigrant and Refugee Community Organization (IRCO) are providing eviction prevention rent assistance, wraparound supports, basic needs assistance, and other stability supports. SB 1530 passed in the 2024 Short Session also included specific set-aside to continue culturally specific homeless prevention services.

Task Force Report Priority Area: Preservation of existing services and funding for antipoverty programs that intersect with homelessness.

OHCS Activity Summary: OHCS continues to fund several programs intended to support low-income households, including:

- Community Services Block Grant, OHCS' core federal antipoverty program, continues through the CAA network,
- The Individual Development Account program to support economic stabilization and wealth building, funded ongoing through Oregon tax credit funding and additionally in 2024 through a one-time general fund investment,
- Several energy assistance programs, including the Oregon Multifamily Energy Program (OR-MEP), Energy Conservation Helping Oregonians (ECHO,) Low Income Home Energy Assistance Program (LIHEAP Weatherization), US Department of Energy (DOE) Weatherization Assistance Program, US DOE Bipartisan Infrastructure Law Weatherization Assistance Program, the Bonneville Power Administration low-income program and the State Home Oil Weatherization (SHOW) weatherization assistance program, utility assistance via Low Income Home Energy Assistance Program (LIHEAP) and Oregon Energy Assistance Program (OEAP), and
- An additional investment included the federal Low-Income Water Assistance Program (LIHWAP), which provided wastewater services, prevented and restored disconnections, and reduced arrearages. The program started in January 2022 and will end in March 2024. It was funded by the Consolidated Appropriations Act (CAA) and the American Rescue Plan Act (ARPA).

Task Force Report Priority Area: Establish a state-funded housing choice grant program for rent-burdened working families, individuals with disabilities, and aging seniors.

OHCS Activity Summary:

- Investments were made to establish a Long-Term Rental Assistance (LTRA) program in the 2023-2025 biennium that intends to serve formerly homeless households housed under Oregon's Emergency Homelessness Response, and
- Additionally, OHCS successfully pursued changes during the 2024 Session via [SB 1501](#) to the Long-Term Rent Assistance Fund established in ORS 458.392 to modify permissible purposes for funds to include the provision of "rental assistance and other supportive services to people who are experiencing, or are at risk of experiencing, homelessness."

Task Force Report Priority Area: Funding for Direct Service Provider Hiring and Retention Fund, a stopgap fund to bridge over the benefits cliff, reduce turnover, and ensure living wages for frontline service providers.

OHCS Activity Summary: No current funding stream has been identified that would allow for the establishment of this fund.

Task Force Report Priority Area: Expansion of the landlord risk mitigation fund

OHCS Activity Summary: OHCS invested in expanding risk mitigation for landlords, including for those in the Balance of State, and brought forward changes during the 2024 Session via Senate [Bill 1529](#) to the

Housing Choice Landlord Guarantee Program, which is open to landlords renting to Section 8 voucher holders and landlords participating in Oregon's Emergency Homelessness Response, to change the maximum reimbursement rate from \$5,000 to a figure established via rulemaking in an effort to be more responsive to the changing needs of housing providers and support housing stability for tenants.

Task Force Report Priority Area: Capacity-building grants to establish local planning groups within the Oregon Balance of State

OHCS Activity Summary: Through EO 23-02, the agency engaged with providers and organizations within the [Rural Oregon Continuum of Care \(ROCC\)](#). Based on their input, OHCS opted to require the establishment of Local Planning Groups throughout all geographic regions. Local communities divided themselves into 16 Local Planning Groups with designated leads to build consensus and approach planning equitably and efficiently. The Local Planning Groups also include [House Bill 4123](#) (2022) Pilot Communities. OHCS also contracted with the Community Action Partnership of Oregon (CAPO), the fiscal agent for the ROCC, to expand its ability to provide robust data tracking and outcome reporting for the new providers and programs that this investment will create. This approach ensured that each community across the Balance of State received funding and allowed OHCS to select the most viable and robust projects for shelter funding to ensure that they could meet their goal of increasing the number of shelter beds in the Balance of State. OHCS also contracted with the Community Action Partnership of Oregon (CAPO), the fiscal agent for the ROCC, to expand its ability to provide robust data tracking and outcome reporting for the new providers and programs that this investment will create. This approach ensured that each community across the Balance of State received funding and allowed OHCS to select the most viable and robust projects for shelter funding to ensure that they could meet their goal of increasing the number of shelter beds in the Balance of State.

