



Oregon Housing and Community Services (OHCS) Agency Request Budget Engagement Summary

In the last two legislative sessions, the Legislature allocated nearly \$1.6 billion in housing and homelessness initiatives across multiple state agencies. Under the Governor’s direction, OHCS leveraged the Agency Request Budget process as an exercise to demonstrate what is possible in Oregon with meaningful investments in key areas.

This preliminary conversation was meant to inform, but not determine with any finality, the 2025-27 executive branch budget approach to addressing key housing and homelessness priorities in alignment with a continued focus on delivering outcomes. Together, OHCS and the Governor’s office established a process for developing OHCS’ 25-27 Agency Request Budget (ARB) process that is centered on the following priorities:

1. **Maintaining progress made:** Leveraging the gains from the past few years increased resources, many of which were one-time investments, to sustain the ongoing stability of those being served.
2. **High-priority program improvements:** OHCS will examine existing investments and see where it is possible to make programs more efficient, adjusting as needed to ensure the delivery of outcomes and advancing racial equity in those outcomes.
3. **High-priority program expansions:** Investing in the programs that are yielding progress.
4. **New programs:** After ensuring existing investments are optimized, new programs may be included in the 25-27 request budget to address gaps in current programs.

To focus the budget conversation in 2025, it’s imperative to have a comprehensive understanding of what is needed to achieve the progress Oregonians expect of their government and right size it with what is possible based on unknowns, including the September Forecast, legislative agenda, and unforeseen events between now and 2025.

Engagement objectives

OHCS structured engagement to collect input on several topic areas identified as important to stakeholders. The goal was to gather foundational information to make informed funding decisions and recommendations. The engagement effort was designed to build upon existing relationships and will inform future ARB engagement strategies.

In addition to supporting decisions and future recommendations regarding the ARB processes, objectives for OHCS' engagement include:

- Promoting a transparent and inclusive decision-making process to encourage relationship-building among participants.
- Fostering relationships with culturally specific organizations to incorporate meaningful input.

Engagement strategies

Virtual town halls

OHCS hosted six 90-minute Zoom meetings between May 15 and May 22. Questions were focused on shelter, permanent supportive housing, preservation, and homeownership.

For each topic, OHCS created specific questions for stakeholders to consider and provide input through web-based platforms, Easy Retro Board or IdeaBoardz. Town halls were recorded and posted to OHCS' website, along with a link to a survey.

Surveys

Following the town halls, OHCS conducted three surveys on shelter, permanent supportive housing and preservation, and homeownership. Each survey was specifically designed to gather input from partners, with questions structured similarly to those posed during the town hall sessions. Each survey was open for at least one week to accommodate those who could not attend town halls (response rates for each survey are within the topic summary below). Themes have been shared with program staff to inform Policy Option Packages (POPs) and Legislative Concepts (LCs).

Budget Analysis Tool

The budget analysis tool examined the state's one-time investments to determine the necessary funding in each region to sustain the investments made. OHCS worked with MAC group regions, Balance of State Local Planning Groups, Community Action Agencies, and several community-based organizations that have received one-time funding directly from OHCS to estimate how much funding would be needed to maintain operations in 25-27 for each budget category. The response rate for the analysis was 90% (*47 out of 52 templates received*) and was summarized in the OHCS Homeless Services Maintenance of Effort Analysis submitted to the Governor's office on May 31.



Partner participation

Partners from across Oregon participated in the engagements, representing 27 of 36 counties (75%). The Metro area and Willamette Valley had the most participation, followed by central Oregon. Participation was low for the north coast, southern Oregon, and northeastern Oregon. Regions with no participation included southeastern Oregon and the eastern part of the Columbia River Gorge.

