



Oregon Housing and Community Services



Victor Merced
Director

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Date: June 16, 2010
To: Employees and Partners of Oregon Housing and
Community Services
From: Victor Merced
Re: Director's Bulletin – Colonia Amistad Success, Homeownership
Stabilization Initiative Updates, Housing Council Changes

Note: The next state closure day happens on Friday, June 18. The OHCS office will be closed.

We've had a busy month so far. We turned in our proposal to U.S. Treasury for the \$88 million in Hardest Hit funds; the results of the January one-night homelessness count became public; and, we quickly responded to the Governor's request to cut our General Fund budget after the state's economist projected a \$577 million shortfall for the current biennium.

In addition, we've had success in our housing projects and have new talent on the Oregon Housing Council to help us weather the recession.

Here is the latest:

Colonia Amistad

Recently, one of our community action partners, Charlie Harris of CASA, stopped by the Colonia Amistad community in Independence. Colonia Amistad is a farm worker project funded by farm worker tax credits and other resources.

He told us that, after three years, "The housing development looks as good as new. OHCS should be very proud of its investment."

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He went on to explain, "The exteriors and the grounds are well-maintained and the whole site is spotless. Not only that, but the community building, the community garden and the playground were all being fully used. There was even a class being held outside for kids on how to recycle, being led by students from nearby Western Oregon University. All in all," he added, "the 'project' isn't a project at all, but a real neighborhood."



Colonia Amistad
Independence, Oregon

Green Job Training Worth a Million

The demand for green contractors to help Oregonians make their homes more energy efficient increased this year when OHCS's Low-Income Weatherization Assistance Program expanded after we received \$38.5 million in American Recovery and Reinvestment Act (ARRA) funding. Oregon received great news about meeting that demand recently when the Oregon Energy Coordinators Association (OECA) received \$1 million in ARRA funds to provide training in energy efficient retrofitting and weatherization services. The funding will be used to establish a new training center.

The additional funding is a boost for our weatherization program and all those who can benefit from it. See the Governor's news release at http://governor.oregon.gov/Gov/P2010/press_060410.shtml.

Housing council members

The Oregon Housing Council wishes a fond farewell to Stuart Liebowitz and Scott Cooper.

Former Crook County Judge Scott Cooper has been a tireless advocate on equity for rural counties and had been largely responsible for sharpening our focus in this area. He was also instrumental in encouraging the agency to obtain additional Oregon Affordable Housing Tax Credits (OAHTC) during the 2008 special legislative session at a time when resources were limited. Through his efforts, we

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were successful in convincing the legislature to raise our tax credit cap from \$13 million to \$17 million.

Stuart has served on the Council for eight years and has been a very strong voice in promoting green building techniques and technology in all of our affordable projects. His insights in the area of climate change and greenhouse gases have resulted in our agency taking a comprehensive, energy-efficient approach to the development of new, affordable multi-family housing.

We will certainly miss both Scott and Stuart as members of our illustrious Housing Council.



From left to right: Victor Merced, director of Oregon Housing and Community Services, Stuart E. Liebowitz, Nancy McLaughlin, Scott R. Cooper, Maggie LaMont, chair, Jeana Woolley, and John Epstein. (Not pictured: Francisco López).

Meanwhile, we gladly welcome two new members, Tammy Baney and Michael Fieldman. Tammy Baney is a Deschutes County Commissioner and a native Oregonian with a background in small business management and real estate sales. Baney's additional government experience includes serving on the Deschutes County Commission on Children and Families, the Oregon Commission on Children and Families Budget Committee, the Local Public Safety Coordinating Council and the Family Law Advisory Committee. She has volunteered with numerous community and state organizations.



Michael Fieldman
Roseburg, Oregon
Oregon State
Housing Council
Term: Begins July 1, 2010



Tammy Baney
Bend, Oregon
Oregon State
Housing Council
Term: Begins July 1, 2010

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Michael Fieldman is the Executive Director of United Community Action Network in Roseburg. He has served at an executive level for more than 25 years, overseeing efforts in housing, food programs, women in transition outreach and more, and has worked to improve his communities in Oregon, Washington, Montana and Ohio. Fieldman has a strong background in weatherization programs and an impressive academic background, including graduate work in public administration and counseling. He has volunteered with numerous organizations.

