

Housing Policy Agenda: Housing Stability for Children, Veterans, and the Chronically Homeless and Increased Housing Supply for Urban and Rural Communities

Kate Brown, Governor
James LaBar, Housing Policy Advisor

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STATE OF OREGON
Office of the Governor
KATE BROWN

Vision

Every Oregonian, in communities large and small, has access to housing choices that allows them and their family to thrive.

Executive Summary

There is no single solution—not one entity, or one person—that can solve the crises across the housing spectrum, from homelessness to stable rental housing to increasing homeownership. Coordinated responses are needed to bring together philanthropy, business leaders, developers, builders, and all levels of government to prevent people from slipping into homelessness, to get people quickly off the street, and to help all Oregonians access stable homes. Today the state is working more closely than ever before with local governments and other partners to address housing needs across the entire housing spectrum.



Governor Brown's housing agenda has four strategies that focus on areas where the impacts of the housing shortage are the most acute. The four strategies run across Oregon's entire housing spectrum, including individuals and families experiencing homelessness, affordable housing, and market-rate housing. One overall goal is to simultaneously protect vulnerable renters while supporting the development of housing supply—both affordable and market-rate homes. We must strike a balance between providing relief to renters in times of outsized rent increases while at the same time supporting development partners to build more homes. The Governor supports protecting children, communities of color, low-income families, and other vulnerable populations with protections from no-cause evictions, as well as resource investments to help people find and keep their homes, keep communities intact, and address high rent increases.



Governor Brown’s plan entails approximately \$370 million of state investments, focusing on housing stability for families with children, veterans, the chronically homeless, and rural communities:

- 1. Prioritize Ending Children’s Homelessness*
- 2. House Oregon’s Veterans*
- 3. Invest in Permanent Supportive Housing for the Chronically Homeless*
- 4. Accelerate Growth of Housing Supply*

The Governor’s goal is to continue growing state leadership in efforts to house all Oregonians, including increasing state investment in affordable housing by tripling the existing pipeline to 25,000 homes by 2023, maintaining a constant supply of all housing types, and supporting efforts by local governments and the private sector to further overall housing goals.



Background

The nation as a whole is facing unprecedented housing need and a shortage of safe and affordable housing. From 2000 to 2015, 23 states under-produced housing to the tune of 7.3 million units, which has created an imbalance in supply and demand that is reflected in home prices and rental rates. Oregon is not immune to this crisis, having underbuilt 155,156 housing units during that fifteen-year period.¹

The shortage has had negative impacts across Oregon's housing spectrum. Understanding individuals and families in different housing situations and income levels is important, because different strategies are needed to address the various challenges. Major categories of housing challenges include individuals and families experiencing homelessness, affordable housing, and market-rate housing. The situations, terms, definitions, existing

tools, and new proposals are summarized in Appendix 1: Housing Spectrum Table.²

Adverse impacts from Oregon's housing shortage have been felt across the spectrum with these groups being acutely affected:

1. Families experiencing homelessness
2. Oregon's homeless veterans
3. Chronically homeless individuals
4. Rural communities

Across all these groups, communities of color bear the brunt of the housing crisis. African-Americans and Native Americans, in particular, are much more likely to experience homelessness, are more likely to spend more than 50 percent of their income on rent, and are far less likely to own their homes than white Oregonians.³

1. *Up for Growth, Housing Underproduction in the U.S.: Economic, Fiscal and Environmental Impacts of Enabling Transit-Oriented Smart Growth to Address America's Housing Affordability Challenge*, (Up For Growth National Coalition, 2018), 4.

2. Note: The table uses data and definitions from: Metro's "Regional Affordable Housing Framework," which uses income data from HUD 2018 Median Income Percentages for the Portland Vancouver-Hillsboro MSA Worksystems Inc. 2014, BLS 2016, OASDI/SSI 2017. MFI calculations assume a three-person household; HUD definitions for homelessness.

3. U.S. Department of Housing and Urban Development, *The 2017 Annual Homeless Assessment Report (AHAR) to Congress: Part 1: Point-in-Time Estimates of Homelessness*, (U.S. Department of Housing and Urban Development, 2017).



According to the 2017 Point-in-Time Count, 13,953 people experienced homelessness in Oregon on a single night in January, a 6 percent increase from 2015.⁴ The data by county shows that homelessness is an issue all across the state, not just in the metropolitan areas.