In total, HB 5019 invested \$26.135 million in funding during the 2023-2025 biennium across the Balance of State. This funding must be used to create 100 new shelter beds and rehouse 450 households by June 30, 2025. OHCS is working closely with Local Planning Groups as they implement their emergency shelter and rehousing programs. Additional technical assistance and support is provided as regional needs are identified.

Task Force Report Priority Area: Funding to establish insurance mitigation fund for smaller organizations that are typically disadvantaged by state insurance requirements to receive funding.

OHCS Activity Summary: In addition to the HB 2100 Task Force recommendation, OHCS has received clear input from CAAs, supportive housing providers, and culturally specific and community based social service providers about the increasing difficulty of getting adequate insurance for different elements of homelessness and rehousing needs. They have also expressed concern about the financial burden and barrier that state insurance requirements pose, particularly for smaller nonprofits. OHCS is researching external precedents and is considering a funding and implementation proposal for an insurance mitigation fund aligned with this 2100 Task Force recommendation. (See Part II for additional discussion of this issue.)

Area 1: Additional recommendation on funding to culturally specific and responsive organizations and geographic equity

Task Force Report Recommendation: Oregon Housing and Community Services may include culturally specific organizations or culturally responsive organizations as defined in ORS 456.005, like historically funded institutions outlined in statute for disbursement of state and federal homelessness funds through grants and loans. Recommends the Legislative Assembly grant Oregon Housing and Community Services Department (OHCS) authority to allocate homelessness funding in any method that ensures statewide geographic coverage without regard to existing or prior distribution formulas, including through a competitive grant or contract process.

Progress Summary: OHCS has worked with the Housing Stability Council and the Legislature over the last few biennia to review and update core housing statutes to identify all qualified provider types and remove barriers to increasing accessibility to state funding for homelessness and housing stability. There are no persisting statutory barriers to an inclusive and open competitive funding process for state homelessness funds through grants. There are elements in rule that are still being assessed and will be updated with appropriate input during the current biennium.

OHCS is researching a regional reporting and funding process to ensure equitable geographic service and funding coverage and to track regionally specific equity goals and outcomes to improve racially disparate outcomes. This work aligns with the Interagency Council on Homelessness (ICH) efforts on statewide system mapping and reporting.

Area 2: Changes to the State's Funding Structure

Task Force Report Recommendation: The Task Force recommends OHCS work with its partner state agencies in the Interagency Council on Homelessness to establish universal goals to address homelessness across the state and employ the tools of targeted universalism to then design and implement coordinated programs and policies that are tailored to meet the needs of all Oregonians.

Progress Summary: As renewed by Governor Kotek under [Executive Order 24-03, Oregon's Interagency Council on Homelessness \(ICH\)](#) is actively scoping the mapping of programs and services system wide, and the development of state-level outcomes. These will allow region-level disaggregated performance and outcomes reporting and the development of community-specific strategies for addressing identified inequities. This is being supported by a concerted effort to develop a coordinated data management system and secure data-sharing agreements critical to consistent and complete tracking and reporting. OHCS is a lead partner agency in the ICH and is playing a lead role in scoping work to understand, align, and strengthen the coordination and connection of government agencies providing homelessness funding to service providers, among other key deliverables.

