

HB 5019 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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Housing and Community Services Department

2023-25

2021-23

Department of Emergency Management

2023-25

2021-23

Department of Human Services

2023-25

PRELIMINARY

Budget Summary

2023-25 Budget Actions*

	2021-23 Legislatively Approved Budget ⁽¹⁾	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change	
				\$ Change	% Change
Housing and Community Services Department					
General Fund	\$ -	\$ -	\$ 129,244,331	\$ 129,244,331	100.0%
Other Funds Limited	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000	100.0%
Total	\$ -	\$ -	\$ 134,244,331	\$ 134,244,331	100.0%
Department of Emergency Management					
General Fund	\$ -	\$ -	\$ 722,631	\$ 722,631	100.0%
Total	\$ -	\$ -	\$ 722,631	\$ 722,631	100.0%
Department of Human Services					
General Fund	\$ -	\$ -	\$ 19,921,469	\$ 19,921,469	100.0%
Total	\$ -	\$ -	\$ 19,921,469	\$ 19,921,469	100.0%

Position Summary

Housing and Community Services Department

Authorized Positions	0	0	21	21
Full-time Equivalent (FTE) positions	0.00	0.00	5.88	5.88

Department of Emergency Management

Authorized Positions	0	0	6	6
Full-time Equivalent (FTE) positions	0.00	0.00	3.00	3.00

Department of Human Services

Authorized Positions	0	0	5	5
Full-time Equivalent (FTE) positions	0.00	0.00	5.00	5.00

⁽¹⁾ Includes adjustments through December 2022

* Excludes Capital Construction expenditures

2021-23 Budget Actions*

	2021-23 Legislatively Approved Budget ⁽¹⁾	2023 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
			\$ Change	% Change
Housing and Community Services Department				
General Fund	\$ 854,675,215	\$ 853,664,124	\$ (1,011,091)	-0.1%
Total	\$ 854,675,215	\$ 853,664,124	\$ (1,011,091)	-0.1%
Department of Emergency Management				
General Fund	\$ 32,911,344	\$ 33,835,269	\$ 923,925	2.8%
Total	\$ 32,911,344	\$ 33,835,269	\$ 923,925	2.8%

Position Summary

Housing and Community Services Department

Authorized Positions	422	435	13
Full-time Equivalent (FTE) positions	366.03	368.36	2.33

Department of Emergency Management

Authorized Positions	94	100	6
Full-time Equivalent (FTE) positions	47.01	48.51	1.50

⁽¹⁾ Includes adjustments through December 2022

* Excludes Capital Construction expenditures

Summary of Revenue Changes

HB 5019 appropriates \$158,856,981 General Fund to the Housing and Community Services Department (HCSD), \$1,646,556 General Fund to the Oregon Department of Emergency Management (ODEM), and \$19,921,469 General Fund to the Department of Human Services (DHS) on a one-time basis to provide resources for homelessness prevention services, addressing unsheltered homelessness in areas specified in Executive Order 23-02 and in other areas of the state, and for services and assistance to youth experiencing homelessness. Further, the measure repurposes 2021-23 resources in the amount of \$30,623,741 that were originally appropriated to HCSD in the 2021 and 2022 legislative sessions, but which will be unspent for their initially intended purpose.

Summary of Transportation and Economic Development Subcommittee Action

Executive Order No. 23-02 - Homelessness Emergency

The Governor's declared homelessness emergency extends for a period of 12 months from the initial declaration on January 10, 2023, and as such, spans two biennia. The measure provides for expenditures to address homelessness and support a variety of local service providers, in both the 2021-23 and 2023-25 biennia, as follows:

Eviction Prevention: Homelessness prevention funding deployed through the Oregon Eviction Diversion and Prevention (ORE-DAP) program and the Eviction Prevention Rapid Response (EPRR) program totals \$7,386,826 in the 2021-23 biennium and \$26,213,174 in the 2023-25 biennium. Approved funding is estimated to prevent 8,750 households from experiencing homelessness, ensuring that they have access to eviction prevention interventions, such as emergency rental assistance and legal or mediation services. Resources will be deployed through existing master contracts between HCSD and local providers for the respective programs, with 80% of funding anticipated to be delivered through ORE-DAP and 20% through EPRR. Eviction prevention resources will be available to households or individuals statewide, regardless of whether they currently reside within the declared emergency area.

Long-Term Rental Assistance Program Design: Funding in the amount of \$200,000 is approved in the 2021-23 biennium for HCSD to develop and design a statewide long-term rental assistance program for individuals and households who are rehoused with state investments approved in this measure. Program development is anticipated to be completed by the end of the current biennium to support program implementation on July 1, 2023. Long-term rental assistance payments (a guarantee of rental assistance payments for a designated period of time for low-income recipients in an effort to keep them stably housed) beyond the rehousing investments included in this measure would require approval by the Legislature as part of the agency's 2023-25 budget. If approved, such a program would result in additional current service level funding obligations in the future, depending on the term of recipient eligibility.

