POSTCARD FROM THE FUTURE:
WHAT CAN PORTLAND LEARN FROM THE IMPLEMENTATION OF LOS ANGELES’S MEASURE H?
Lessons from Los Angeles, to bring objective data to the homeless policy conversations in the Portland region. The brief raises important issues that should be considered and discussed. The paper does not intend to offer a comprehensive, strategic response to the regional homelessness crisis or its causes.

A section of this brief summarizes econometric findings that suggest a weak relationship (i.e., 0.2 correlation) between the provision of housing supports for an individual, or group of people, and a reduction in population homelessness as measured in the Point in Time Counts (PIT). The brief then offers some hypotheses for the weak relationship. Additionally, there are other critical issues at play—such as an increasing number of people becoming homeless in between PIT Counts; an over reliance on short-term rent subsidies; and the effects of a persistent and increasing behavioral health crisis—that are impacting this relationship. (HSSI will be releasing a research project by year end that will provide a framework for an improved system of care for substance use disorders.) That said, the finding of a low correlation in the cited academic studies, and the persistent visibility of homelessness in Los Angeles despite significant investments, serves as a cautionary tale for all of us.

HSSI is in complete agreement with Lessons from Los Angeles that housing supply (especially at the lower ends of affordability <60% MFI), revised needs assessment for various shelter alternatives, and a more reliable on-time data infrastructure are all necessary if we are to be successful.

It is the position of HSSI that a comprehensive approach to addressing homelessness must include a significant increase in access to and coordination with addiction, mental health, and employment services.

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Architects of the Portland region’s landmark investment in supportive housing services modeled their initiative on Los Angeles County’s Measure H, which passed in March 2017. The 10-year Los Angeles effort reaches its halfway point this year. Total spending has topped $1.8 billion, yet 79% of county voters say the homelessness crisis has deepened in the last couple of years. And a majority believe it will get worse. The crisis’s persistence has led to calls for clearer objectives for investments, improved communications on outcomes, new taxes to further expand services, and new governance models.

Measure H served as a useful model to launch the Portland effort, but its early implementation appears to be a cautionary tale. This issue brief looks at Los Angeles’s four-year effort through an economic lens and puts the county’s ongoing crisis into the context of higher unemployment and rising rents alongside the sizable expansion of housing and shelter placements.

It is far too soon to declare Measure H a policy success or failure. A full assessment will take more time and require the perspectives of public health experts, social scientists outside of economics, people with lived experience, service providers, and others. But Portland, now navigating the tradeoffs between different uses of service resources, would be well-served to understand Los Angeles’s emerging lessons in hopes of charting a better path forward.

LA’s Measure H at the halfway point

LA County voters passed Measure H—a 0.25% increase to the County’s sales tax—in March 2017 with 69% approval, crossing the supermajority required for tax increases.¹ The $350 million in new annual resources are targeted to homelessness prevention, subsidized housing, income supports, and improved case management. Shortly before the measure passed, the Los Angeles Homeless Service Authority (LAHSA) counted 55,048 residents living in temporary shelters or on the street.²

Since the measure’s implementation in July 2017, the County reports that 33,426 individuals have received long-term rental subsidies and supportive services funded in part or in whole by Measure H. Additionally, 60,201 individuals have been sheltered in interim housing—shelters, recuperative care facilities, sober living facilities—through the measure’s funded strategies.³ The County’s Homeless Initiative Impact Dashboard focuses on service provision (i.e., permanent and interim housing placements) and does not measure changes in shelter or street homelessness.⁴

Despite the sizable service intervention, the public perceives no improvement in the County’s homelessness crisis. Nearly all respondents (94%) to an October/November 2021 poll characterized homelessness as a serious problem, and 79% said it had gotten worse in the last couple of years.⁵

“Public frustration is deepening as, despite major improvements in helping people into housing, the crisis not only continues, but seems to get worse.”

