

Elected officials ‘dismayed,’ ‘appalled’ by Multnomah County’s homeless budget shortfall

By Alex Zielinski (OPB)

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Elected leaders across the Portland region and state are fuming after Multnomah County announced a [\\$104 million budget shortfall](#) in its homeless services department – and asked local and state jurisdictions to foot the bill.

“To me personally, it wasn’t just disappointing, it was actually quite jarring,” said Metro Council President Lynn Peterson at a Monday afternoon meeting on Metro’s supportive housing service tax, which helps fund the county’s homeless program.

At that same meeting, Portland Mayor Keith Wilson said he was caught “flat-footed” by the news, Multnomah County Commissioner Julia Brim-Edwards said she was “surprised” and Clackamas County Commissioner Ben West said he was “deeply disappointed.” Earlier Monday, Gov. Tina Kotek told reporters that she was “dismayed” by what appeared to be lack of transparency from Multnomah County.

Elected officials said they fear how deep cuts to the region’s homeless service programs will only worsen the public’s trust in the government’s ability to address its yearslong homelessness crisis.

Most placed the blame squarely at the feet of Multnomah County Chair Jessica Vega Pederson.

“Chair Vega Pederson’s actions on Friday highlight the trust issues the electorate has with the government in general,” said Peterson. “We can’t keep telling the voters of the region we can do big things and then let them down.”

Metro oversees the regional supportive housing services tax, which was approved by voters in 2020. That tax accounts for about 70% of the revenue for the county’s Homeless Services Department (formerly called the Joint Office of Homeless Services). In December, Metro announced that the income tax would generate \$21 million less than anticipated for Multnomah County in the coming year. But that’s not where the county’s biggest budget woes are rooted.

According to Homeless Services Department Director Dan Field, much of the anticipated \$104 million shortfall comes from the fact that the county relied on about \$80 million in temporary funding streams to run ongoing, permanent programs.

“So, going forward, it creates kind of an extra drop in the budget,” Field told OPB. “We knew that funding was shrinking, and we’re trying to be really transparent about it.”

The Metro tax, which went into effect in 2021, initially overperformed. It delivered [more than \\$100 million](#) in anticipated revenue to Multnomah County in 2022 and 2023. Not prepared for this influx, the county [was slow to distribute](#) the extra revenue, and drew criticism from the public and other government leaders. The county caught up on its spending last year, using that temporary boost in unanticipated tax revenue to fund permanent homeless service programs and shelters. But with the supportive housing tax expected to level out in coming years, there’s little extra money available to keep those programs afloat.

On Friday, Vega Pederson asked Metro for \$30 million and the state for \$55 million to patch the budget hole. Both Peterson and Kotek have balked at the request, asking the county for more information on the origins of the budget crisis.

“I don’t think it’s appropriate to come out of the gate and ask for an amount of money without previous conversations,” Kotek told reporters Monday. Vega Pederson is meeting with Kotek to discuss the budget Tuesday.

While Vega Pederson didn’t explicitly ask for help from neighboring counties that also receive supportive housing tax dollars – like Washington and Clackamas – county leaders also worry how Multnomah County’s budget problems could impact them.

At the Monday Metro meeting, Clackamas Commissioner Ben West pointed to his county’s [effectiveness at spending its tax dollars](#) and raised alarm that Vega Pederson would force Clackamas to “bail her out.”

“The first inescapable fact is that Multnomah County has failed dismally, both in comparison to the other counties and, most importantly, on an absolute scale,” said West. He called for an independent audit of Multnomah County’s budget.

“It would be insulting to ask Clackamas County taxpayers to bridge this financial gap without explanation,” he said.

The news from Multnomah County comes after months of Metro working to improve and adjust the supportive housing services tax. The regional government is interested in [creating a ballot measure](#) to extend the tax and allow it to be used on housing construction along with homeless services. Multnomah County, however, has asked to keep the tax as-is to ensure its programs that rely on the tax remain operational. Metro also wants to update the tax to establish a stronger oversight board to ensure the funds are being spent responsibly. Peterson said Multnomah County’s budget woes have proved why this fix was necessary.

“This is specifically why Metro proposed to streamline oversight so that we’d have more transparency about how money is spent and opportunities to identify budget holes long before they became a press conference,” she said Monday. “And [Vega Pederson] had said ‘No’ to that.”

Portland Mayor Wilson, who has been laser-focused on swiftly opening more homeless shelters since entering office last month, said the unexpected news of the funding deficit sent him “on his heels.” Wilson’s goal to open 3,000 nighttime shelter beds across the county by 2026 relies heavily on Multnomah County funding.

“We do not believe this is how partnership and collaboration should be forged,” Wilson said. “We don’t have a tactic. So it’s frustrating.”

Vega Pederson is expected to discuss the funding gap further at a Wednesday joint meeting between the County Board of Commissioners and Portland City Council.