

ANALYSIS

Item 49: Housing and Community Services Department Shelter and Rehousing Investments

Analyst: Michelle Deister

Request: Acknowledge receipt of a report on shelter and rehousing investments.

Analysis: In January 2023, Governor Kotek issued Executive Order 23-02 declaring a state of emergency in areas of the state that have experienced an increase in unsheltered homelessness of 50% or more since 2017. The declaration took effect January 10, 2023, and was extended in January 2024 for an additional year by Executive Order 24-02.

The Legislature adopted HB 2001 and HB 5019 in the 2023 session to implement policy changes and provide \$158.9 million General Fund for state and local entities to address the emergency declaration and related issues in both the 2021-23 and 2023-25 biennia. In particular, HB 5019 appropriated \$129.2 million General Fund to the Housing and Community Services Department (HCSD), including \$26.1 million for efforts in areas not meeting the Executive Order's emergency criteria. To continue these investments through the remaining months of the 2023-25 biennium, an additional \$111.2 million General Fund was included in SB 5511 (2023), HCSD's primary budget bill.

A budget note adopted as part of HB 5019 provided the following direction to HCSD:

The Housing and Community Services Department will report quarterly to the joint Committee on Ways and Means and house and Senate policy committees relating to housing through June 30, 2025, with information on resources and outcomes related to investments in shelter and rehousing pursuant to HB 5019. Reports shall include the following:

- *The amount of funding awarded to each continuum of care region.*
- *Targets and actual outcomes for each continuum of care region, including:*
 - *The number of new emergency shelter beds created;*
 - *The number of unsheltered homeless families rehoused and the duration of their rehousing (to measure housing retention);*
 - *The number of households whose homelessness was prevented; and*
 - *Information on contracts with individual service delivery partners including funding amounts, services provided, timelines for service delivery and outcomes achieved.*

This is the 5th quarterly report submitted pursuant to the budget note, which focuses on final allocations and outcomes associated HB 5019 and SB 5511 to date.

Executive Order Regions - Shelter and Rehousing: HCSD reports that \$186.9 million, or 98%, of the \$190.5 million appropriated for Multi-Agency Coordinating (MAC) Groups implementing shelter and rehousing activities in regions of the state affected by Executive Order 23-02, has been allocated. Allocation of these funds were contingent on approved plans and attendant goals for serving households. As previously reported, the MAC groups exceeded collective goals associated with

allocation of HB 5019 funding by creating 1,047 shelter beds and rehousing 1,426 households. Shelter bed goals were exceeded by 52% and rehousing goals were exceeded by 19%.

SB 5511 (2023) also included \$39.7 million in funding for long term rental assistance, projected to sustain approximately 1,009 households. Of that total, \$2.1 million has been set aside for contracted services, including technical assistance for providers, HCSD administrative costs, and legal fees.

Rural Oregon Continuum of Care: HB 5019 also included \$26.1 million for homelessness response in the balance of state; \$100,000 has been retained to pay eligible claims connected to the Housing Choice Landlord Guarantee Program (HCLGP) to reimburse landlords who experience damages as a result of a tenancy under the program. The remaining \$26 million has been awarded with 214 of 313 shelter beds created and 392 of 450 households rehoused as of June 30, 2024.

Oregon Rehousing Initiative: General Fund totaling \$39 million was included in SB 5701 (2024) to expand long-term rental and rehousing assistance to an estimated 700 additional households, for up to 24 months. Based on plans submitted by MAC Groups and Local Planning Groups, \$35.6 million will be utilized to serve an estimated 942 total households, or 34.6% more than initially anticipated, with 665 of those households in areas designated by Executive Order 23-02. Another 277 households will be served within the balance of the state. Allocations to entities have been announced, and as of June, six families had been served. Of the total funding available, HCSD set aside \$3.4 million for a pilot program targeted to homeless individuals with co-occurring behavioral health diagnoses. Proposals from MAC Groups or Local Planning Groups will be due by mid-September for this pilot program.

