Homeless Strategic Initiatives and ECOnorthwest Release 2nd "Sources and Uses" Report

Regional spending on the homelessness response exceeded a half-billion in FY 2023 in the first year of significant Supportive Housing Services investments

Local governments and non-profit agencies in tri-county Portland spent $531 million in fiscal year 2023 on a variety of interventions to address the region's homelessness crisis—up 70 percent from the year before. The increase was driven by two factors: a ramp up in spending tied to the regional Supportive Housing Services (SHS) measure and the City of Portland's use of one-time, pandemic-relief funding to establish alternative shelter sites.

The spending came at a time when the related homeless and housing affordability crises were the public's top concerns. In FY 2023, more than 100,000 tri-county residents were literally homeless or at an elevated risk of becoming homeless.[1] Homeless Strategic Initiatives (HSI) director Stephanie Wieber sees the analysis as a critical input to help local agencies understand the funding landscape, align their strategies, and accelerate relief for the region's unhoused. "With so many funders and implementers, improved coordination is an imperative" said Wieber.

The report's careful tracking is rare. In California, the state's Auditor recently rebuked an interagency council for its failure to track statewide expenditures on homelessness. And ECOnorthwest's search for comparable data in academic and professional literature turned up few examples. New York City is an exception given the region's multi-decade challenge with the issue and unique right-to-shelter law. The city's spending on homelessness reached $3.5 billion in FY 2023—or $429 per resident population. By comparison, tri-county Portland's FY 2023 spending equates to $295 per capita.

Like last year's edition, the report details spending across key uses, including temporary shelter, housing placement, supportive housing, and outreach and navigation services. Temporary shelter and services to the unsheltered, called "safety on and off the streets", comprised the largest categorical expenditure at $225 million or 42 percent of the spending. The next two largest categories were housing placement (e.g., rental subsidies) and supportive housing (e.g., rental subsidies plus supportive services) at $137 million and $118 million, respectively.

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[1] This population consists of 7,480 literally homeless individuals identified through the 2023 point-in-time count, an estimated 13,346 people who have recently exited homelessness and receive rental supports, and 81,575 residents who have incomes below 30 percent of the area's median income and are rent burdened.

The federal government was the largest funder at $198 million between its traditional appropriations—mostly issued by the U.S. Department of Housing and Urban Development—and one-time monies from the American Rescue Plan Act (ARPA). Spending from the regional SHS reached $144 million—up from $52 million in FY 2022.

More change is on the horizon. Next year's report, the last in the series, will show a sharp decline in ARPA funding and continued growth in SHS spending. Also coming online will be state-funded interventions that were approved by the 2023 Legislature but that, for the most part, did not reach agencies before the end of the fiscal year.

As this privately funded effort ends, HSI's Wieber hopes regional governments will continue the tracking work. "With this project, tri-county Portland has important information that most other regions don't. You can't marshal an effective response to homelessness without knowing what you're spending. This work needs to continue."

Questions about HSI and the purpose of the report should be directed to ***Stephanie Wieber*** *at HSI (www.homelessstrategicinitiatives.org): wieberstephanie@gmail.com or (503) 957-7455*

Questions about the research should be directed to ***John Tapogna*** *at ECOnorthwest (www.econw.com): tapogna@econw.com or (503) 200-5063*

HSI

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