Vacancy Survey shows that since 2000, Oregon's homeownership rate has typically been below the national average. As of 2017, Oregon has the ninth-lowest homeownership rate in the U.S.⁶ Most concerning, homeownership rates among communities of color are significantly lower than for the white population. In Oregon, the homeownership rate for the white population is 63 percent compared to just 30 percent for African-Americans, 42 percent for Hispanics and Native Americans, and 58 percent for Asian-Americans.⁷

4. U.S. Department of Housing and Urban Development, *The 2017 Annual Homeless Assessment Report (AHAR) to Congress: Part 1: Point-in-Time Estimates of Homelessness*, (U.S. Department of Housing and Urban Development, 2017).

5. National Low Income Housing Coalition, *The Gap: A Shortage of Affordable Homes*, (National Low Income Housing Coalition, 2018).

6. U.S. Census Bureau, *Housing Vacancies and Homeownership: Table 15: Homeownership Rates by State: 1984 to 2017*, (U.S. Census Bureau, 2018).

7. U.S. Census Bureau, *2016 American Community Survey 1-year Estimates: Tables B25003A, B25003B, B25003C, B25003D, B25003E, B25003F, B25003H, and B25003I*, (U.S. Census Bureau, 2017).

One of the biggest drivers of increasing homelessness and housing instability in Oregon is the shortage of affordable rental units in the state, especially for the state's lowest-income residents. This shortage of affordable units has led to a high percentage of renters spending more than 50 percent of their incomes on rent, which is considered "severely housing cost burdened."⁵

Homeownership rates across the country have steadily declined since the foreclosure crisis began, and Oregon is no exception. The Census Bureau's Housing



Families Experiencing Homelessness

According to the 2017 Point-in-Time Count, 3,500 of the 13,953 Oregonians experiencing homelessness included families with children. Most alarmingly, the majority of those individuals (1,826 or 52 percent) are living without shelter at all.⁸ In addition to the Point-in-Time Count, the Oregon Department of Education estimates that 23,000 children were homeless or at risk of homelessness in some form, including students doubled up with friends and family members during the 2016-17 school year.⁹ The number of homeless students has increased for four straight years, with a 5.6 percent increase from the previous school year. In some counties, more than 10 percent of students are experiencing a form of homelessness.¹⁰

In 2017, 16 percent of the homeless population in the U.S. reported having experienced domestic violence at some point. Oregon had 8,323 requests for emergency shelter in 2017 that could not be met because Domestic Violence/Sexual Assault (DVSA) shelters were full. A one-day snapshot census of DV programs, completed in September 2017 by the National Network to End DV, reported that in Oregon 53 percent of all domestic violence services were for housing. Oregon currently does not provide enough housing assistance to meet the needs of survivors and their children.¹¹

The National Center for Homeless Education has recognized best practices for helping families that are based upon collaborative partnerships like Governor Brown's Children's Cabinet. The Cabinet is a collaboration between state agencies to provide wrap around support services to families participating in a program with a focused effort to coordinate services within the local community.

8. U.S. Department of Housing and Urban Development, The 2017 Annual Homeless Assessment Report (AHAR) to Congress: Part 1: Point-in-Time Estimates of Homelessness, (U.S. Department of Housing and Urban Development, 2017).

9. In the 2016-2017 school year, 22,541 students in the state were homeless. The definition of homelessness used by the U.S. Department of Education includes individuals who lack a fixed, regular, and adequate nighttime residence, including those who are sharing the housing of other persons 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, among other considerations. This definition differs from the Point-in-Time count because it is more inclusive than the federal definition used by the U.S. Department of Housing and Urban Development to define homelessness in the Point-in-Time Count. Approximately 17,000 of the total number of students experiencing homelessness are living in doubled-up situations.



Oregon's Veterans

10. Oregon Department of Education, "Homeless Student Count Reaches All-Time High: Reflects trend of increased homelessness in Western U.S.," Oregon Department of Education (News Release), November 15, 2017.

11. National Hotline Reporting, <https://www.thehotline.org/about-the-hotline/state-reports/>; NNEDV DV Counts Census Data, <https://nnedv.org/content/domestic-violence-counts-12th-annual-census-report/>; Unofficial Release of DHS DV Report, https://www.oregon.gov/DHS/ABUSE/DOMESTIC/Pages/dvdata_pub.aspx; TA-DVS Data, https://www.oregon.gov/dhs/assistance/pages/data-pa.aspx?&p_SortBehavior=0&p_Title=2017&p_Date_x0020_M_x002f_D_x002f_YYYY=20170630%2007%3a00%3a00&p_PageFirstRow=1&p_View={0FA5817C-852E-4A0F-A2D4-0932D13928F2}; In 2017, 16,514 families received TA-DVS benefits, but only 27 percent could utilize payments.