Additional high-level ICH deliverables related to the HB 2100 Task Force recommendations include:

- Establish statewide equitable outcomes and goals to reduce homelessness and drive decision-making on program development and prioritization of funding across the state,
- Improve transparency about what the homelessness system looks like statewide and inform future efforts to expand the system in a way that increases geographic equity in service availability, reduces racial disparities, and advances more equitable outcomes for Black, Indigenous, Native Hawaiian or Other Pacific Islander persons, and people of color, people with

disabilities, youth, LGBTQIA+ people, older adults, and other historically and currently underserved people, and

- Barrier reduction for service providers is critical to expanding access to state resources for under-served communities.

Task Force Report Recommendation: The Task Force recommends the Oregon Housing and Community Services Department adopt a competitive funding structure for administering state and federal resources to address homelessness that prioritizes both maintaining existing service levels and expanding funding availability and eligibility beyond historically funded organizations, geographies, and institutions.

Progress Summary: OHCS acknowledges that operational effectiveness in stewarding resources to prevent and end homelessness inherently requires deep and thoughtful rigor to inform any changes. This analysis will occur and will include impact analysis and will engage stakeholders as this work progresses.

Initial actions in alignment with our greater vision for the future state are already underway. OHCS utilized the House Bill 5019 budget report, provider feedback, and lessons learned from previous funding structures to divide the funding process into two main parts. This approach ensured that each Local Planning Group across the Balance of State received funding and allowed OHCS to select the most viable and robust projects for shelter funding, ensuring they could meet the goal of increasing the number of shelter beds in the Balance of State. This dual funding approach included:

- Formula funding tied to rehousing goals for each Local Planning Group (LPG) or MAC Group (in the case of the three opt-in regions), and
- Competitive funding to support shelter bed creation.

OHCS received 29 shelter proposals, with a total funding request of \$37.2 million, exceeding the total Balance of State allocation of \$26.1 million. The decision was made to increase the proportion of House Bill 5019 funding allocated towards shelter projects. OHCS provided Local Planning Groups that were not awarded shelter funds the opportunity to utilize formula funds for shelter projects on the condition that they meet their rehousing goals.

Regarding CSL funding through CAAs, grantees have been required to engage with culturally specific organizations (CSOs) in the 23-25 biennium, which has not historically been required. Separately, grantees have been required to subcontract with CSOs through one-time general fund direct allocations. Furthermore, grantees have also been required to be culturally responsive organizations or be engaged in the process of becoming culturally responsive organizations. The state has been actively engaging and learning from new and existing grantees about the challenges of formulaic state structures to help inform developing strategies for addressing potential inequities in funding.

OHCS will continue integrating lessons learned and stakeholder feedback as a long-term system is designed.

Area 3: Modifications for Contracting Processes

Task Force Report Recommendation: The Task Force recommends the Legislature expressly direct and grant OHCS the authority to create opportunities for people with lived experience of homelessness

and/or housing insecurity to inform state policymaking and to provide direct compensation to people with lived experience of homelessness or housing insecurity for their expertise.

- **Progress Summary:** OHCS, specifically within the work of the Emergency Housing Assistance (EHA) program has limited authority to compensate individuals who have lived experience of homelessness and housing insecurity.
- As an interim alternative, OHCS has explored grant requirements specifying the inclusion of people with lived experience at the local program level and contracted with external organizations to engage community members in this way.
- **Mental Health & Addictions Association of Oregon (MHAAO)** partnered with OHCS to identify implementable strategies for integrating lived expertise into policy and program development. The report raises critical themes, including the experience of shelters as unsafe environments for some, the many seemingly small but impactful barriers hidden within eligibility and participation requirements, and the need for culturally and community-specific options and resources. The report emphasizes the significance of including this ground-level expertise at all levels of program design. MHAAO will be doing additional engagement research going forward.
- **Portland State University** has been doing ongoing research for OHCS on the outcomes and impacts of evictions across Oregon. In 2022 and 2023, PSU researchers conducted 18 focus groups with Oregon tenants who had faced eviction. Preliminary findings indicated that people’s positionality — race, ethnicity, history of involvement with the justice system, families with children, immigration status, etc. — impacted how they experienced this stressful and disruptive event. Tenants who were more familiar with their rights and the formal resources available were more likely to fight an eviction. This led researchers to recommend that the state greatly expand information about and access to existing forms of legal and financial support and create a new program to meet unmet needs. Tenants mainly rely on informal support networks (such as family, friends, and partners) to temporarily house them, store their possessions, give them loans, watch their children, and provide emotional support. This illustrates how evictions negatively impact those being evicted and vulnerable communities. A final report is expected in early 2024.