Local Homelessness Emergency Plans: The Governor's Emergency Declaration covers continuum of care regions of the state that have experienced an increase in unsheltered homelessness of 50% or more from 2017-2022, as measured by the homelessness Point in Time count. The seven continuum of care regions meeting this criteria include the Metro regions (Portland, Gresham/Multnomah County; Beaverton/Washington County; and Clackamas County); Central Oregon; Eugene, Springfield/Lane County; Medford, Ashland/Jackson County; and Salem/Marion, Polk Counties. Resources will be used to support plans submitted by local Multi-Agency Coordinating (MAC) groups in each emergency area that outline capacity gaps, needs, and resources required to meet the goals of the Executive Order through:

- increased shelter capacity and connections to shelter;
- rapid rehousing initiatives, including a guarantee to landlords through the HCSD housing choice guarantee program, prepaid rent assistance, and block leasing;

- capacity support for culturally responsive organizations to ensure they have staffing, information technology, and other resources necessary for local delivery of services; and
- sanitation services for local communities that may include trash removal, removal of biohazards, and basic sanitation services, but do not include removal or relocation of encampments.

A total of \$20,900,000 will be available to fund local emergency homelessness plans in the 2021-23 biennium and \$64,300,000 in the 2023-25 biennium.

Coordinated plans with requested funding for eligible services will be submitted by local MAC groups to HCSD for review. Local MAC groups will be established by the ODEM and should include local city and county governments, public housing authorities, local homelessness agencies, rapid rehousing service providers, shelter developers and operators, landlord associations, and behavioral health providers. HCSD will enter into agreements with a primary entity for each emergency area that will outline resources available, eligible use of resources, required shelter and rehousing outcomes, deadlines to achieve outcomes, program guidelines, reporting requirements, and accountability measures. Funds will be distributed to emergency areas in response to community plans to achieve the overall goals of the EO. Distributions to each community may be informed by a minimum amount for each community and consideration of a needs-based criteria which may incorporate factors such as the percentage of the population within the continuum of care area that are unsheltered; the number of available shelter beds; the number of people within a region with incomes below the poverty threshold; the percentage of households that are considered severely rent burdened; and the amount of local resources that can be applied to providing emergency shelter and stable housing for affected households.

The goal of the plans is to collectively create 600 new shelter beds across emergency areas, as well as to rehouse 1,200 individuals using housing navigators and partnerships with landlords that can include prepaid rent for up to twelve months, landlord incentives or block leasing of a specified number of units for targeted populations with an emphasis on the unsheltered homeless, associated social supports and services provided to tenants placed in those units, and a guarantee fund that can be accessed by landlords in the event of damage to units. Participating landlords would be identified by the local MAC groups, as would providers of social supports and services that will contribute to successful housing stability for the individuals and households served. Contracts with the lead organization in each community, and service providers as necessary, will include outcome targets specifying the number of new emergency shelter beds created and the number of homeless households to be rehoused.

Total funding approved to support local emergency plans is based on the following estimated amounts for each of the activities identified above, though final amounts for each activity may vary depending on the needs and existing resources in communities:

Activity	2021-23	2023-25	Total
Shelter and navigation	\$5,838,264	\$17,961,736	\$23,800,000
Rehousing: rental assistance and landlord incentives	\$10,829,000	\$33,371,000	\$44,200,000
Rehousing: secure access through block leasing	\$1,764,000	\$5,436,000	\$7,200,000
Rehousing: landlord guarantee (housing choice guarantee program)	\$751,600	\$2,248,400	\$3,000,000
Capacity Support	\$1,226,526	\$3,773,474	\$5,000,000
Sanitation services	\$490,610	\$1,509,390	\$2,000,000
Total	\$20,900,000	\$64,300,000	\$85,200,000

The Subcommittee approved the following Budget Note:

BUDGET NOTE: The Housing and Community Services Department will report quarterly to the Joint Committee on Ways and Means and House and Senate policy committees relating to housing through June 30, 2025 with information on resources and outcomes related to investments in shelter and rehousing pursuant to HB 5019. Reports shall include the following:

- The amount of funding awarded to each continuum of care region.
- Targets and actual outcomes for each continuum of care region, including:
 - the number of new emergency shelter beds created;
 - the number of unsheltered homeless families rehoused and the duration of their rehousing (to measure housing retention);
 - the number of households whose homelessness was prevented; and
 - information on contracts with individual service delivery partners including funding amounts, services provided, timelines for service delivery, and outcomes achieved.

For the 2023-25 biennium, General Fund in the amount of \$5,000,000 is also approved for services to members of Oregon’s nine federally recognized tribes who are experiencing homelessness, either within designated emergency areas or elsewhere in Oregon.