Proposed Budget Balancing Measures

In case you missed Rick Crager's message last week (www.ohcs.oregon.gov/OHCS/DO/bulletin/060810_DD_Message.pdf). Oregon Housing and Community Services has submitted a list of proposed General Fund reductions to the Governor.

Late last month, the state economist forecasted that revenues for the current biennium would fall nearly \$577 million short for the current budget cycle. By law, Oregon must have a balanced budget. The Governor called for a 9 percent reduction in all General Funds across state agencies. OHCS had to find \$477,358 to cut. At OHCS, our General Fund dollars fund programs.

We have proposed cutting \$95,169 from the General Fund Food Program and \$382,179 from the State Homeless Assistance Program. We are choosing not to remove funds from the Emergency Homeless Assistance program. You can see the full list of proposed reductions on the Department of Administrative Services website at www.oregon.gov/DAS/BAM/0610AgencyAllotmentReductions.shtml.

Homelessness on the Rise

At the same time we are forced to scale back our services, our partners have released a report from the one-night homelessness count done in January, revealing that homelessness continues to rise in Oregon. Even without counting Multnomah County (which does the one-night count in odd-numbered years), the numbers have gone up 12 percent. It's safe to assume that including Multnomah County would make the count even higher. Unemployment tops the list of reasons for the increase, and children now comprise 31 percent of all the state's homeless population. See news release at www.ohcs.oregon.gov/OHCS/DO/newsreleases/06-09-10-NewsRelease.pdf.

Hardest Hit Update

Over the next several weeks, the U.S. Treasury Department will be reviewing our proposal for allocating the \$88 million in TARP funding Oregon will receive. As you can imagine, OHCS has received many calls and letters from individuals and organizations that would like to have access to the funds. We've also come across some misconceptions about the funding and our proposal, so I thought it wise to discuss the Oregon Homeowner Stabilization Initiative once again.

Under the U.S. Department of Treasury's requirements, OHCS must allocate a substantial majority of the funds to those areas of the state that were economically distressed. During our meetings around the state to gather feedback, many participants urged us to consider factors beyond the 2009 unemployment rate. They encouraged us to look at the magnitude of the increase in unemployment and changing housing values. Based on those recommendations, and in consultation with U.S. Treasury, we worked to modify the allocation to reflect the impact of the current economy across Oregon.

OHCS identified four factors that drive economic distress in the state: the 2009 unemployment rate, the change in unemployment between 2007 and 2009, the rate of foreclosure and delinquencies, and the decline in home values from their peak. Using the most current and reliable information available on these four measures, OHCS calculated a "housing distress index" for each Oregon county.

In total, 20 counties met the criteria of "hardest hit" or "housing distressed" (see enclosed table). OHCS proposes to allocate the substantial majority of the hardest hit funds to these 20 counties. They include the original 16 counties (Columbia, Coos, Crook, Curry, Deschutes, Douglas, Grant, Harney, Jackson, Jefferson, Josephine, Klamath, Lake, Lane, Linn, and Wallowa), and four additional counties: Clackamas, Marion, Multnomah and Yamhill. OHCS proposed that 80 percent of the hardest hit funds will go to these 20 counties and the balance to the remaining 16 counties. Throughout the updating and revising of this process, we have continued to stay in communication with the U.S. Treasury.

In addition, we have included a pilot program to address deeply underwater mortgages in Deschutes and Jackson County. We propose to loan \$10 million to a mission-driven organization that will buy homes at their current value and finance at the current value for the homeowner.

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The U.S. Treasury will have four to six weeks to review our proposed uses for the funds and our allocation methodology. We hope to make the first dollars available in the late summer or early fall.

“Continuity gives us roots; change gives us branches, letting us stretch and grow and reach new heights.” ~Pauline R. Kezer

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