Task Force Report Recommendation: The Task Force recommends the Legislature authorize OHCS to identify, procure, and implement a comprehensive grants and financial management system no later than December 2025.

Progress Summary: The Grants Management Solution (GMS) project is in the initiation phase — specifically focused on scoping, alignment, and resourcing. The team is working on the agency’s current state of grant management and will soon shift to the future state analysis, leading to requirements and a statement of work. It is the intention that the project will progress to the procurement phase toward the end of the biennium.

Task Force Report Recommendation: The Task Force recommends the Legislature direct both the Oregon Department of Justice and the Oregon Department of Administrative Services to review, revise, and negotiate language changes to contracts within 21 business days of receipt and review and revise insurance requirements for smaller organizations that are typically disadvantaged by state

insurance requirements with the intention of investing in historically underfunded and underrepresented communities and organizations

Progress Summary: OHCS recognizes the administrative and fiscal impacts of existing systems, policies, and timelines. Internal to the agency and enterprise-wide, significant assessments and recommendations for streamlining and improvement are in progress.

OHCS staff attend and provide support as needed to the [Modernizing Grant Funding and Contracting Task Force](#), established by Senate Bill 606 in the 2023 Session.

Task Force Report Recommendation: The Task Force recommends OHCS adopt a new funding cycle by the end of the 23-25 biennium on a biannual timeline to support transparency for current or prospective grantees.

Progress Summary: OHCS is evaluating potential changes to the Housing Stabilization Division for the 25-27 biennium and considering recommendations for phasing over time. Program staff and central services are actively collaborating to identify system improvements and capacity to roll out changes transparently and in a timely manner.

OHCS Operations Progress: Looking Ahead

The HB 2100 Task Force on Homelessness and Racial Disparities has significantly contributed by investing its time, expertise (professional and lived), and resources into identifying the disparities in homelessness and housing stability across Oregon. They have provided thoughtful recommendations on how OHCS, as a housing and services funder, can positively impact those disparities. OHCS takes the recommendations seriously and is making strides to implement those that align with state priorities.

The recommendations were primarily at a very high and abstract level, and it is requisite for the agency to take them to the implementation level. OHCS must take the general recommendations and make them *specific, actionable, and impactful* to the agency's work. Racial disparities are longstanding, and there is not yet a housing industry, social or governmental, or economic single best practice or standard for eliminating them or integrating racial equity as a baseline into funding, program provision, contracting, or internal operations. This is critical but still new, pioneering work. It starts with small successes, failed attempts, and elementary foundation building, particularly on the data front.

Data is critical to mapping the current state of outcomes and measuring progress and failure. However, data is also about people, privacy, and risk. OHCS is working toward the internal organizational structure necessary to confidently assure partners and the people the agency seeks to serve and support that the state respects, values, and will safeguard their personal information and lived experiences.

As referenced earlier in this report, the agency is progressing in that work and is attempting to build a data story to inform better decision-making and funding allocations. The agency will publish an equity dashboard that serves as one component of OHCS' larger, collaborative evaluation process of EO 23-02 funding to examine the efficacy of work completed as related to the initial planning and strategies intended to address historically underserved populations within rehousing, shelter, and eviction prevention programs. MAC group reported data will be disaggregated by race and ethnicity and compared to existing data on homelessness and poverty to more fully understand if these identified subpopulations were served equitably with EO 23-02 program funding. Further evaluation will be

conducted throughout 2024 to move beyond HMIS data and learn more about providers' and recipient's experiences of these programs' efforts.