General Fund totaling \$1,125,824 was approved to support 13 permanent positions (2.33 FTE) in HCSD for the remainder of the 2021-23 biennium to execute contracts with MAC groups and providers of eviction prevention services and monitor outcomes. Positions include the following:

- An Emergency Response Director position (Principal Executive Manager F) to oversee response efforts at the agency level;
- A Director of Procurement for this effort (Principal Executive Manager F);

- Two Procurement and Contract Specialist 3 positions and one Procurement and Contract Specialist 2 position to manage emergency procurements;
- Two Emergency Recovery Project Manager positions to promote internal agency coordination and processes among staff dedicated to these efforts;
- A Public Affairs Specialist position;
- A Program Analyst 2 and a Research Analyst 2 to gather and monitor data, and direct local MAC groups on consistent reporting and data reliability measures, and outcome measurements;
- A Program Analyst 4 position and a Program Analyst 2 position to direct and assist with landlord outreach and recruitment, and design a framework for a long-term rental assistance program; and
- An Administrative Specialist 2 position.

The Subcommittee also approved \$1,145,303 General Fund to support the above positions for the first six months of 2023-25 biennium (3.25 FTE), as well as the following seven permanent positions (1.75 FTE) that will be dedicated to this effort:

- A Program Analyst 2 position;
- Two Program Analyst 3 positions;
- A Program Analyst 4 position;
- An Accountant 2 position;
- A Procurement and Contract Specialist 2 position; and
- An Information Services Specialist position to support data gathering.

Permanent positions will enable the agency to recruit candidates in the current biennium and retain them for the first six months of the 2023-25 biennium. Any additional funding needed to support the positions beyond the homelessness emergency for ongoing reporting and compliance activities will need to be considered as part of the agency's 2023-25 budget. However, should funding not be continued for these activities beyond 2023-25, the positions would require elimination.

For the Oregon Department of Emergency Management (ODEM), \$923,925 General Fund is provided on a one-time basis for the 2021-23 biennium to establish six new limited duration positions (1.50 FTE) and to fund a portion of nine existing positions (0.99 FTE) that will shift some of their workload to support the overall coordination of efforts to address homelessness in emergency declared areas as part of the activation of the State of Oregon Emergency Operations Plan.

The existing positions, from the Mitigation and Recovery Division within ODEM, will coordinate to serve multiple functions that will eventually be taken over by the six new positions once they're onboarded. These functions include acting as Regional Coordinators and subject matter

experts on implementing emergency plan coordination, working with local jurisdictions in emergency areas to determine unmet needs, provide technical assistance for the MAC groups, review MAC group plans and resource requests, and facilitate ordering of resources and asset tracking.

In 2023-25, a one-time appropriation of \$722,631 General Fund is provided to fund the continuation of the six limited duration positions (3.00 FTE) for twelve months as the work of these positions is anticipated to extend beyond the termination of the emergency declaration in January 2024.

General Fund in the Housing and Community Services Department's 2021-23 approved budget that is not expected to be expended by the end of the biennium is also reduced by \$30,623,741 and repurposed for the state's homeless emergency. A total of \$30,000,000 was appropriated in HB 5006, 2021) to compensate landlords for 100% of missed rental payments for applications submitted for rent owed between April 1, 2020 and June 30, 2021. This program, known as the Landlord Compensation Fund, was repealed on January 2, 2023 (HB 4401, 2020 third special session and SB 278, 2021). Of the original appropriation, \$16,623,741 remains unspent and is redirected to fund the initiatives in this measure. An additional \$11,500,000 originally budgeted as rental assistance for permanent supportive housing units is not needed in the current biennium because development delays have resulted in units not being ready for occupancy according to original schedules. Providers of shelter services and foreclosure avoidance services are also not anticipated to utilize all funding originally appropriated for these services, which results in \$1,000,000 and \$1,500,000 available for reallocation, respectively.

Balance of State (Rural) Continuum of Care

General Fund in the amount of \$26,135,000 is appropriated to the Housing and Community Services Department in the 2023-25 biennium to address homelessness in the OR-505 Oregon Balance of State (Rural) Continuum of Care not covered by Executive Order 23-02. This region includes 26 counties throughout the state that are not part of any other Continuum of Care. HCSD will allocate these funds through its master grant agreement with Community Action Agencies (CAAs) that have demonstrated readiness to partner with other culturally responsive organizations and culturally specific organizations, as defined in ORS 456.005 (1) and ORS 456.005 (2), within the Oregon Rural Continuum of Care. The master grant agreement with CAAs will inform a needs-based distribution formula to allocate these resources, considering local capacity to deliver resources, the number and rate of unsheltered homelessness experienced by those in a CAA region, income levels and rent burden of households in a given area. HCSD may also provide funds to Coordinated Homelessness Response Offices, piloted through HB 4123, local governments, or to culturally specific or responsive organizations if CAA capacity is constrained.