Pat Brown Institute for Public Affairs, May 2021
The major investment coupled with the perception of a deepening crisis has triggered political challenges: growing divisions over how to address homelessness and an increasing number of questions about government’s ability to solve big problems. Five years after the passage of Measure H, Los Angeles is still wrestling with an either/or debate between the relative efficacy of long-term housing versus short-term shelters, with a majority (60%) preferring short-term shelters.6

The crisis’s persistence has led to calls for new governance models. A study led by Cal State LA’s Pat Brown Institute for Public Affairs recommends a change in governance (putting a single entity at the center of the work), clearer objectives for investments, and improved communications on outcomes.7 A separate County-led Blue-Ribbon Commission on Homelessness declares systemic dysfunction and proposes dismantling silos, restarting intercity collaborations, streamlining the operations of the region’s homeless continuum of care agency, and improving intergovernmental data sharing.8

And then there’s money. Despite the landmark investment, Mayor Eric Garcetti and others say that the solution to homelessness is still under-resourced and new taxes are needed to further expand services.9

While uncoordinated governance and inadequate funding levels may be important barriers to overcome in Los Angeles, a discussion of the region’s outcomes should also be put in the context of the implementation conditions. Median rents, a key driver of homelessness, rose from $1,402 to $1,534 during 2017-2020. And the local economy, with its ties to the motion picture and tourism industries, was disproportionately affected by the pandemic and social distancing mandates. The county’s unemployment rate stood at 8.9% in 2021, or about four percentage points higher than when the measure passed in 2017, and above the U.S. average.10

The period will also be remembered for an unprecedented federal policy response to the Covid-19 pandemic. The net effect on homelessness of the public health crisis, changing economy, rental markets, and federal supports may never be fully untangled. Pre-pandemic rules of thumb would suggest higher rents and joblessness alone would have added around 3,200 people to point-in-time (PIT) counts of people experiencing homelessness.11 But billions of dollars in federal stimulus payments, unemployment assistance, eviction moratoria, and rent subsidies likely mitigated the impact. The bottom line: the changing economic and policy landscape probably put upward pressure on rates of homelessness, but it’s unclear exactly to what extent.

Like Los Angeles, Portland will face implementation headwinds (e.g., if rents outpace wages or the economy falls into recession) and tailwinds (e.g., if rent inflation slows or the economy continues to expand) that will alter flows in and out of street and shelter homelessness. And as in Los Angeles, Portland officials will have to communicate how the changing environment either helps or hinders the local measure’s implementation.
Beyond pandemic challenges and uncoordinated governance: The inherently difficult math of homeless services provision

Despite the public health crisis and uncoordinated governance, Los Angeles County reports a remarkable level of service activity: 33,425 permanent placements and 60,201 placements in shelters and other interim housing. It’s confounding that that much placement activity hasn’t led to a perceptible improvement in street or shelter homelessness.

Los Angeles County’s outcomes reveal an inherent challenge of service provision to individuals and families experiencing homelessness. Namely, services that confer benefits to direct beneficiaries do not fully, nor instantaneously, translate into a broader, population-wide reduction of literal homelessness (i.e., the number of people living in shelters or on the street).

The issuance of long-term housing vouchers, with or without accompanying wraparound supports, offers the most counterintuitive case. In a policy area with an emerging evidence base, long-term vouchers stand out as a best practice. A few well-designed randomized controlled trials (RCTs) have found that individuals and families who received long-term assistance were more likely to be in stable housing a couple years after having received the voucher than similarly situated, but unserved, counterparts.  

But a growing number of studies, analyses, and simulations suggest that issuing a long-term voucher to an individual experiencing homelessness does not reduce the literal homeless, or PIT count, one-for-one—or close to it. Many of Los Angeles’s voucher awardees would have eventually found their way out of shelters, or off the streets, without the County’s assistance. Additionally, service to any individual or family affects the broader population. In an excessively tight market for housing, like Los Angeles, a voucher awardee becomes new competition for other unassisted, low-income renters who are searching for scarce units. And, as awareness of the voucher program spreads, some people may initiate or extend their time in shelters or on the street in hopes of securing assistance—a hard-to-avoid consequence of a successful intervention.

These dynamics provide context for Los Angeles County’s attempts to reconcile the sizable expansion of long-term rental subsidies with the limited reduction in literal homelessness. The research offers a rule-of-thumb for a housing placement intervention: the provision of 100 long-term vouchers reduces the PIT count by about 20 after a few months. This assumes economic conditions (e.g., rents and unemployment) and other background conditions are stable.

Research points to similar findings for homelessness prevention programming—services to help rent-burdened, low-income individuals and families resolve crises that would destabilize their housing situation. Los Angeles County reports that Measure H-funded programming prevented 6,901 people from becoming homeless between July 2017 and June 2022. While the services almost certainly stabilized housing for the direct beneficiaries, the effect on shelter entries was likely limited. An evaluation of New York City’s
similarly targeted prevention program found that only 14.5% of unserved (control group) individuals eventually had shelter stays, compared to 8.0% of the treatment group. A large majority of households threatened with homelessness avoided shelter stays—with or without assistance. Put differently, the prevention program effectively reduced the likelihood of a relatively low-probability outcome.