12. Joint Office on Homelessness, "Celebrating a milestone in ending veterans homelessness" <https://multco.us/multnomah-county/gallery/celebrating-milestone-ending-veterans-homelessness>; KLCC, "Lane County Has Housed 860 Homeless Veterans Since 2014" <http://www.klcc.org/post/lane-county-has-housed-860-homeless-veterans-2014>.

The 2017 Point-in-Time Count identified Oregon as having 1,251 veterans experiencing homelessness. As a result, Governor Brown called for an end to veteran homelessness. The 2017 Legislature authorized \$1.5 million to Oregon Housing and Community Services (OHCS) to support veterans' homeless services and prevention. In 2017-18, OHCS and Oregon Department of Veterans' Affairs (ODVA) collectively researched best practices; developed an interactive map of current veteran resources; and crafted a roadmap to functionally end veteran homelessness. The plan focused on building lasting infrastructure, including homeless veteran lists using people's names (by-name list) and deploying immediate resources for street outreach, rapid rehousing, and emergency housing assistance.

The infrastructure and resources have supported successes throughout the state and have helped local communities identify additional needs to help Oregon's veterans. Multnomah County was the first community on the West Coast to be certified for driving veterans' homelessness down to "functional zero," meaning more veterans are working toward becoming housed on any given day than falling into homelessness. In Lane County, Operation 365 has found housing for 860 homeless veterans from 2014 to 2018. The by-name list also has enabled Operation 365 to identify 221 more veterans who are still unhoused in Lane County.¹²

OHCS and ODVA have hosted two statewide Homeless Veterans Partners and Providers Convenings, which brought together leaders working to end veterans' homelessness in their communities. The convenings included participation from over 100 service providers and leaders from around the state who gathered to teach, learn, and collaborate on best ways to serve Oregon's veterans.



“The Corporation for Supportive Housing estimates that Oregon needs 12,388 units of housing to meet the needs of the chronically homeless”

Chronically Homeless Individuals

One out of four people experiencing homelessness in Oregon is chronically homeless. The Corporation for Supportive Housing estimates that Oregon needs 12,388 units of housing to meet the needs of the chronically homeless, which includes populations facing barriers to stable housing such as seniors, those being released from prison and jail, individuals with intellectual and developmental disabilities, transition-age youth, people with substance use disorders, and those with serious and persistent mental illness.¹³

Permanent supportive housing (PSH) is a best practice and proven strategy to stabilize people experiencing chronic homelessness. PSH combines non-time-limited affordable housing with wrap around supportive services for people experiencing homelessness who also have disabilities. As OHCS held listening sessions across the state in 2017-18 for the soon-to-be completed Statewide Housing Plan, the need for PSH rose to the forefront as one of the highest priorities for communities large and small.

13. *Oregon Housing and Community Services, 2017 Point-in-Time Estimates of Homelessness in Oregon, (Oregon Housing and Community Services, 2017); Corporation for Supportive Housing, “Supportive Housing Needs in the United States,” accessed July 1, 2018, <https://www.csh.org/supportive-housing-101/data/>.*



Rural Communities in Oregon

Urban Oregonians are not the only people facing housing challenges. An analysis done by Oregon’s Office of Economic Analysis (OEA) shows that rural housing affordability is a significant issue in Oregon. OEA found that the median household income in rural Oregon at \$41,098 is very similar to the median household income in the rural United States at \$42,174. However, while median household incomes are similar, the housing prices in rural Oregon are much higher than in the rural U.S. The median home value in rural Oregon is 30 percent higher than in the rural U.S. at \$151,500 compared to \$95,700, and median rents are 16 percent higher in rural Oregon than in the rural U.S. at \$580 compared to \$500.¹⁴

Other themes heard throughout OHCS’s outreach efforts for the Statewide Housing Plan were that the challenges related to housing stability and housing quality are present all across the state, not just in metropolitan areas, and that rural areas often face unique barriers to accessing resources due to limited capacity and infrastructure. The lack of building in rural communities has many causes, including but not limited to: lack of capacity of local governments to plan for and facilitate housing development; identifying buildable lands; local policies that disincentivize residential development; limited capacity or presence of local developers willing to work in rural communities; lack of construction labor/capacity to deliver the housing; and financial dynamics that make it difficult for rural housing developments to be viable.