As in Executive Order 23-02 emergency areas, shelter, rehousing, capacity support, and sanitation services are eligible for funding in the areas covered by the Oregon Rural Continuum of Care. Funding is anticipated to be sufficient to support the following:

- 100 new shelter beds and 12 months of associated operating expenses, five street outreach workers, and administrative costs for sheltering providers, at an estimated cost of \$4,200,000. Should these shelter beds be made available for the duration of the 2023-25 biennium, an additional estimated \$6,300,000 would need to be identified.

- Rehousing a total of 450 individuals by providing access to longer-term rental assistance and landlord incentives, at an estimated cost of \$16,560,000.
- Securitization of 225 units of housing with private landlords through block leasing estimated at \$2,750,000, with up to \$1,125,000 of that amount available for a landlord guarantee for damage to units.
- Capacity funding for the culturally responsive and specific organizations with which CAAs or HCSD contract, at an assumed cost of \$1,875,000.
- Sanitation services that include trash and biohazard removal, but are not intended to be used for encampment removal (up to \$750,000).

HCSD proposes to contract for professional services to facilitate coordination and attainment of these service goals in the Oregon Rural Continuum of Care. The measure provides \$1,250,000 for this purpose.

Youth Homelessness

General Fund in the amount of \$5,000,000 is appropriated in the 2023-25 biennium to the Housing and Community Services Department for deposit into the Emergency Housing Account, to increase services and assistance that Community Action Agencies provide to school-aged children or their families who are experiencing homelessness or are at risk of experiencing homelessness. Corresponding Other Funds expenditure limitation is included to enable the expenditure of these funds from the Emergency Housing Account. Agency administration funding consisting of \$200,854 General Fund will support a limited duration Program Analyst 2 position (0.88 FTE) to facilitate new partnerships to serve this population, create program rules, and award funds to Community Action Agencies and/or other local partners and service providers.

General Fund in the amount of \$12,500,000 is appropriated on a one-time basis to the Department of Human Services (DHS) in the 2023-25 biennium for grants that will promote access to shelter facilities, outreach, culturally specific services and mental health or substance abuse services for youth experiencing homelessness. An appropriation of \$6,250,000 to DHS for the 2023-25 biennium is included on a one-time basis for grants to organizations operating host home projects; the funds are intended to expand the operation of such projects, increasing the number of youths that have access to this type of transitional shelter. An additional \$1,171,469 General Fund and five limited duration positions (5.00 FTE) is provided to DHS for administration of programs and services for youth experiencing homelessness in the 2023-25 biennium.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Housing and Community Services Department, Department of Emergency Management and Department of Human Services
 Ali Webb – 503-400-4747

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2023-25 BUDGET ACTIONS									
Housing and Community Services Department									
SCR 010-00 - Housing Stabilization Programs									
Personal Services	\$ 684,921	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 684,921	10	3.13
Services and Supplies	\$ 1,317,352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,317,352		
Special Payments	\$ 126,648,174	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 131,648,174		
SCR 070-00 - Central Services									
Personal Services	\$ 538,599	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 538,599	11	2.75
Services and Supplies	\$ 55,285	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,285		
Department of Emergency Management									
SCR 400-00 - Mitigation and Recovery									
Personal Services	\$ 626,943	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 626,943	6	3.00
Services and Supplies	\$ 95,688	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,688		
Department of Human Services									
SCR 060-01 - Self-Sufficiency Programs									
Personal Services	\$ 1,061,743	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,061,743	5	5.00
Services and Supplies	\$ 109,726	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,726		
Special Payments	\$ 18,750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,750,000		
TOTAL BUDGET ACTIONS	\$ 149,888,431	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 154,888,431	32	13.88
SUBCOMMITTEE RECOMMENDATION *	\$ 149,888,431	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 154,888,431	32	13.88
2021-23 BUDGET ACTIONS									
Housing and Community Services Department									
SCR 010-00 - Housing Stabilization Programs									
Personal Services	\$ 192,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 192,738	5	0.85
Services and Supplies	\$ 322,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 322,900		
Special Payments	\$ (2,136,915)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,136,915)		
SCR 070-00 - Central Services									
Personal Services	\$ 342,616	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 342,616	8	1.48
Services and Supplies	\$ 267,570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 267,570		
Special Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Department of Emergency Management									
SCR 400-00 - Mitigation and Recovery									
Personal Services	\$ 732,543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 732,543	6	1.50
Services and Supplies	\$ 191,382	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 191,382		
TOTAL BUDGET ACTIONS	\$ (87,166)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (87,166)	19	3.83
SUBCOMMITTEE RECOMMENDATION *	\$ (87,166)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (87,166)	19	3.83

*Excludes Capital Construction Expenditures