Despite their muted effects on the PIT count, long-term rental subsidies and homelessness prevention are the only proven, programmatic ways to reduce shelter and street homelessness. And while some assistance will inevitably spread to people who—with no additional help—would have achieved housing stability, those recipients experience a range of benefits, including better employment outcomes for adults and educational outcomes for children. The political challenges in Los Angeles suggest that County policymakers have not effectively communicated the full value of the programming they have provided and are not delivering the PIT-count reduction the public was likely anticipating.

Two other common interventions—short-term housing subsidies and behavioral health supports without housing assistance—generally show no long-term impact on housing stability. Families who received short-term rental vouchers show no better housing outcomes than unassisted families in HUD’s Family Options RCT. And studies show that psychiatric services, substance use disorder treatment, and case management can reduce homelessness but only in combination with a housing intervention.

Portland: Navigating the tradeoffs between long-term housing supports and temporary shelter

The architects of the Metro Supportive Housing Services (SHS) measure modeled it after Measure H. The measure’s explanatory statement uses a much broader definition of homelessness than the PIT count and includes people experiencing homelessness or at-risk of experiencing homelessness—tens of thousands of people in February 2020. The measure commits to fund housing services to prevent and reduce homelessness in the tri-county area. The supportive housing services program will address the unmet needs of people experiencing, or at risk of experiencing, long-term or frequent episodes of homelessness and will result in a substantial increase in the delivery of supportive housing services. The measure makes no reference to point-in-time (i.e., shelter or street homelessness) counts.

Each of the three counties in Metro’s service area has submitted a local implementation plan aligned with the measure’s stated intent. Most of the funding goes to supportive housing, homelessness prevention services, and nonprofit capacity building. As in Los Angeles County, the county-proposed outcome measures focus on service numbers (e.g., number of people placed in housing) and are unclear about the timing of changes in street or shelter homelessness. To be clear, a multi-year initiative that improved housing stability for the
region’s lowest income households, but left the PIT count unchanged, would be fully consistent with the measure’s explanatory statement.

Polling conducted by People for Portland, a nonprofit advocacy organization, suggests voters did not read the explanatory statement closely and may have expected focused, immediate attention on a specific subpopulation: the roughly 3,000 individuals living on the streets in tent encampments, cars, and RVs. Nearly three-quarters of December 2021 poll respondents supported a change to the SHS measure that would require half of the funding to go toward short-term shelter solutions. Sixty percent of respondents favored a 70/30 funding split between shelters and long-term housing, respectively. People for Portland floated multiple ballot initiative concepts in early 2022 that would have required each county to dedicate a majority of the measure’s resources to the construction and operation of emergency shelters, until the county’s number of shelter beds equaled its number of people experiencing homelessness or until the county could legally enforce anti-camping rules. In their response to the proposals, the Here Together Coalition recognized the need to expand indoor, outdoor, congregate, and non-congregate shelters but opposed the use of SHS resources to fund them. Legal rulings prevented People for Portland’s concepts from advancing.

In October 2022, Mayor Ted Wheeler entered the debate and outlined a multipronged plan that would establish six 250-person sanctioned encampments, gradually reinstate the ban on street camping, accelerate the production of 20,000 affordable housing units, create a criminal justice diversion program, and expand work opportunities and mental health and substance use disorder recovery services. Although the plan lacks implementation details, initial polling conducted by the Portland Business Alliance shows 79% of Portlanders support the camping ban and 82% support building sanctioned encampments. On November 3rd, the City Council approved the five resolutions that comprise the mayor’s plan.

A sizable emergency solution, like the sanctioned encampments, would encounter its own difficult math. Evidence from New York City suggests an expansion of an emergency system could reduce street homelessness but could also result in an overall increase in the PIT count. Among other dynamics, an expanded emergency system may offer location and operating rules that better match the preferences of some adults and thereby extend some shelter stays or possibly induce new ones.

The Portland region is navigating the same long-term versus temporary solutions debate that’s dominant in Los Angeles five years after the passage of Measure H. At their extremes, these two options present a choice between improved housing stability for thousands, with an unclear reduction in literal homelessness, versus a reorganization of the population experiencing homelessness that reduces its visibility but increases its total number. The charge to the mayor and his elected colleagues...
across the region is to find a solution between these extremes that compassionately and demonstrably mitigates the humanitarian crisis.