Data is just one part of a systematic approach. OHCS is actively engaged in planning and design work to identify the elements and best practices for an effective statewide homelessness and housing stabilization system that can make clear progress toward eliminating chronic homelessness and ensure access to safe, affordable housing for all Oregonians. This will include consideration of, and changes to, how recurring and current service level (CSL) funds and one-time general funds, as well as federal homelessness funding, are best directed to improve outcomes across Oregon's communities and to reduce the clear and documented disparities in homelessness the Task Force was established to study. The agency is currently analyzing and assessing the impacts of possible changes to support decision-making on which funding streams will be included, on what timelines, and what optimal funding and administration models might look like in a transformed system.

The future work to systematize and operationalize racially equitable and outcomes-directed funding is supported by four work groups that are bringing together agency-wide subject matter experts in:

- Core Services
- Data and Evaluation
- Engagement and Communications
- Funding Design and Implementation

The work is also informed by the experience and successes of the Executive Orders on Homelessness (EO 23-02, 24-02, EO 23-03, 24-03) and by the enterprise-wide experts convening in the Oregon Interagency Council on Homelessness.

Foundationally, OHCS' Housing Stabilization Division is entering the implementation phase of an internal organizational assessment to prepare the division to conduct business aligned with the implementation direction. The assessment evaluated structure, expertise, and best practices to ensure the division can meet the needs of Oregonians experiencing homelessness. All aspects of the division, from structure to processes, data analysis, contract administration, and more, are being assessed. We are working diligently to ensure we have the knowledge and expertise necessary to excel as we address this crisis.

Part II: Statutory Modifications

Recommendations for Statutory Changes

As OHCS looks to the work ahead, the core elements that provide the foundation for a new system are largely in place, resulting from changes made over the last two biennia, many in response to HB 2100-related recommendations. As a new funding structure is proposed, some additional modifications and additions to statute are indicated and included below. Funding proposals will be brought forward in the Agency Request Budget (ARB) and Governor's Recommended Budget (GRB) process leading up to the 2025 Long Session.

Long Term Rent Assistance Fund

Issue: The Legislature established a Long-Term Rent Assistance Other Funds Account (2021) to hold funds allocated to the Rental Assistance for Youth (RAY) Program, as these funds were intended for long-

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term rent assistance and, therefore, definitionally intended to span more than a single biennium (ORS 458.392). However, the fund could only hold funds related to that single program. With the identification of long-term rent assistance as a broader priority and fund allocation in 2023, a need for broader inclusion in that Other Fund account was identified.

Solution: In the 2024 session, SB 1501 was broadened to allow the inclusion of funds intended to “provide rental assistance and other supportive services to people who are experiencing or are at risk of experiencing homelessness.”

Conflicting mandates in guidance on allowable grantees

Issue: Federal programs cannot be specifically directed to low-income migrant and seasonal agricultural workers over any other group, and the same services cannot receive federal funding in the same region through different organizations. Oregon Human Development Corporation (OHDC) is charged with serving farmworkers and other underserved communities where they are at, works across the state and overlaps the geographic regions of other CAAs. ORS 458.505 specifically directs OHCS funding to CAAs including OHDC, setting state policy in conflict with federal rules.

Solution: Assess changes that could be made to ORS 458.505 to address statutory conflict with federal guidance regarding the statutory inclusion of Oregon Housing Development Corporation (OHDC) as a Community Action Agency (CAA).