14. Lehner, Josh, “Update on Rural Housing Affordability,” Oregon Office of Economic Analysis: Oregon Economic News, Analysis and Outlook (blog), March 7, 2018, <https://oregoneconomicanalysis.com/2018/03/07/update-on-rural-housing-affordability/>.



Local Collaborative Efforts Making Strides

Within Oregon's housing crisis, there are examples where collaborative efforts are making progress for those in immediate housing need and in increasing the supply of affordable homes.

In the Portland Metro region, the Joint Office on Homelessness, a joint project between Multnomah County and the City of Portland, launched "A Home for Everyone." Because of the increased alignment, a new 75-bed shelter was operational in just one month at Congregation Beth Israel during last winter. When the winter shelter closed, all but four residents had permanent housing and the remaining gained access at another shelter.¹⁵

The Metro Council has referred a \$652.8 million general obligation bond to Portland-area voters for consideration on the November 2018 ballot. The proposal could fund the construction, acquisition, and renovation of affordable housing for approximately 7,500 to 12,000 people in the greater Portland region targeting low-income families.¹⁶

In Lane County, local partners are collaborating to address how to manage frequent users of public safety, emergency, and mental health resources to ultimately break the cycle of homelessness through a project called Frequent User System Engagement (FUSE). By identifying and focusing housing resources toward the highest users of the county jail and local emergency departments, the County has seen significant reduction in use of the jail, police contacts, and emergency services.

15. *Joint Office on Homelessness, A Home for Everyone, FY 2018 Third Quarter Outcomes Report, 3.*

16. <https://www.oregonmetro.gov/public-projects/affordable-housing-bond-information>

Lane County is also partnering with the local housing authority Homes for Good and the City of Eugene to leverage state mental health housing resources and grants from local health providers to provide permanent, stable housing for people experiencing homelessness, while offering wrap around supportive services necessary to ensure the maximum opportunity for overcoming homelessness.



RECENT ACCOMPLISHMENTS

Since entering office in 2015, Governor Brown has significantly accelerated state leadership in housing. Some of the most significant initiatives include:

ONE: Increased development of affordable homes

Increased development of affordable homes: Oregon has over 7,800 new affordable homes under development in the OHCS pipeline, which is a record number. There has been a doubling of affordable homes in development since Governor Brown has been in office, and is largely due to recent increased state investments in the Local Innovation and Fast Track (LIFT) housing program, Mental Health Housing Program, and the Document Recording Fee/General Housing Account Program (GHAP). To put this number in perspective, Oregon funded 4,000 affordable homes in 2017 and roughly 3,500 in 2016.¹⁷ The state is helping to build new affordable homes in communities across Oregon, close to jobs and schools, by leveraging federal funding and private investments. Notably, these increased state resources have leveraged a previously

underutilized federal resource that had been left on the table—the 4% Low Income Housing Tax Credit, which is used with Private Activity Bonds. In 2017, OHCS financed twelve 4% LIHTC transactions, in contrast to recent years when OHCS financed only an average of four such transactions per year.

TWO: State investments in emergency housing and shelter to help the homeless

Usually left to county and city governments, for the first time the state has made significant investments in emergency housing assistance for unsheltered and unstably housed Oregonians. In 2017, these investments coupled with previous funds and other state and federal resources served approximately 31,000 individuals through a range of services that includes rapid rehousing, emergency and transitional shelter, and homelessness prevention.

17. Note: All three numbers include preservation as well as new homes.



THREE: Rural housing projects

In 2018, the Workforce Housing Initiative, led by Governor Brown's Regional Solutions Cabinet, funded partnerships between local communities, the business sector, and developers to address the housing shortage for working families in Oregon. The five pilot projects under this initiative will help Oregon learn how best to bring together businesses ready to expand, cities and counties ready to invest in infrastructure, developers ready to build homes, and, most critically, current and future employees ready to better their careers. Current pilot projects and partners are:

- Donald: GK Machine and the City of Donald
- Pacific City: Nestucca Ridge Development
- Warm Springs: Jefferson County School District
- Harney County: Community Response Team
- Lincoln County: Proud Ground