Eviction Prevention: Resources appropriated for eviction prevention now total \$122.6 million. This includes \$33.6 million in HB 5019 (2023), \$55 million from SB 5511 (2023), and \$34 million from SB 1540 (2024). HCSD has been able to serve 12,769 households, or 39.3% of the total goal, as of June 30.

The Department is updating data dashboards related to progress toward prevention and rehousing goals which can be found at [Emergency Homelessness Response \(orhomelessnessresponse.org/progress-trackers\)](https://orhomelessnessresponse.org/progress-trackers)

Recommendation: The Legislative Fiscal Office recommends that the Emergency Board acknowledge receipt of the report.

Oregon Housing and Community Services Department Brickman

Request: Report on resources and outcomes related to investments in shelter and rehousing per a budget associated with House Bill 5019 (2023) by Oregon Housing and Community Services Department.

Recommendation: Acknowledge receipt of the report.

Discussion: The Oregon Housing and Community Services Department (OHCS) is submitting a report per the following budget note contained in the budget report for House Bill 5019 (2023):

Budget Note

The Housing and Community Services Department will report quarterly to the Joint Committee on Ways and Means and House and Senate policy committees relating to housing through June 30, 2025, with information on resources and outcomes related to investments in shelter and rehousing pursuant to House Bill 5019.

Reports shall include the following:

- *The amount of funding awarded to each continuum of care region.*
- *Targets and actual outcomes for each continuum of care region, including:*
 - *the number of new emergency shelter beds created;*
 - *the number of unsheltered homeless families rehoused and the duration of their rehousing (to measure housing retention);*
 - *the number of households whose homelessness was prevented; and*
 - *information on contracts with individual service delivery partners including funding amounts, services provided, timelines for service delivery, and outcomes achieved.*

Per the budget report, OHCS reported to the Joint Interim Committee on Ways and Means regarding the Department's progress in September 2023 and November 2023, to the Joint Committee on Ways and Means during the February 2024 Legislative Session, and to the Emergency Board in May 2024. This is the fifth quarterly report. The initial deadline to expend funds associated with the Governor's Executive Order (EO) 23-02 and House Bill 5019 was January 10, 2024. Later, in the 2023 Legislative Session, the Legislature provided additional funding for Homelessness Response programs in Senate Bill 5511 (2023) for the remaining 18 months of the 2023-25 biennium. Also, on January 29, 2024, Governor Kotek merged and extended Executive Orders 23-02 and 23-09 through Executive Order 24-02, to maintain the added capacity to the state's shelter system and expand goals to rehouse and prevent homelessness for additional households.

Shelter and Rehousing Programs

- *Executive Order 23-02 Continuum of Care entities (Multi-Agency Coordinating Groups (MACs))* - Information from the most recent report dated August 26, 2024, reports that OHCS has allocated 98 percent of \$186 million to the MACs. The

report indicates that the MACs have exceeded their goals associated with House Bill 5019 (2023) by creating 1,047 shelter beds and rehousing 1,426 households.

- *Balance of State Continuum of Care (rural counties)* - Data from the August report indicates that \$26.0 million has been awarded from the \$26.1 million appropriated for these areas, creating 214 shelter beds out of a goal of 313 and 392 households have been rehoused out of a goal of 450.
- *Senate Bill 5701 (2024) \$39 million General Fund SPA allocation* – The goal of the SPA allocation was to expand the number of households being rehoused by 700 and to provide longer term rental assistance for up to a period of 24 months. Plans submitted by MACs and Local Planning Groups from the Balance of State Continuum of Care demonstrate that \$35.6 million will be used to serve an estimated 942 households with 665 in the MACs areas and 277 in the Balance of State area. OHCS has reserved \$3.4 million for a pilot program targeting homeless individuals who have co-occurring behavioral health diagnoses.

Statewide Homelessness Prevention through eviction prevention

- House Bill 5019 (2023) and Senate Bill 5511 (2023) appropriated \$88.6 million for the Oregon Eviction Diversion and Prevention and Eviction Prevention Rapid Response programs with the goal of serving 15,990 households. In 2024, Senate Bill 1530 provided \$34 million to serve another 4,616 households. As of June 30, 2024, OHCS reports a total of 12,759 households have been served.