Grantees, local governments, and service providers were amongst the most active. Most active coalition members included Housing Alliance, Housing Oregon, and CAPO. Other attendees included advocates, culturally specific organizations, other state agencies, LOC, AOC, and individuals. The majority indicated families with children, low-income, communities of color, seniors, people with disabilities, and LGBTQ+ as top groups served. Five tribes were represented, with members from Cow Creek Band of Umpqua Tribe of Indians, Confederated Tribes of Grand Ronde, Confederated Tribes of the Warm Springs, Confederated Tribes of the Umatilla Indian Reservation, Burns Paiute Tribe.

	Shelter & Project Turnkey	Homeowners hip	PSH & Preservation	Spanish	Tribal Housing Workgroup
Number of attendees	90	58	68	4	5
Survey respondents	45	14	9	N/A	N/A

Overall themes

Throughout the agencywide engagement, common themes emerged from participants:

- More, and stable, long-term funding is needed to sustain programs and ensure they can continue to deliver outcomes.
- Increased administrative funding for proper capacity building. Partners must offer livable, competitive wages, and cover other staffing costs (insurance, training costs, etc.) to attract and retain professionals.
- Statewide standards and trainings would result in a cohesive housing system.
- Increased collaboration is needed across all levels of government, housing providers, and service providers.
- Including people with lived experience in program creation and implementation is critical for success.
- Data standardization is necessary to understand the full picture.
Financial investment in culturally specific organizations and services.



Shelter investment feedback

Partner participation

Ninety people attended two town halls focused on shelter, and 45 surveys were completed (13 as individuals, 29 on behalf of an organization, and three with no specification).

Themes

Some themes heard through town halls and the shelter investment survey include:

1. Funding is needed to attract, support, and retain quality staff.

- Securing more funding to attract, train, and retain employees is crucial.
- Many staff are living in poverty or barely above the poverty line.
- Staff need better training and mental health coverage to process the pain they witness at work.

2. Predictable and sufficient funding for shelters helps ensure stability.

- Shelters operate on very slim margins and, too often, find themselves unsure if the state will fund them or if they will run out of money. It's difficult for them to offer services when uncertain if they can keep the doors open.
- This uncertainty causes unnecessary stress for staff and also hinders their ability to collaborate with other partners.

3. Wraparound services and low-barrier supports are effective, and flexible funding is crucial to maintaining them.

- Partners want flexibility to address the unique needs of their communities.
- Complex shelter rules do not work for every person experiencing homelessness; people more likely to shelter if they can bring belongings, families, pets, etc.
- Shelters must be able to offer wraparound services to clients to ensure they have the support required, and there is a deficit of providers to deliver adequate health-related services, particularly behavioral health.

4. We must invest in the safety of shelter staff and clients.

- Shelter staff and volunteers need training on topics including de-escalation, crisis response, trauma informed care, and mental health first aid.
- Shelters need the appropriate physical spaces to safely meet the needs of varying populations (families with children, women, transgender folks, people with disabilities, etc.).
- Other themes include need for appropriate levels of 24-hour staffing, onsite health services, and non-congregate spaces or individual rooms for sleeping.

Preservation and Permanent Supportive Housing feedback

Partner participation

68 partners attended the town hall, and nine surveys were completed (five as individuals, three on behalf of an organization, and one with no specification).

Permanent Supporting Housing themes

Main themes heard around Permanent Supportive Housing (PSH) include:

- 1. Financial and operational challenges include rising and unpredictable expenses, inadequate funding, and budget constraints.**
 - Operating expenses frequently exceed budgets.
 - Allocated PSH funds are often not enough to cover rent and partners need more funding for administrative expenses.
- 2. PSH requires investment in a wide range of supportive services and other tenant needs to remain successful.**
 - The supportive services needed surpass traditional PSH services, including proactive, trauma-informed property management, community support, strong network to address trauma, high acuity needs, and mental health supports.
 - Tenants should be involved in the decision-making process.
 - Tenants need rent forgiveness and financial assistance to prevent eviction and ensure housing stability.
 - PSH providers need comprehensive case management, trauma-informed training for property managers and support high-needs individuals.
- 3. Systemic and policy issues include data and measurement challenges, coordinated entry system problems, dedicated state support and standards, and a desire to leverage medical funds.**
 - Metrics often overlook tenant wellbeing; focus on short-term housing retention.
 - Statewide data is inaccurate and poorly integrated with other systems.
 - Coordinated entry has mixed reviews, but sometimes individuals are inappropriately placed in PSH.
 - Need ongoing training and support to ensure high-quality and standardized practices across PSH programs.



