



TO: Portland Housing Bureau's Affordable Housing Bond Stakeholder Advisory Group (SAG)

FROM: Amanda Saul, Enterprise Community Partners; Heather Lyons, CSH (Corporation for Supportive Housing)

CC: Mayor Ted Wheeler; County Chair Deborah Kafoury; Kurt Creager, Director of the Portland Housing Bureau; Marc Jolin, Director of A Home for Everyone; and Bond Oversight Committee members

Date: May 22, 2017

Subject: Recommendations for Permanent Supportive Housing units funded by the Bond

Enterprise and CSH respectfully request the Portland Housing Bureau's Affordable Housing Bond Stakeholder Advisory Group (SAG) include the creation of Permanent Supportive Housing (PSH) units for chronically homeless families and individuals as a priority for Bond funding. Households that have long-term homelessness in their background and have one or more disabilities (including mental illness and/or addictions) are considered chronically homeless.

Based on the current Bond targets, 600 units are targeted to people at or below 30% of Area Medium Income and Home Forward, Multnomah County's Housing Authority, has agreed to provide 400 Project Based Section 8 vouchers to Bond funded projects. We recommend, at a minimum, that SAG works with Home Forward to dedicate 300 of these vouchers (as operational subsidies) to units in Bond funded projects to create PSH units, targeted to the most vulnerable in our community. We also recommend that SAG consider that the balance of Project Based units (100) in Bond projects target other individuals and families experiencing homelessness, but who do not necessarily need the level of services that PSH provides.

Supportive housing is an innovative and proven solution to some of our communities' toughest problems. It combines affordable housing with person-centered services that help people facing complex challenges change course and live in homes of their own with autonomy and dignity. Supportive housing is a game-changer for the disabled, elderly, our veterans, families and many who are written-off as people unable to be helped.

Evidence shows supportive housing improves housing stability (markedly reducing homelessness), the mental and physical health of tenants, and school attendance. It increases the likelihood of sustained employment and provides a pathway to economic sufficiency. It also can reduce substance use among tenants actively engaged in treatment-recovery programs.

In addition to changing the trajectory of individual lives, supportive housing helps build strong, healthy communities by improving the safety of neighborhoods, beautifying city blocks with new or rehabilitated properties, and increasing or stabilizing property values over time.

Supportive housing costs essentially the same or less than it does to keep people homeless and stuck in the revolving door of high-cost crisis health care and emergency housing that stresses local and state budgets.

Tenants win, communities win and taxpayers win.

Enterprise co-chairs A Home for Everyone's Health Workgroup. This local workgroup has identified supportive housing as an effective solution to addressing the housing and health needs of vulnerable, low-income and chronically homeless people in our community. The workgroup's supportive housing subcommittee has determined, with detailed analysis provided by CSH, that 1,700 new PSH units must be created in Portland to address the current need of chronically homeless families and single adults. By creating new PSH units for chronically homeless people we will decrease the number, and therefore, the visibility, of chronically homeless people in our neighborhoods and business districts.

Fostering an environment conducive to attracting housing capital and on-going operating and services funding is essential if we are to realize this goal. It is therefore critical that the SAG recommend that Bond resources, for households at 30% and below, are specifically designated for supportive housing to bring other resources to the table (operating and services), and leverage additional funding from Oregon Housing and Community Services, Oregon Health Authority, Coordinated Care Organizations, and other governmental and non-governmental agencies.

Enterprise and CSH have worked with several community-level partnerships; in Portland and nationally, that successfully coordinate dedicated capital for deeply affordable housing with leveraged ongoing operating and supportive services resources. Many of those have functioned successfully in pilot scales. Portland has the opportunity to use Bond funds to bring these successful approaches to a greater scale that is more likely to meet the assessed need. CSH and Enterprise are happy to work with staff and SAG committee members to help identify methods of attracting services to match these very valuable capital and operations resources. Like many funds for PSH, this will require advocacy and policy adjustments for funders that provide capital and services resources. CSH and Enterprise have already begun the assessment of resources available through the Oregon Health Plan, including partnerships with Federally Qualified Health Centers (who already bill OHP), and other service partnerships in the community who have a keen interest in PSH for their clients. CSH has extensive experience in assessing these partnerships and providing training to ensure they are sustainable. Other resources may be available through the annual Continuum of Care application (facilitated by A Home for Everyone), which allows for new projects to include ongoing project or sponsor-based rent assistance along with services for PSH.

While there are options, we recognize the challenge of securing ongoing operating subsidies and services for PSH. Typically, Project Based Section 8 is often a primary funder of operations for such projects in other jurisdictions. However, other operational resources may be available through long-term rent assistance funding available with local resources, and, as mentioned, the annual Continuum of Care competition under HUD. CSH and Enterprise are available to further discuss or present to the SAG, if desired, and work with staff to help identify funding resources for operations and services which would be required to ensure successful creation and maintenance of any new PSH units. Early and intentional planning for PSH units is important for both the physical building design, siting and ongoing operations, which is why it's important to have PSH be included in early goal-setting for the Bond. CSH and Enterprise are currently planning a PSH Summit this fall that would provide examples from other communities of how PSH has been funded through existing and newly generated resources.

Housing chronically homeless people can be challenging and their success is dependent on more services and rental assistance than most other target populations. We recognize that the Portland Housing Bureau is not an expert at developing and owning PSH. However, there are many partners, services providers and advocates who can partner with PHB to operate and manage PSH units. Developing PSH units is a proven intervention to stably house chronically homeless people. This is our chance to use Bond funds coupled with Project Base Section 8 to help us meet our community wide goal of reducing homelessness and create 1,700 PSH units.

[CSH](#), a national nonprofit and community development financial institution (CDFI), has worked in over 40 states and 300 communities to champion affordable, supportive housing. Our \$600 million in loans and grants have helped create over 200,000 homes for the most vulnerable seniors, veterans, disabled and impoverished individuals and families in our nation. CSH has offices located in more than 20 cities in every region of the country, with experts devoted to reforming policies and the delivery of services to keep people housed and healthy. Our office in Portland, Oregon serves the entire Pacific Northwest and Hawaii.

Since 1982, [Enterprise](#) has created nearly 340,000 homes and invested \$18.6 billion. Our work has touched millions of lives and helped connect people and communities to opportunity nationwide. In addition to our headquarters in the Mid-Atlantic, we have offices in markets nationwide, from New York to Portland — as well as local, state and national partnerships throughout the country. Within Enterprise are entities that lend funds, finance development, and manage and build affordable housing. We partner with national and local groups to create programs to strengthen communities. We advance policies to increase the supply and quality of affordable housing