FOUR: Supporting first-time homebuyers

In 2017 the State had a strong year of the Oregon Bond Residential Loan Program, which finances below-market-interest loans for first-time homebuyers. OHCS provided over \$130 million in home loans to create 640 new Oregon homeowners, double the activity from 2016, and more than any year since the onset of the Great Recession. The agency is poised to meet or exceed that number in 2018. The state also is using the LIFT program to expand homeownership opportunities—OHCS expects to make a slate of awards for LIFT in fall 2018 that will fund the development of homeownership units affordable to low-income homebuyers. In addition to this home finance activity, the state is expanding its efforts to provide down payment assistance and housing counseling, which are critical tools in markets where prices are out of reach. A key



“Oregon has over 7,800 new affordable homes under development in the OHCS pipeline, which is a record number”

component of this service is Oregon’s individual development account (IDA) initiative, which helps Oregonians with modest net worth and low-to-moderate incomes improve their financial resiliency. IDA matching funds provide access to assets to achieve homeownership, pursue post-secondary education, or grow a microenterprise. Those who fulfill financial education requirements and make a withdrawal which qualifies for a match (“matched withdrawal”) are considered program “completers,” and represent 79 percent of all account closures in 2016. Oregon’s rate is among the highest completion rates reported by IDA programs across the country.

FIVE: Creating a statewide housing roadmap

In early 2019, OHCS will complete an ambitious five-year Statewide Housing Plan and create a policy agenda rooted in national best practices. The plan will lay out the vision and direction for the agency on major housing themes across the spectrum from homelessness to homeownership.



Goal: Making Sure Every Oregon Family has a Safe Place to Sleep

There is no single solution—not one entity, or one person—that can solve the crises across the housing spectrum, from homelessness, to stable rental housing, to increasing homeownership. Coordinated responses are needed to bring together philanthropy, business leaders, developers, builders, and all levels of government to prevent people from slipping into homelessness, to get people quickly off the street, and to help all Oregonians access stable homes. Today the state is working more closely than ever before with local governments and other partners to address needs across the entire housing spectrum.

Governor Brown's agenda has four strategies that focus on areas where the impacts of the housing shortage have been the most acute. The four strategies run across Oregon's entire housing spectrum, including individuals and families experiencing homelessness, affordable housing, and market-rate housing. The overall goal is to simultaneously protect vulnerable renters while supporting the development of housing supply—both affordable and market-rate homes. The Governor's plan balances between providing relief to renters in times of high rent increases due to short supply, and supporting the development community to build more homes. The Governor supports protecting children, communities of color, low-income families, and other vulnerable populations with reasonable protections from no-cause evictions as well as resource investments to help people find and keep their homes, keep communities intact, and address outsized rent increases.



The Governor's Strategies:

ONE: Prioritize Ending Children's Homelessness

Ensure no kid shows up to school after spending the night in a car by ending homelessness for families with children and investing more resources to help vulnerable families stay in their homes.¹⁸

TWO: House Oregon's Veterans

End veteran homelessness in Oregon by ensuring veterans have an array of options to find and retain housing that meets their needs.

THREE: Invest in Permanent Supportive Housing for the Chronically Homeless

Move people from street corners and doorways and into homes by investing in proven strategies like permanent supportive housing.

FOUR: Accelerate Growth in Housing Supply

Dramatically increase the number of affordable homes throughout Oregon by supporting the growth of housing supplies.



ONE: Prioritize Ending Children's Homelessness:

Increase emergency rental assistance through the state emergency housing account and the state homeless assistance program, protect renters from no-cause evictions, make resource investments to help address outsized rent increases, and build and preserve more affordable homes for children and families.

The current housing market has made it increasingly difficult for Oregon families to provide the basic necessities for their children's futures, including a safe and stable roof over their heads. There is a well-documented need to help provide families with young children safe, stable, better, and more affordable housing options. Housing stability is foundational: it enables families to best engage with children's enrichment, early learning, and other proven activities to help children succeed.