August 26, 2024

Senator Rob Wagner, Co-Chair
Representative Julie Fahey, Co-Chair
Joint Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Co-Chairs:

Nature of the Request

Signed into law in March 2023, [House Bill 5019](#) allocated \$158,856,981 in General Fund resources to Oregon Housing and Community Services (OHCS) and repurposed \$30,623,741 in funds previously allocated to the agency. The [HB 5019 Budget Report](#) for the bill included a Budget Note directing OHCS to “report quarterly to the Joint Committee on Ways and Means and House and Senate policy committees relating to housing through June 30, 2025, with information on resources and outcomes related to investments in shelter and rehousing pursuant to HB 5019. Reports shall include the following:

- *The amount of funding awarded to each continuum of care region.*
- *Targets and actual outcomes for each continuum of care region, including:*
 - *the number of new emergency shelter beds created;*
 - *the number of unsheltered homeless families rehoused and the duration of their rehousing (to measure housing retention);*
 - *the number of households whose homelessness was prevented; and*
 - *information on contracts with individual service delivery partners including funding amounts, services provided, timelines for service delivery, and outcomes achieved.”*

This September, OHCS will provide the Legislature’s Joint Emergency Board an updated summary of the critical work connected to Executive Order 24-02, and the funding allocations related to ensuring the infrastructure created in the first year of the emergency response will have sufficient funding until the end of the biennium.

Agency Action

Background

On Jan. 10, 2023, Governor Tina Kotek declared a state of emergency due to unsheltered homelessness in designated areas across Oregon through [EO 23-02](#). Governor Kotek also proposed three actionable goals to be achieved by Jan. 10, 2024:

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1. Prevent 8,750 households from becoming homeless statewide;
 2. Add 600 low-barrier shelter beds in emergency areas as designated in Executive Order 23-02; and
 3. Rehouse at least 1,200 unsheltered households in emergency areas designated in Executive 23-02.

The Oregon State Legislature acted swiftly in partnership with Governor Kotek and passed [HB 5019](#) and [HB 2001](#) to fund and support the emergency response efforts, in addition to supporting homelessness response efforts in the Balance of State Continuum of Care (commonly referred to as the Balance of State), with additional goals to be achieved by June 30, 2025:

1. Add 100 low-barrier shelter beds in the Balance of State; and
2. Rehouse at least 450 unsheltered households in the Balance of State.

On Jan. 9, 2024, Governor Kotek signed [Executive Order 24-02](#) to maintain the added capacity to the state's shelter system and expand goals to rehouse and prevent homelessness for additional households. OHCS and Oregon Department of Emergency Management (ODEM) developed measurable outcomes for the new executive order in collaboration with local communities. The MAC groups will work collectively to rehouse 650 households, though some groups have identified regional goals that reach just beyond that number. The Balance of State's ORI goals are not included within EO 24-02. They will collectively rehouse an additional 277 households by June 30, 2025.

Shelter and Rehousing in Areas Designated by EO 23-02

As of Jan. 10, 2024, reporting confirms that EO 23-02 goals of rehousing 1,200 households and creating 600 new shelter beds had been surpassed. 1,426 households were rehoused, and 1,047 shelter beds created. Malheur, Linn, and Clatsop's MACs groups opted in to support this effort.

A handful of households considered in the "pipeline" did not have an official move-in date of Jan. 10, 2024. With approval from the Governor's Office, partners were given until Jan. 10, 2025, to rehouse these 446 households and HB 5019 agreements were extended to June 30, 2025.

To sustain shelter and rehousing efforts established under EO 23-02, OHCS allocated \$61.4 million from SB 5511 to MACs. These allocations are intended to sustain existing work only. Additionally, \$1.5 million was allocated to Malheur and Linn Counties to add shelter capacity.

Shelter and Rehousing in the Balance of State

Every community across the Balance of State received funding to rehouse a specific number of households and provide street outreach and other critical homeless services. OHCS has provided Local Planning Groups that were not awarded shelter funds with the opportunity to utilize formula funds for shelter projects provided they achieve their rehousing goal and work closely with OHCS.

