

Analysis

Housing and Community Services Department

Department of Veterans' Affairs

Measure 96 Lottery Funds for Veterans' Housing

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Request: Acknowledge receipt of a report on veterans' homelessness and housing issues and approve an expenditure plan presented by the Housing and Community Services Department and the Oregon Department of Veterans' Affairs to utilize Measure 96 Lottery Funds for initiatives that result in long-term housing stability for veterans, including the establishment of one limited duration position (0.62 FTE) and a \$1,150,000 increase in Lottery Funds expenditure limitation for the Housing and Community Services Department.

Analysis: The 2017-19 legislatively adopted budget included a \$1,500,000 Measure 96 lottery allocation to the Housing and Community Services Department (HCSD) for housing assistance to veterans; however, only \$350,000 Lottery Funds expenditure limitation was provided, with direction to report with the Oregon Department of Veterans' Affairs (ODVA) in February 2018 on a plan for strategic investments of the remaining allocation, pursuant to the following budget note:

BUDGET NOTE: The Housing and Community Services Department and the Department of Veterans' Affairs are directed to work in concert to develop a plan to advise the Legislature on strategic investments of Measure 96 lottery dollars for veterans' homelessness and housing issues that will result in long-term housing stability for veterans. The Department of Veterans' Affairs and the Housing and Community Services Department will report back to the Joint Committee on Ways and Means in February 2018 with a proposal that includes a key performance measure to quantify progress toward this goal. The report shall include, but need not be limited to the following: information on best practices and programs in other states that have shown efficacy; the amount and source of resources intended to be utilized for each option presented; other partners or cooperation necessary from state or local entities; the number of veterans that can be assisted with each proposal at the suggested level of support; and whether changes to statute would be needed to implement the plan.

HCSD, in coordination with ODVA, developed a proposed plan for utilizing the \$1.5 million one-time Measure 96 lottery allocation based on nine months of researching best practices, speaking with local, state, and federal leaders, and jointly hosting an Oregon Homeless Veteran Providers and Partners Convening. The resulting plan is based on U.S. Interagency Council on Homelessness (USICH) best practices and features a pilot project with the goal of functionally eliminating veterans' homelessness in 10 Oregon communities. Criteria for selecting communities is still being developed, but will include the ability of the community to contribute resources, dedicate staff, maintain the registry (discussed below), and track outcomes. The proposal includes the following four main investments:

- **Community Technical Assistance - \$150,000:** Funding would be used to hire a consultant with expertise in veterans' homelessness to provide technical assistance to local communities for data gathering and reporting elements, including the establishment of a "by-name registry" of homeless veterans in each of the selected communities, that would serve as means of

identification, tracking assistance and outcomes. A minimum of 10 communities would be selected at an estimated cost of \$10,000 - \$12,000 per community. The contract would also include the creation of a Veterans' Homelessness Workgroup to support and compile information gathered from the participating communities.

- **Veteran Homelessness Integrator - \$150,283:** A limited duration Veteran Homeless Integrator position (0.63 FTE) is proposed to serve as the designated staff within HCSD to lead the initiative to end veterans' homelessness. The position will engage partners, coordinate resources, and help communities access and share best practices to effectively utilize the by-name registry, as well as provide targeted assistance, once the registry is developed. Funding supports the position and associated service and supplies expenditures through the end of the 2017-19 biennium (15 months). The original proposal anticipated that the Veterans' Integrator position would continue for the first nine months of the 2019-21 biennium (0.38 FTE) at a cost of \$89,717. However, any lottery allocation unspent at the end of the biennium will be reverted and unavailable to support operations expenditures in the subsequent biennium. Therefore, \$89,717 of the proposal will need to be reallocated to other efforts to assist veterans. HCSD will include options in its presentation to the Joint Ways and Means Subcommittee on Transportation and Economic Development.
- **Emergency Housing Assistance - \$350,000:** Funding was awarded to the network of Community Action Agencies (CAAs) specifically to be utilized for providing emergency housing resources to veterans, as well as outreach and homelessness prevention services. Expenditure limitation for this element was included in the 2017-19 legislatively adopted budget.
- **Permanent Housing - \$760,000:** Funding for veterans' housing development, which would enable HCSD to fund an additional project from its most recent Veterans' Notice of Funds Availability (NOFA), consisting of four units in the City of Independence. The total cost per unit of this project is \$283,000, of which HCSD would provide \$190,000, with the balance coming from the Meyer Memorial Trust and Lottery Bond proceeds associated with multi-family housing development for those with mental health and substance abuse issues.

HCSD and ODVA anticipate the proposed investments to yield the following:

- Development of by-name registries and action plans for participating communities, including identification of local partners;
- Creation and facilitation of a state Veterans' Homeless Workgroup that will collect data and serve as a clearinghouse of information so participating communities – and potentially other future participants – can continue work to functionally end veterans' homelessness beyond the 2017-19 biennium;
- 215 veterans being provided homelessness or prevention services through the Emergency Housing Account program; and
- 4 units of permanent housing for veterans.

The extent to which efforts can be sustained in participating pilot project communities, or duplicated in others without additional investments in future biennia is unknown. Assuming utmost expediency with procurement and hiring processes, HCSD estimates it will take six months to procure the technical assistance component of the proposal and identify communities that have sufficient commitment and readiness to participate; nine months would remain in the biennium to work with selected communities to achieve the deliverables outlined above. Given that additional time will be needed to help communities develop and execute their action plans, HCSD needs to request funding and position authority to continue the Veterans' Integrator position in its 2019-21 agency request budget. However, it is unlikely that demonstration of significant progress toward deliverables will be

available by the time that budget request is due. Additionally, once the limited duration Veteran's Integrator position has ended, both HCSD and ODVA will need to designate existing staff to continue coordinating and tracking veterans housing issues. Ending functional veterans' homelessness requires ongoing coordination of local, state, and federal efforts and resources, including utilization of ODVA's direct assistance and advocacy to veterans through state and county Veteran Service Officers (VSOs) and National Service Organizations (NSOs) and HCSD's resources and network of CAAs.

The budget note calls for development of Key Performance Measure (KPM) related to housing stability for veterans, which can be utilized to track progress on the issue of veterans' homelessness and inform future investment decisions. ODVA has proposed adoption of a measure modeled after an existing HCSD KPM; specifically, "The percentage of homeless veterans who exited into permanent housing and retained that housing for six months or longer." HCSD will contribute data to the ODVA to support this measure. The Legislative Fiscal Office expects ODVA to propose this new KPM during development of their 2019-21 budget for adoption in the 2019 legislative session.

Legislative Fiscal Office Recommendation: Acknowledge receipt of the report, establish one limited duration position (0.63 FTE), and increase Lottery Funds expenditure limitation by \$1,150,000 in a budget reconciliation bill for efforts associated with long-term housing stability for veterans.