**Charting the path forward**

The Portland region learned from Los Angeles County that persuading voters to pass a tax to address a universally recognized, serious problem is feasible. That was an easy lesson. Now, Portland stands to learn an even more valuable one: a region can spend more than $1 billion on supportive services with no perceived improvement in the crisis.

The Los Angeles experience offers critical lessons for accountability, expectation setting, and governance. On accountability, the three Portland-region counties have committed to reporting service provision totals, but like Los Angeles County, have not specified a timeline for reducing PIT counts. On expectations, elected leaders have allowed the public to expect, and increasingly demand, an abrupt reduction in the number of people experiencing street homelessness just as the initiative starts. And on governance, the Portland region risks falling into the same interagency silo traps that hampered the Los Angeles effort, and stakeholders are treating the SHS resources as segregated from other direct and indirect spending on homelessness.

Fortunately, many of Los Angeles’s missteps are clear and needn’t be repeated. To avoid them the Portland region should:

- **Remember that accelerated housing production is the long-term solution to the region’s homelessness crisis.** As in Los Angeles, the Portland region’s homelessness crisis finds its roots in a chronically underbuilt housing market. The Metro SHS measure offers a 10-year bridge to a future of better-supplied housing. The Portland region needs to build around 14,700 units annually for the next 20 years, with special attention to affordable units.27

  The Oregon Legislature has charged the state’s Department of Land Conservation and Development (DLCD) to develop legislation for the 2023 session that would incorporate the estimates of housing need into local production strategies. To enable successful strategy execution, lawmakers will have to address a range of related issues, including land-use policy, zoning, affordable housing subsidies, and infrastructure finance. If the region falls well short of its production goals, the details of SHS-measure implementation become moot — money alone can’t fix a homelessness crisis if housing units aren’t built.

- **Get clear, and realistic, about the relationship between housing placement activity and changes in the PIT count.** The regional PIT count should not be the sole outcome by which the measure’s success is judged, but it will inevitably be one of them. The outcome sections of the three counties’ local implementation plans read much like Measure H’s quarterly reports. They focus on housing placements and service provision with no calculations that illustrate how those activities would affect the PIT count. For example, Multnomah County’s plan ties 2,500 permanent housing placements to an
anticipated but unspecified reduction of street and shelter homelessness. The 2,500 placements would result in exits for the individual voucher recipients but, as discussed above, other dynamics come into play that would affect the PIT count (e.g., the increase in voucher-aided exits would further strain an already tight housing market). Taking those dynamics into account, the academic literature suggests 2,500 placements would reduce the PIT count by about 500 after several months—assuming stable economic and housing market conditions. Likewise, the counties’ prevention programming plans will not reduce the PIT count one for one, as many assisted families would have avoided shelter and street homelessness without an intervention.

A clearer understanding of the relationship between services to individuals and PIT count outcomes would strengthen planning processes and support implementation plans with more-realistic expectations about the outcomes that the public is watching most closely.

- **Establish a goal and timetable for reductions in street and shelter homelessness.** Street and shelter homelessness are narrow but highly visible aspects of the region’s larger housing instability crisis. As just discussed, the three county implementation plans are unclear on how their activities—housing placements and homelessness prevention—will translate into reductions in the PIT count. Again, the SHS should not be judged exclusively by its effect on the PIT count, but recent polling confirms that the measure will lose support if the public perceives no improvement on this outcome—and especially if they perceive no improvement in street homelessness.

Long-term rental subsidies and homelessness prevention are the best tools available but will take longer to reduce the PIT count than some stakeholders assume. Every dollar shifted out of these interventions, to shelters or sanctioned encampments, will slow the progress on PIT reduction.

Given the challenging tradeoffs, a productive exercise for stakeholders would involve adopting street and shelter count goals for the next 2 to 5 years and designing the mix of housing, service, and temporary supports that could achieve them. That exercise would be centered more appropriately on outcomes rather than a debate over which funding can be spent on what.

- **Systematically manage the region’s encampments and set public expectations that street homelessness will persist at gradually lower levels.** Addressing the crisis in a way that is consistent with community values is not a quick process. The best path forward involves acknowledging and addressing street homelessness, at gradually lower levels, over the course of SHS implementation. The mayor’s plan anticipates reinstatement of the camping ban beginning in May 2023 and fully by 2024, but implementation and legal challenges could lengthen the timetable. As long as street
homelessness persists, local governments should take a systematic approach to addressing it, including camping standards, organized service provision, performance metrics, and accounting. The City of Oakland’s auditor has detailed how an encampment management program could work.\textsuperscript{31}

- **Fully leverage a new relationship with the Built for Zero movement.** Among the more promising developments in the early stages of SHS’s implementation is the new partnership with the national nonprofit, Community Solutions, and its Built for Zero work.\textsuperscript{32} A robust engagement with these national partners could help head off potential challenges around goalsetting, implementation, and governance. The partnership will offer the region new ideas on how to harness real-time, person-level data to better characterize the crisis, tailor responses to individuals, and define success. The organization also brings deep experience in improving racial equity in homeless response systems.

