

**Subject:** IPO Report on Homelessness  
**Attn:** 2018 nominees and cross-nominees  
**From:** IPO subcommittee on homelessness and housing affordability  
**Date:** 8/23/2018

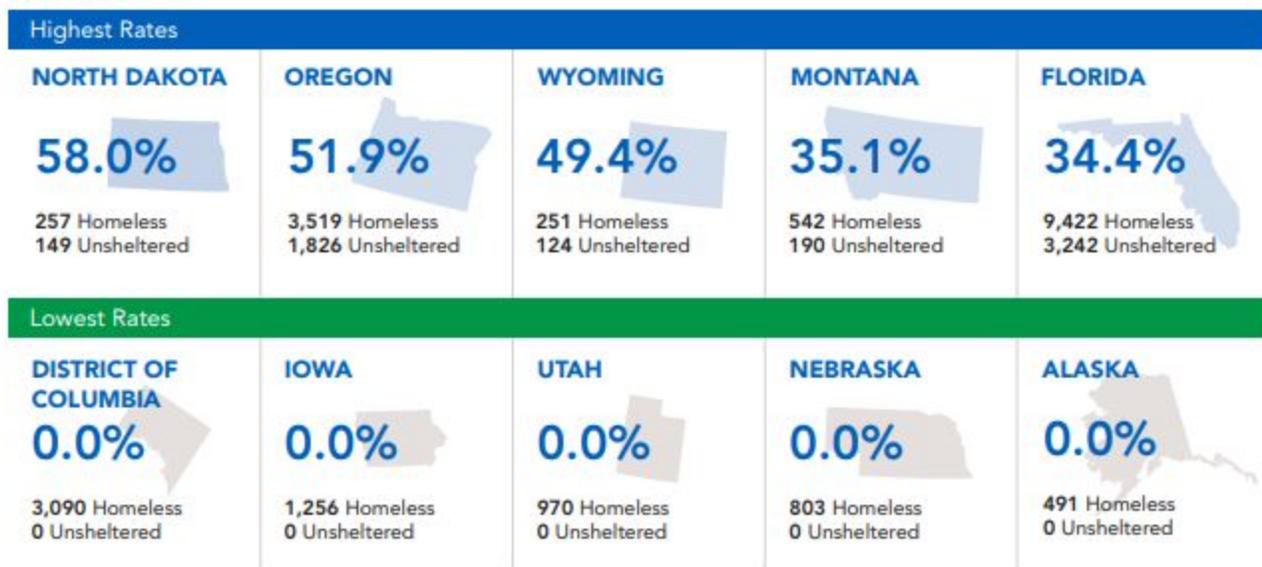
## Homelessness in Oregon

Homelessness has increased significantly in Oregon in recent years, catching many state and local policymakers off-guard.

As a percentage of total residents, **Oregon currently has the 4th largest unsheltered homeless population in the United States.**<sup>1</sup> From 2002-2017, Oregon also had the 4th largest increase in the total number of chronic homeless of any state in the country.<sup>2</sup> While several states have functionally eliminated chronic unsheltered homelessness for veterans and families with children, Oregon has seen significant growth in both groups.

Oregon's 2017 Point-in-Time (PIT) homeless count said that there are currently more than 10,400 homeless people in Oregon, with 6141 of those being unsheltered. In a 2018 survey by the University of Oregon, 70 percent of city planning directors surveyed said that there was a lack of emergency shelters for homeless people in their communities.<sup>3</sup>

**EXHIBIT 3.7: Highest and Lowest Rates of Unsheltered People in Families with Children By State, 2017**



Note: Excludes Puerto Rico and U.S. territories.

## Chronic Homelessness

<sup>1</sup> 2017 HUD Annual Homeless Assessment Report

<sup>2</sup> *ibid*, page 65

<sup>3</sup> Oregon's Housing Affordability Crisis: Results of a Statewide Survey of Oregon Cities, University of Oregon Institute for Policy Research and Engagement, April 2018

The US Department of Housing and Urban Development (HUD) considers a person to be chronically homeless “when he/she has a disability and has been continuously homeless for a year, or has experienced at least four episodes of homelessness in the last three years.”<sup>4</sup> The disability can include physical disability, mental illness, illness or addiction.

Much of the growth in chronic homelessness is occurring in larger cities like Portland but also in smaller county seats of government in rural areas where vulnerable people are seeking services available through county government or charitable institutions.

Oregon also lags in programs intended to help at risk populations. The state is currently 12th worst out of 50 states in terms of addressing hunger and food insecurity. A 2018 analysis of the Census data by the Oregon Center for Public Policy shows that the state’s efforts to reduce food insecurity lag the rest of the nation.<sup>5</sup>

## Solution(s)

At a state level, the main work toward permanent and transitional supportive housing solutions is being carried out by the Oregon Health Authority Statewide Supportive Housing Workgroup. That workgroup has prioritized seeking federal funding through a medicaid waiver that allows for state-level pilot projects that provide a comprehensive continuum of care through evidence-based practices for people dealing with addiction, especially opioid addiction.

We support this policy but believe that the problem is too significant to wait for federal funding and that the need is likely to scale beyond the capacity of federal pilot program funds achieved through Medicaid waivers. Additionally, other federal funding sources, such as HUD tax credits attach only to non-profit entities and require local matching funds. So, identifying a stable local revenue stream specifically for permanent supportive housing is critical to the program’s long-term success, even if medicaid waivers are attained.

**We therefore propose to increase the Marijuana retail sales tax by 5 percent to fund permanent and transitional supportive housing in Oregon.**

**Discussion:** Currently, the state of Oregon assesses a 17 percent tax on retail marijuana sales and allows local jurisdictions to enact a 3 percent tax. In FY2017, that fund generated \$85 million in revenue. It is expected to exceed \$100 million in FY2018. We propose increasing the tax on recreational marijuana sales from 17 percent to 22 percent, with the additional monies being solely dedicated toward permanent and transitional supportive housing for homeless Oregonians. We estimate that this would raise \$20 million or more in new revenue on an annual basis, or approximately \$3,100 per unsheltered Oregonian. If combined with the federal medicaid waiver, HUD tax credits, section 8 vouchers and other programs, this could multiply available funds and have an even greater positive impact on reducing chronic homelessness in Oregon.

**Ripeness:** Consideration needs to be given to \*how\* the money would best be spent. Possible solutions include allocating funds to local communities to be disbursed within certain discretionary guidelines. Alternately, OHA could allocate to specific eligible projects through a public process. Money generated should be allowed to be leveraged alongside federal housing tax credits, medicaid, social security and other resources available to vulnerable populations. Discussion among local policymakers prefers less state management and greater local control.

---

<sup>4</sup> <https://jobs.utah.gov/housing/scso/documents/homelessness2015.pdf>

<sup>5</sup> <https://www.ocpp.org/2018/05/17/oregon-food-insecurity-lag/>