



May 31, 2023

Honorable Washington County Chair Kathryn Harrington
Honorable Clackamas County Chair Tootie Smith
Honorable Multnomah County Chair Jessica Vega Pederson

Chairs Harrington, Smith, and Vega Pederson,

The Portland Business Alliance has consistently advocated for urgent action to address our region's ongoing homelessness crisis. We have been encouraged with new signs of alignment, collaboration, and progress under your collective leadership, most notably the hiring of Dan Field as the new Director of the Joint Office of Homeless Services. We are optimistic that under Dan's new leadership we will see more urgent deployment of the funding from the supportive homeless services initiative the Alliance championed as a member of the Here Together Coalition. This new sense of urgency is necessary to dramatically grow the availability of transitional shelter, outreach workers, and permanent supportive housing services necessary to begin to make measurable and visible progress reducing homelessness in the region.

However, while these signs of progress bring some renewed optimism, we are deeply concerned that one major roadblock will stand in the way of urgent progress if not addressed. We must urgently address the ability of our service providers to hire and retain front line and support workers to do the tough and often heroic work of helping our homeless neighbors get the services they need. While there are many reasons for the staffing challenges with our service providers, we believe persistently low wages are the main culprit, which must be urgently diagnosed and addressed.

We have dug into what is driving the shortage and low wages and have learned some surprising things. First, we are concerned that the service providers are often forced to finance their programs while waiting months to be reimbursed under their contracts with governmental entities. This puts those entrusted with managing their organizations' finances in a precarious position to front payment for their staff with no certainty when they will be funded. For our service provider community to operate shelters, supportive housing options, outreach, and critical mental health, addiction, and job placement services, they must have dedicated and qualified frontline employees. If we do not ensure that they are able to pay living wages, and the employers do not receive prompt reimbursement to cover their costs, we will never offer the breadth and quality of services we must have to truly reduce homelessness in our community.

Additionally, outdated, and inefficient nonprofit contracting protocols have created unnecessary barriers for service providers, particularly for small and culturally specific nonprofits. Long wait times for reimbursements and the administrative burden of navigating the contracting processes strain the resources of organizations that are already operating on limited budgets. It is our understanding that some service providers operate multiple contracts with the counties that calculate wages differently, putting many non-profits in a bind where they are forced to pay some employees less than others without additional subsidy.

Frontline workers are the backbone of our efforts to combat homelessness. They are often people of color and/or individuals with lived experience of homelessness themselves who are making invaluable contributions in providing culturally sensitive and empathetic support to the most vulnerable members of our communities. However, despite the demanding nature of their roles, these essential workers are currently underpaid, leading to difficult recruiting efforts and high turnover rates that hinder our ability to effectively address the crisis.

To make meaningful progress towards ending our homeless crisis, we respectfully urge the following policy and process changes:

- Increase the wages of frontline nonprofit service workers to a level commensurate with the skills and challenges their roles demand, ensuring a living wage and health benefits that allow them to remain committed to their crucial work. The living wage should be based on market research to ensure competitiveness.
- Modernize the nonprofit contracting protocols to streamline the reimbursement process and reduce administrative burdens, thereby enabling organizations to more effectively allocate their resources and provide essential services to those in need. This must include bringing old contracting rules and cost calculations in line with the modern contracts being offered under the Metro SHS program.

Implementing these changes will address one of the critical “bottlenecks” that are preventing quicker progress in reducing the unsheltered homeless population on our streets. We believe, with these policy modernizations, we will be able to more urgently build the robust workforce of skilled and dedicated service providers necessary to meet the size of the crises on our streets. And frontline workers will be better equipped to tackle the multifaceted challenges of our homeless crisis. Most importantly, we will treat these vital workers with the respect they deserve. This, in turn, will enable us to support individuals and families experiencing homelessness and foster a vibrant and thriving community for all Portland area residents.

We respectfully request your immediate attention and support in addressing these urgent issues. We are proud to be joined in our request by the undersigned coalition of service providers, business associations, individual business, and community leaders.

We thank you for your time and consideration, and we stand ready to collaborate with you and with our region’s service providers in addressing these critical issues. Together, we can make a significant and lasting impact on the lives of our fellow Portlanders.

Sincerely,

A handwritten signature in black ink, appearing to read 'AH', with a long horizontal flourish extending to the right.

Andrew Hoan
President & CEO, Portland Business Alliance

All Good Northwest
American Care Planning
ASSIST program
Blanchet House of Hospitality
Bradley Angle
Bridges to Change
Catholic Charities of Oregon
Central City Concern
Clackamas Service Center
Clackamas Workforce Partnership
Community Action
Community Partners for Affordable Housing
Domestic Violence Resource Center
Easterseals Oregon
Ecumenical Ministries of Oregon
El Programa Hispano Catolico
Fubonn Shopping Center
Greater Good Northwest
Gresham Chamber of Commerce
Hacienda CDC
HereTogether
Home Building Association of Greater Portland
Housing Oregon
Impact NW
Iron Tribe Network
JOIN
Kaiser Permanente
Killian Pacific
Latino Network
Melvin Mark Co.
Mental Health & Addiction Association of Oregon
Microchip Technology Inc.

Multifamily NW
Native American Rehabilitation Association
NAYA Family Center
Neighbors Realty
New Avenues for Youth
New Narrative
Northwest Family Services
Northwest Housing Alternatives
Northwest Pilot Project
Oregon Restaurant & Lodging Association
Our Just Future
Path Home
PDX Saints Love
Portland Kitchen Cabinet
Portland Lodging Alliance
Portland Metropolitan Association of Realtors
Produce Row, LLC.
Program ASSIST Portland
Purposeful Ventures
Raphael House of Portland
ROSE Community Development
Rose Haven
Self Enhancement, Inc.
Stoel Rives LLP
Stoll Berne
Transition Projects, Inc.
Urban League of Portland
Welcome Home Coalition
Western Pacific Building Materials
Working Waterfront Coalition
Worksystems, Inc