The region has a lot of money to deploy, but the resources are not unlimited. Understanding which individuals require $10,000, $25,000, or $35,000 annual interventions could make or break implementation. Regional agencies should use the new partnership as an opportunity to revisit their existing, sizable investments in short-term rental subsidies (i.e., Rapid Rehousing)—interventions that may accelerate shelter exits without improving housing stability, or reducing PIT counts, in the long term. Likewise, spending on behavioral health supports, disconnected from housing subsidies, deserves re-evaluation.

New and better data by themselves will do nothing to address the crisis. But well-designed, real-time data can attract and retain a diverse set of local actors to a common table and give them better tools to solve the crisis.

- **Learn from LA’s self-described systemic dysfunction and identify a central entity that is accountable for SHS outcomes.** The Portland region’s measure is housed at Metro because the geography of taxation made sense, not because the agency had deep expertise in the provision of supportive housing services. Consequently, a policy area already challenged by interagency coordination now has an additional agency in the mix. Should the Portland region’s initiative replicate Los Angeles’s perceived disappointing outcomes, who should be held accountable? The Metro President? The three county executives? The Here Together Coalition? The Mayor of Portland? The head of the Joint Office for Homeless Services? People for Portland, if their vision prevails? At this point, the answer would be all of them and none of them. All would suffer the consequences of the public’s declining trust in government’s ability to solve problems, but none would deserve to be held individually accountable because they never governed the SHS. Diffuse accountability is a recipe for sub-par performance.
The opportunity

At $225 million annually, the SHS will go down as one of the largest expansions of homeless supportive services on record. And the resources are supplemented by sizable, one-time funding from the American Rescue Plan Act and the State of Oregon. Most observers who closely follow policy in this space should agree the resources are sufficient to ease the region’s homelessness crisis substantially and compassionately.

But the resources are not limitless, and the conversion of housing placements into a reduced incidence of shelter and street homelessness is slower, and less direct, than many assume. So, perceived success will require implementation prowess that so far appears to have eluded Los Angeles. Get implementation right, and the region will put thousands of lives on better paths and restore the community’s belief that government can address its most urgent problems.

1 Los Angeles County Homeless Initiative, Measure H, https://homeless.lacounty.gov/measure-h/
3 County of Los Angeles (October 13, 2022). Los Angeles County Homeless Initiative Quarterly Report #24. County of Los Angeles Chief Executive Office. Los Angeles, CA.
8 Blue Ribbon Commission on Homelessness Governance Report (March 30, 2022)
11 Pre-pandemic relationships between rates of homelessness and unemployment and rents are drawn from Corinth, Kevin (January 2017). “The impact of permanent supportive housing on homeless populations.” Journal of Housing Economics. The study found each 1 percentage point increase in unemployment was associated with a 0.65 increase in a region’s rate of homelessness per 10,000 people. Additionally, the study finds that regional homelessness per 10,000 is a function of 12.58 multiplied by the natural log of median rent in the current year plus 6.14 multiplied by the median rent in the preceding year.
12 See, for example, Gubits, Daniel et al. (October 2016). Family Options Study: 3-Year Impacts of Housing and Service Interventions for Homeless Families. Abt Associates. Bethesda, MD.
homeless.lacounty.gov/impact-dashboard/


Gubits (2016), page xxix.


https://www.oregonmetro.gov/public-projects/supportive-housing-services/funding

“The supportive housing services program is funded by two taxes: A 1% marginal personal income tax on taxable income above $125,000 for individuals and $200,000 for those filing jointly, and a 1% business income tax on net income for businesses with gross receipts above $5 million. The taxes took effect starting January 2021 and will expire in 2031. Because these are new taxes, most of the revenue won’t be collected until late spring of 2022.”


Tilkin, Dan et al. (March 22, 2022). “Proposal Would Require City to Direct More Funds to Emergency Shelters.” KOIN 6 News. Portland, OR.


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https://community.solutions/