

Submitter: Maria Guerra
On Behalf Of:
Committee: House Committee On Revenue
Measure: HB2548

Oppose HB 2548

We ask you to oppose HB 2548. Section 3 of HB 2548 would repeal Metro's authority to use a local income tax.

In recent years, Metro partnered with stakeholders to ask voters to support housing for our region's vulnerable community members. Historically, local systems of homeless services and affordable housing have been deeply underfunded compared to the funding that is needed. In 2018, Metro voters approved a \$652.8 million affordable housing bond. In May 2020, voters in greater Portland approved a Supportive Housing Services (SHS) measure to fund services for people experiencing or at risk of homelessness. The measure creates a 1% marginal tax on high-income earner and a 1% tax on net income from businesses within Metro's jurisdiction who have over \$5 million in gross receipts from both within and outside the Metro jurisdiction. The tax sunsets after 10 years.

The SHS measure and its implementation are built on the philosophy that everyone can better address life's challenges, maintain wellness and thrive when they have housing. To achieve this, the funding improves access to services for communities of color, people with disabilities, people with low incomes and others most affected by homelessness. This fund will scale resources to the need by leveraging state and federal funding and the existing infrastructure in combination with these new tax dollars to regionalize parts of this work to better meet community needs and support regional coordination.

Funds from the SHS measure can be used for supportive services such as outreach and emergency shelter, placement into housing and help paying rent, advocacy and case management and services in the areas of mental health, physical health, language and culture needs, education, employment, addiction and recovery, tenant rights and others. The goals for the 10-year fund are to connect 5,000 chronically homeless households with supportive housing and stabilize 10,000 households at risk of or experiencing homelessness in permanent housing.

In the first year of our SHS measure, Metro has distributed over \$200 million to our county partners who have help achieved the following progress towards our goals:

- Over 1600 people stabilized in permanent housing. 691 more are in housing search.
- 512 new year-round shelter beds added.
- Over 9,000 people received eviction prevention support
- In Multnomah County, 159 people were employed through new employment

programs.

Metro's local income tax has allowed local stakeholders to address the homelessness crisis. A local income tax is a tool in the toolkit we cannot afford to lose as Metro revenues are constrained by the property tax system, like many other local jurisdictions. If HB 2548 passes, the Metro region will have one less tool to address the homelessness crisis after the SHS measure sunsets in 2030. As an Executive Director of several Affordable Housing Programs and a Portlander, I urge your opposition to HB 2548.