Emergency Housing Account and Emergency Housing Assistance Program

Issue: The Emergency Housing Account was established as an Other Funds account (ORS 458.620) to allow continuous appropriation of funds governed by ORS 458.650. Originally all state funds designated for homeless services and granted under the Emergency Housing Assistance Program were allocated to the Account, including current service level (CSL) general funds unspent at the end of a biennium, revenue generated through the document recording fee (ORS 294.187), and interest upon held funds. Over time, CSL funds ceased being eligible for transfer to the Account. In its current form 458.650 governs the Emergency Housing Account and infers that the Account is continuous with the Emergency Housing Assistance Program and the State Homeless Assistance program, but the majority of the funds for both of those programs are CSL and not held in the Account.

Solution: Propose changes to ORS 458.650 to clarify the difference between the Emergency Housing Account, an Other Funds Account, and the Emergency Housing Assistance Program, and clarify that the guidance applies to the Program, not only the parts of the program funded through document recording fees and held in the Account.

Rehousing as an allowable Service

Issue: As OHCS looks to shift to an outcomes-directed homeless and housing stabilization system, it is important to define specifically the service areas the system will fund and ensure that appropriate authority to grant to those service areas is in statute. ORS 456.625 (17) specified department authority to fund specific homelessness and housing stabilization programs and services, but does not include rehousing, which has been identified as a critical element of ending homelessness and which is a funded service.

Solution: Update ORS 456.625 to include rehousing, the only current and future state homelessness to housing stabilization service area not explicitly included in section (17), which lays out granting authority for these services.

Insurance Costs

Issue: As noted in Part I, there is increasing difficulty for providers in getting adequate insurance for different elements of homelessness and rehousing needs—this is an insurance industry risk tolerance issue. Further, providers, particularly smaller nonprofits, report unsustainable financial burden and even barrier to engaging as a state provider due to increasing and high state insurance requirements.

State policy on risk assessment, mandatory inclusion of indemnification clauses in agreements with nonprofit or for-profit business entities against any risk sharing by the state, backed by statutory requirements (ORS 278.052) on DAS to pursue recovery of losses means that at this time the only available mitigation for this barrier is explicit financial support to cover insurance costs. To restate, the agency *must* include the clauses and require the insurance or be held liable for losses in its own budget, and the grantees *must* carry the coverage or be at risk for state legal recovery impacts.

Solution: OHCS is researching external precedents considering a funding and implementation proposal for an insurance mitigation fund in line with this Task Force recommendation.

Service Term Definition Clarity

Issue: As referenced above, the department is working to ensure clear definition and authority of the services and programs it is funding. The department has identified statutory definitions of core service elements outside of its core governing statutes/Housing Chapters 456 and 458. Furthermore, as the work of the department shifts, it is critical that definitions align with current work. Specific examples of external definitions: Chapter 197 on Comprehensive Land Use Planning, definitions of “transitional housing” and “shelter”.

Solution: OHCS is assessing the pathway forward to address these needs, which may include updated service term definitions, shifting definitions in the Housing Chapters, or whether service definitions might be better defined in rule.

Conclusion

The recommendations made by the HB 2100 Task Force and direction provided by Legislature via SB 893 (2023) to OHCS was clear. While the agency has made steps toward implementing the recommendations, work remains to establish an effective and impactful homelessness services system aligned with providing funding based on equitable outcomes and racial equality.

In the 2023-25 biennium, OHCS will continue to implement the work we have been charged with, including continued work to support Oregon’s Emergency Homelessness Response, deploying funding to preserve shelter beds, the prevention of homelessness, and the operation of long-standing programs to prevent and respond to homelessness in every county in Oregon. All of this work is being carried out ongoing with a particular focus on racial equity and driving toward clear outcomes the people of Oregon expect.

At the same time, OHCS continues to do the necessary internal work to prepare for the evolving future of Oregon’s homeless services system. As we move toward the 2025-27 biennium, the agency looks forward to continued conversations with partners, Legislators, and the Governor’s Office as we

determine the pathway forward. As always, our work will remain centered in service to our beloved communities.