The Governor proposes to

engage in a concerted, focused effort with local government, the private sector, and community partners to build a coordinated, cross-sector strategy to end child homelessness. The major tactics are:

A. Develop 2,200-2,600 units of affordable owner and rental housing, with incentives for family-sized units and tailored services for homeless families, by doubling the current investment to \$160 million of bonding capacity for the Local Innovation and Fast Track Housing (LIFT) Program.¹⁹

B. Dedicate resources to address the homeless crisis by raising funding amounts to \$50 million for Emergency Housing Assistance (EHA) and State Homeless Assistance Program (SHAP). OHCS is working with Oregon's Housing Stability Council and the Community Action Partnership of Oregon to incorporate national best practices and outcome-oriented approaches to build on the success of these resources, and

18. Note: According to the U.S. Interagency Council on Homelessness, "An end to homelessness means that every community will have a comprehensive response in place that ensures homelessness is prevented whenever possible, or if it can't be prevented, it is a rare, brief, and one-time experience." <https://www.usich.gov/goals/what-does-ending-homelessness-mean/>.

19. OHCS estimate based on current LIFT investment experience.



to deliver the most impactful results for homeless individuals and families.

C. Prioritize the 23,000 homeless children currently attending Oregon schools with an intense focus on those students who are experiencing unsheltered homelessness. Governor Brown's Children's Cabinet, in conjunction with OHCS and the Department of Human Services' Family Self-Sufficiency program, is encouraging interagency partnerships and coordination to support a \$20 million investment of flexible funding to achieve clear and measurable goals to permanently house more families with children.

D. Preserve 400 units of existing, publicly-supported affordable housing by using \$25 million of bonding capacity. This investment is in alignment with data from the Oregon Affordable Housing Inventory and the publicly supported housing preservation program established by HB 2002 in the 2017 legislative session.²⁰

E. Acquire at least 800 units in multifamily housing properties that offer rents at or below market rate, but do not currently have rent or income restrictions in place from public agencies, by using \$25 million of bonding capacity to create the "Acquisition of Naturally Occurring Affordable Housing Investment" fund.²¹

F. Expand the individual development account (IDA) program, which would approximately double the number of program graduates, to help families build assets and find pathways out of poverty by increasing the tax credit cap from \$7.5 million to \$15 million annually.

G. Build on successful strategies to increase low-income renters' access to and retention of private market rental housing, increase the resources to meet the housing needs of domestic violence survivors and their children, and enhance renters' access to legal resources by providing up to \$20 million in investments.

20. OHCS estimate using estimate of \$62,500 per unit. For current 4% LIHTC for preservation – subsidy amounts ranged from \$20k to \$90k per unit.

21. OHCS estimate based on State of Minnesota practices; an ideal scope for loans is 70-80 units; 10-12 projects assumed.



TWO: House Oregon's Veterans: *Finish the job of ending veteran homelessness in Oregon.*

On March 31, 2017, Governor Brown called for an end to veteran homelessness, and this strategy continues efforts that will finish the job. OHCS and the Oregon Department of Veterans' Affairs partnered to research best practices, developed an interactive map of current veteran resources, and crafted a roadmap to functionally end veteran homelessness.²²

The roadmap entails two tactics:

1. Build lasting infrastructure necessary to meet the on-going needs of Oregon veterans; and
2. Deploy immediate resources into permanent housing opportunities and emergency housing assistance for veterans experiencing or at-risk of homelessness.

The infrastructure necessary to meet the ongoing needs of Oregon veterans started with providing pilot communities with the resources to establish a by-

name list of homeless veterans, allowing for real-time data collection and detailed outcome tracking. The by-name lists will continue to help build networks of support so any future instances of veteran homelessness are rare, brief, and do not recur.

A statewide veteran homeless integrator has been recently hired and will collaborate with local communities to align resources and create a streamlined homeless veteran service delivery system. The integrator will continue statewide convenings, share best practices, forge cross-sector connections, and improve resource coordination and leveraging.

The deployment of immediate resources led to increased veterans' services including street outreach, emergency shelter, transitional housing, rapid rehousing, and homelessness prevention. These increased services and infrastructure started from the \$1.5 million can now be enhanced from the recently-increased Document Recording Fee resources.

22. Note: Functionally ending homelessness is defined as when the number of veterans experiencing homelessness within a community is less than the average number of veterans being connected with permanent housing each month.



THREE: Invest in Permanent Supportive Housing for the Chronically Homeless: *Increase funding to help the chronically homeless get off the streets, and increase access to addictions and mental health treatments and other critical medical care.*

Permanent supportive housing (PSH) combines lease-based, affordable housing with tenancy supports and other voluntary services to help individuals with high needs (including individuals with disabilities and those coming out of chronic homelessness) achieve stable housing and recovery in their communities. PSH features three components:

- Permanent: Tenants may live in their homes as long as they meet the basic obligations of tenancy, such as paying rent
- Supportive: Tenants have access to the support services that they need and want to retain housing
- Housing: Tenants have a private and secure place to make their home, just like any other member of the community, with the same rights and responsibilities

While PSH is a nationally-recognized, evidence-based best practice, sustainable funding sources for the three components of the model have yet to be invested in Oregon. New development capital is a one-time investment but ongoing funding for services, rental assistance and operations needs to be identified in order to bring PSH to fruition. These pieces are critical as the populations served in PSH are particularly vulnerable, with incomes below 15 percent of the median family income (MFI).