Statewide Homelessness Prevention

To prevent 8,750 evictions by Jan. 10, 2024, HB 5019 allocated \$33.6 million to support statewide efforts. These funds were deployed through two pre-existing, successful programs, with 80% of funding through Oregon Eviction Diversion and Prevention (ORE-DAP) Program and 20% through Eviction Prevention Rapid Response (EPRR) Program. OHCS and our partners successfully surpassed the goal of preventing homelessness for 8,750 households by providing services to 9,024 households. ORE-DAP grantees are tasked with preventing evictions for 7,000 Oregonians at risk of homelessness and EPRR for 1,762 households.

SB 5511 (2023) Homelessness Prevention Funding: OHCS received \$55 million in homelessness prevention resources, 70% of which was deployed statewide through ORE-DAP and EPRR after Jan. 10, 2024. In December 2023, CAAs received allocation announcements for the next wave of SB 5511 ORE-DAP funds to continue services. A total of \$6.93 million is being deployed through EPRR, and \$27.72 million through ORE-DAP.

SB 1530 (2024) Homelessness Prevention Funding: During the 2024 Oregon Legislative session, SB 1530 appropriated \$34 million to OHCS for homelessness prevention services. Per the Legislature's direction, \$7 million were appropriated for distribution to Urban League of Portland for homelessness prevention services. SB 1530 contracts for ORE-DAP have received legal sufficiency through the review process with the Department of Justice (DOJ) and were sent to grantees this month for their review, signature and return to OHCS for contract execution. The EPRR SB 1530 contracts have been fully executed.

Long Term Rent Assistance (LTRA) Program

The Long-Term rent Assistance (LTRA) program was established to ensure \$39.7 million was allocated for households rehoused through Executive Order 23-02 to ensure continued access to long-term rental assistance services for the 2023-25 biennium. The Mental Health and Addiction Association of Oregon (MHAAO) are providing peer support consultants and supporting lived experience engagement to inform implementation. Thanks to a coordinated and collaborative effort, Oregon's first statewide rent assistance program is actively being implemented, supporting households who require longer term rental subsidy and comprehensive supportive services.

Oregon Rehousing Initiative (SB 5701)

OHCS received \$39 million via SB 5701. This funding is designated for a statewide rehousing program—the Oregon Rehousing Initiative—to help rehouse more community members experiencing homelessness in alignment with EO 24-02. Using a collaborative and regionally driven process, OHCS confirmed a collective goal of rehousing 665 households in EO 24-02 regions, and 277 households in the remaining Balance of State.

ORI includes a 25% set-aside for Culturally Responsive Organizations. OHCS met with Oregon Worker Relief, Urban League, and Immigrant and Refugee Community Organization (IRCO) to

discuss how they would implement ORI within their communities. The organizations provided detailed proposals on programming and proposed use of funds, including the number of households their program aims to rehouse. It is more important than ever to focus funds to rehouse households with the disproportionately highest rates of homelessness in Oregon.

Through the Oregon Rehousing Initiative, OHCS and the Interagency Council on Homelessness are implementing a pilot program—the Housing 360 Pilot—to cultivate greater coordination of health, behavioral health, and social services. One of the consistent areas of feedback and gaps that EO 23-02 MAC groups continually elevated was the level of need for additional specialized behavioral health resources to support individuals experiencing homelessness who also have behavioral health diagnoses. This pilot aims to increase coordination and integration of behavioral health, homelessness response, housing, physical health, and social services, as applicable. \$3.4 million will be directed toward this pilot and OHCS anticipates selecting three to four pilot programs with estimated award amounts of \$750k to \$1 million.

Action Requested

The Oregon Housing and Community Services Department requests acceptance of this report.

Legislation Affected

None.

Sincerely,



Andrea Bell, Executive Director
Oregon Housing and Community Services

cc: Amanda Beitel, Legislative Fiscal Office
Michelle Deister, Legislative Fiscal Office
Kate Nass, Chief Financial Office
Tamara Brickman, Chief Financial Office