



Permanent Supportive Housing Risk Mitigation Pool - \$4 million

The long-term operation of state funded Permanent Supportive Housing (PSH) homes is one effective way to get Oregonians off the streets. PSH is a best practice to house people experiencing chronic homelessness by providing wrap around services in addition to housing. PSH is also a priority in Oregon’s Statewide Housing Plan. Evaluating OHCS’ PSH model in collaboration with PSH Institute participants and PSH operators, it has become clear that operating costs attributed to unit damages are jeopardizing the longevity of state funded PSH developments. To assure the success of this initiative and these individual developments, additional financial support is necessary to offset increased operating costs at these developments and lessen insurance claims that increase premiums. The \$4 million investment will support all state funded PSH developments.

Problem Statement

OHCS supported PSH developments continue to open doors. Since launching the PSH model and program, OHCS has learned about additional needs to ensure long-term operations of these projects. Specifically, there is a need to support damage claims and increased operational costs related to the more frequent and more severe property damage incidents that occur serving PSH populations with higher levels of acuity. The frequency and level of damage is directly affecting insurability rates and the operational budgets of these properties. Insurance premiums continue to increase, and increased damages and claims associated with PSH developments further increase the cost of insurance through increased deductibles. This is putting many PSH properties at risk and making partners reconsider further development of PSH, putting permanent housing for individuals experiencing chronic homelessness at serious risk of ending either back on the streets or remaining homeless.

Policy Solution

OHCS is requesting \$4 million to establish the PSH Risk Mitigation Pool. The pool may be used to reimburse eligible project owners for repairing physical damages beyond normal wear and tear or supplementing increased operating costs, such as additional extermination fees or vacancy reimbursement during damage repair. The Risk Mitigation Pool will decrease insurance claims, provide stability to the entire affordable housing insurance pool, and limit property exposure to these unanticipated financial risks. Without this pool, many partners may choose not to participate in the PSH program. A modest investment will support 752 PSH units across the state.

Contact

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