The Oregon Health Authority (OHA) and OHCS are collaborating to invest in PSH to create at least 200 new units of housing with supportive services across Oregon. In 2019, the Governor is proposing to use \$20 million of bond proceeds for the construction of the new units. In addition to the OHCS development funding, OHA will align the funding that they provide to communities across Oregon in the form of rent assistance and service dollars with HB 3063 (2017)



requirements in order to support a fully developed PSH effort. The requested funding will be made available for the 200 units by 2021; development completion can be anticipated by 2024. In addition, OHCS will work with OHA and project sponsors to track the impacts that these PSH units have on public systems. In addition to this funding request, OHCS is planning to re-tool its core programs to incentivize development of additional PSH units with appropriate services. OHCS is also working closely with OHA on the work to develop "CCO 2.0," which will include links to housing. In addition to successfully reducing chronic homelessness, impacts include any changes to emergency room utilization, primary care visits, criminal justice involvement, and behavioral and physical health improvement.

FOUR: Accelerate Growth of Housing Supply: *Increase Oregon's housing supply in both metropolitan and rural areas by a) expanding the workforce housing initiative, b) improving the path to build and permit innovative building types, and c) promoting training and apprenticeship programs for construction, particularly in rural Oregon.*

In her travels across the state, Governor Brown has heard from that the lack of workforce housing is a constraint to continued growth. In 2019, the Governor will launch the Greater Oregon Housing Accelerator to help communities throughout Oregon ensure people can live in the communities where they work. The Accelerator will continue the momentum generated by the Governor's Workforce Housing pilot project, which launched in 2017.

Under the pilot, state agencies reviewed their programs to find opportunities to partner with local governments, the business sector, and housing



developers to address the workforce housing shortage in Oregon. The Governor's Regional Solutions Cabinet identified tools to support public-private partnerships, including access to loans, grants, and targeted technical assistance. The initiative received 31 applications and awarded funding to five projects.

The Accelerator will use \$15 million in resources and continue leveraging the support of the Regional Solutions Cabinet to provide incentives to a minimum of three dozen collaborative partnerships between employers and communities statewide.²⁴

The Accelerator will include modification of the Housing Development Guarantee Account to lessen the risk for developers in rural communities. These statutory changes are modeled after programs in other states, and will enable Oregon to support developers in producing new units or rehabilitating low-quality housing stock. The changes would make \$20 million available to developers

by reducing the risk to housing lenders to facilitate development throughout greater Oregon.

In addition, Oregon will enhance the path to permit innovative building types, including tiny homes and modular housing as well as replacing manufactured homes, enabling local jurisdictions to adapt to the ever-changing market and support local businesses with a highly skilled workforce.

Governor Brown launched Future Ready Oregon to close the skills gap. HB 4144 (2018) turned wage earners into job creators by helping construction workers who are interested in building affordable, low- and middle-income housing in rural Oregon access resources to support starting their businesses. In 2019 Governor Brown will expand funding for construction-related CTE startup costs and work with the industry to address other workforce barriers. Future Ready Oregon will help provide the workforce we need to increase the supply of homes across the housing spectrum throughout Oregon.

24. Examples of eligible investments are: down payment assistance programs, land acquisition funding, gap financing, technical assistance funding, master leases, sponsoring/ seeding of regional land trusts, and real financial investments in attainable housing developments. Other contributions and models will be considered.