Preservation themes

Top themes heard around preservation of affordable rental housing include:

1. Diverse debt structures and lack of centralized oversight make statewide preservation challenging.

- Need reporting system of the status of deed-restricted affordable housing.
- Need data from other financial institutions and integration into preservation.
- Clarify OHCS role in supporting Rural Development properties.

2. Operational cost increases and management challenges:

- More resources needed for property management and supportive services.
- Adjusting AMI levels and allowing higher rent increases under specific compliance conditions.

3. Resource disparities among organizations:

- Smaller, rural, culturally specific organizations lack resources for necessary activities like a Capital Needs Assessment. These organizations need technical assistance, capacity building, and easier access to funding.
- Reliance on developer fees creates a cycle where continuous development is necessary to sustain the organization which is not always feasible. Implement asset management fees for projects to sustain organizations.

4. Support for rental assistance and addressing rent collection issues:

- Move-in costs and security deposits are barriers.
- Need statewide intervention and better homeless service funding coordination.
- Evaluating rental assistance needs to differentiate between acute and long-term needs. Flexible subsidies for those slightly above income limits and better coordination with Community Action Agencies to bridge homelessness and permanent supportive housing.

5. Predictability of full preservation need:

- Develop a centralized database, engage financial institutions, conduct comprehensive portfolio assessments, and facilitate better communication around risk share ratings, property performance data, and strategic planning for preservation.



Homeownership investment feedback

Partner participation

Fifty-eight partners attended the homeownership town hall, and 14 surveys were completed (four as individuals and ten on behalf of an organization).

Themes

Main themes heard through town halls and the homeownership survey include:

1. Homeownership Development Incubator Program (HDIP) and Local Innovation and Fast Track (LIFT) Homeownership:

- More funding is needed for predevelopment and capacity building.
- Possibly a construction loan guarantee program to support more development.
- New partners are interested in developing affordable homes for purchase. Additionally, there is interest in funding opportunities for non-limited equity models of homeownership.
- It is difficult to plan out pipelines when aspects of LIFT, such as supplemental caps and award amounts keep changing.

2. Foreclosure Avoidance Counseling (FAC):

- The need for flexible foreclosure prevention funding remains, and there are concerns around the Homeowner Assistance Fund program closing.
- Foreclosure avoidance counseling is homelessness avoidance. This program is great for pre-foreclosure; it works better to focus on people when they are pre-foreclosure than when they are already in proceedings.

3. Down Payment Assistance (DPA):

- Additional funding could benefit Oregonians—the demand for downpayment assistance is incredibly high, partners never have enough funding, and the waitlists are too long.
- Better methods needed to connect rural areas to funding.
- Continued conversations are required to determine how to best structure DPA for ITIN holders.



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Next steps

OHCS is currently analyzing themes from the town halls and surveys. These will be used to inform the ARB, which will provide the Governor, Legislature, agencies, and stakeholders a broad menu of options to consider to hone priorities in what is anticipated to be a resource-limited environment.

Along with all state agencies, OHCS' request budget will inform the Governor's Request Budget (GRB). It will be a budget that ensures core programs and services continue while also prioritizing issues of top concern for Oregonians, reflected in the Governor's three initiative areas: housing and homelessness, education and early learning, and behavioral healthcare. The GRB will be the composite of this process, the Governor's priorities, and the evolving needs of Oregonians.