Attachment 1: Housing Spectrum Table

Housing and Income Situations across the Spectrum	Housing Terms	Housing Definition	Key state tools in whitepaper (existing, proposed)
<p>These three terms (homeless, unsheltered homeless, and chronically homeless) define different types of homeless situations. There is no single story that describes who is homeless or how they became homeless, but here are some characteristics that increase people’s chances to experience homelessness, especially during times of housing shortages.</p> <ul style="list-style-type: none"> • Income level: <ul style="list-style-type: none"> ○ 0-30 percent Medium Family Income (MFI), less than \$22,000 annual income • Income situations: <ul style="list-style-type: none"> ○ Individual on disability ○ Couple on social security • Housing context: <ul style="list-style-type: none"> ○ Housing affordable at this level requires an ongoing subsidy, such as rental assistance vouchers. Many households in this income bracket also benefit from support services for residents on site, which require additional subsidies or resources. The private market does not provide housing affordable at this level. 	<p>Homeless</p>	<p>An individual or family who lacks a fixed, regular, and adequate nighttime residence, which includes a primary nighttime residence of:</p> <ul style="list-style-type: none"> • Publicly or privately-operated shelter or transitional housing, including a hotel or motel paid for by government or charitable organizations 	<ul style="list-style-type: none"> • More permanent, affordable housing • Emergency Housing Assistance (EHA) • State Homeless Assistance Program (SHAP), including shelters • End Veterans’ Homelessness • Local Innovation and Fast Track (LIFT) Housing Program
	<p>Unsheltered homeless</p>	<p>An individual or family who lacks a fixed, regular, and adequate nighttime residence, which includes a primary nighttime residence of:</p> <ul style="list-style-type: none"> • Place not designed for or ordinarily used as a regular sleeping accommodation (including car, park, abandoned building, bus/train station, airport, on the street or camping ground) 	<ul style="list-style-type: none"> • More permanent, affordable housing • EHA/SHAP • <i>Children’s proposal</i>
	<p>Chronically homeless</p>	<p>A homeless individual or head of household with a disability who: lives in a place not meant for human habitation, in an Emergency Shelter, or a Safe Haven; AND has been homeless continuously for at least 12 months (stays in an institution of fewer than 90 days does not constitute a break); OR has been homeless on at least 4 separate occasions in the last 3 years where the combined occasions total at least 12 months (occasions are separated by a break of at least 7 nights)</p>	<ul style="list-style-type: none"> • Mental Health Housing Program • EHA/SHAP • <i>Permanent supportive housing</i>

Housing and Income Situations across the Spectrum	Housing Terms	Housing Definition	Key state tools in whitepaper (existing, proposed)
<ul style="list-style-type: none"> • Income level: <ul style="list-style-type: none"> ○ 0-80% MFI, less than \$59,000 annual income • Income situations: <ul style="list-style-type: none"> ○ Full-time, minimum wage worker, 32% MFI, \$23,000 ○ Customer service representative, 55% MFI, \$40,000 ○ Two full-time min. wage workers, 65% MFI, \$47,000 ○ Carpenter, 70% MFI, \$51,000 • Housing context: <ul style="list-style-type: none"> ○ 30-60% MFI: The private market does not typically provide new housing affordable at this level - at least not in locations with good access to transit and amenities. Regulated affordable housing at this level often requires subsidies to construct. ○ 60-80% MFI: The private market does not provide much new rental housing at this level. Most people in this group live in older rental housing stock that has “filtered” down to become more affordable. 	<p>Affordable housing</p>	<p>Housing for which the units are rent restricted to a set percentage of Area Median Income, or an individual or family is paying no more than 30 percent of their income for gross housing costs, including utilities</p>	<ul style="list-style-type: none"> • More permanent, affordable housing • LIFT • Preservation of affordable housing • Individual Development Account (IDA) • <i>Acquisition of “Naturally Occurring Affordable Housing”</i> • <i>Help renters access private market rental housing, increase resources to meet housing needs of domestic violence survivors, and enhance renters’ access to legal resources proposal</i>
<ul style="list-style-type: none"> • Income level: <ul style="list-style-type: none"> ○ 80-120% MFI, between \$59,000 - \$88,000 annual income • Income situations: <ul style="list-style-type: none"> ○ Police Officer, 91% MFI, \$66,000 ○ Electrician, 96% MFI, \$70,000 • Housing context: <ul style="list-style-type: none"> ○ Smaller format housing types like condos, cottage clusters, and accessory dwelling units can create more modest market rate housing options for this group, including a mix of rental and homeowner units. 	<p>Market-rate housing (a.k.a. workforce housing, middle housing)</p>	<p>Market rate housing is any home (apartment, condo, house, etc.) that has no rent restrictions. An owner who owns market-rate housing is free to attempt to sell, rent, or lease the home at whatever price the local market is at</p>	<ul style="list-style-type: none"> • <i>Greater Oregon Housing Accelerator</i>