

Coalition on Housing and Homelessness

April 13, 2007

Talking Points for Victor Merced

An Era of Hope and Opportunity: the Future of Housing in Oregon

The Ways and Means Co-Chairs' budget recently marked a milestone for the 2007 legislative session. It also brought some terrific news for OHCS employees. The Co-Chairs proposed \$100+ million in new funding for affordable housing.

A lesson in the power of partnerships, commitment, and timing

True, this budget would look different if Oregon's economy weren't in recovery. But there is a more important lesson to take away – policymakers simply could not ignore the building crescendo of voices across Oregon calling attention to the problems of housing affordability and homelessness.

So the credit goes to the people in this room: housing advocates, service providers, non-profits, bankers, local governments, families and consumers. Over the past few years, you have built an awe-inspiring collaborative, leading decision makers to understand that housing is one of many strategic investments that will improve the status of all Oregonians.

Housing, along with education and economic development, provide the foundation for Oregon's economic well-being.

Details still emerging

The release of the Co-Chairs' budget leaves many questions unanswered. For OHCS employees and our partners, it represents a tremendous opportunity to serve Oregon's most vulnerable – people with disabilities, seniors, and people with low-incomes – and helps them build a foundation for a better tomorrow.

An ambitious agenda

Increase homeownership opportunities among Oregon’s low-income and minority populations.

Recent Progress Board data indicates that Oregon is not making progress in homeownership – with fewer African Americans and Hispanics owning homes today than just a few years ago. We can help turn around this troubling trend through our first-time homebuyer, homebuyer education, and down payment assistance programs.

Preserve and develop affordable and workforce housing across the state (\$8.1M).

Since 1980, Oregon home prices have increased 300 percent. Oregonians live with some of the biggest housing price increases in the nation, along with Hawaii, Florida, and Arizona. With this troubling rise in housing costs, Oregon has become the third most unaffordable rental market in the nation.

The new funding will support new development and help maintain existing housing stock. In communities on the cutting edge of the affordable housing crisis, OHCS will now be able to help with pre-development costs and gap financing.

Address the challenges facing residents of manufactured dwelling parks.

Several bills this legislative session seek to aid residents at risk of losing their homes. The closure of parks means more than the loss of a home, it represents the loss of community.

Finally, the budget will promote new and innovative housing and services for Oregonians experiencing homelessness (\$16M – 150 New Units).

Research shows that stable housing represents the first step to leaving the streets. Housing, paired with targeted services, can put an end to episodes of homelessness.

The hope of Housing Plus

For many years now we have known that *housing is more than roof and walls*. The work that you do, and the support that you provide to a family, a youth, an elderly person, or that resident that just struggles with life circumstances exemplify this vision that community and housing is about the people living there.

For the past dozen years, Oregon Housing and Community Services required a *Resident Services Plan* in applications for funding in the Consolidated Funding Cycle.

Affordable housing residents benefit from services designed to enhance their personal, social and economic well-being. And now, Oregon Housing and Community Services stands ready to launch a more ambitious program: Housing Plus (aka “Housing First”).

A model that makes sense

The Corporation for Supportive Housing sponsored a New York study of the impact of supportive housing on services use for homeless mentally ill individuals.

The study found that:

- **A homeless mentally ill person in New York City used an average of \$40,449 of publicly funded services over the course of a year.¹**
- **Once placed into supportive housing, a homeless mentally ill individual reduced his or her use of publicly funded services by an average of \$12,145 per year.**
- **Service reduction savings reached \$16,282 per year for each unit of housing constructed.**
- **The reduction in services paid for 95 percent of the costs of building, operating and providing services in supportive housing, and 90 percent of the costs of all types of supportive housing in New York City.**
- **Supportive housing results in a 33 percent decrease in the use of medical and mental health services.**
- **Hospital use declined 49 percent for each individual.**
- **Shelter use decreased by over 60 percent, saving an additional \$3,779 a year for each housing unit constructed.**

¹ In 1999 dollars.

How OHCS plans to work with communities and partners to implement Housing Plus

With political will and financial wherewithal, Oregon is ready to take housing and services for people experiencing homelessness to the next level.

OHCS's Housing Plus (Permanent Living Utilizing Services) Initiative adds targeted services and dollars to bring supportive housing to Oregonians experiencing homelessness.

Housing Plus capitalizes on the success of existing models, as well as emerging research on *supportive housing*. Housing Plus targets services for individuals experiencing homelessness. Housing Plus focuses on the strengths and needs of individuals, helping them find the best route to achieve their potential, obtain permanent housing, and become engaged and valued members of their communities.

OHCS endorses the Corporation for Supportive Housing's principles for our Housing Plus initiative:

- 1. Supportive housing is permanent and affordable. Residents pay no more than 30 percent of their income for rent.**
- 2. Supportive housing is safe and comfortable.**
- 3. Services are flexible and focused on maintaining residential stability. They must be easily accessible, inviting, and flexible.**
- 4. Services empower residents and foster their independence. Residents participate in the management of their residence; receive assistance and encouragement in pursuing employment opportunities; and exercise control over their lifestyle choices.**
- 5. The provider integrates the residents and the housing into the community.**

Housing Plus means you, the advocate or case manager in the trenches, will have better support for the work you do.

Housing Plus recognizes that homelessness affects urban rural areas differently. Housing Plus supports locally designed and delivered solutions for urban/metro areas as well as rural communities.

- 1. Housing Plus will build upon our existing funding structure such as the Consolidated Funding Cycle.**
- 2. Housing Plus funding will flow based on community needs and community solutions, collaborations, and common goals.**
- 3. Housing Plus includes funding for construction, for rental assistance, and for supportive services.**
- 4. Housing Plus brings together human capital and financial resources from the housing and human services sectors.**
- 5. Housing Plus needs to show results and outcomes to ensure continued funding.**

Housing Plus will build on existing systems and processes to achieve its results, such as:

- **The work of the Governor’s Ending Homelessness Advisory Council.**
- **Local plans to end homelessness.**
- **Human services, such as mental health, alcohol and drug treatment, health care, and social services.**
- **Justice and correction systems.**

I look forward to working with you as we implement Housing Plus and help Oregonians experiencing homelessness have permanent, affordable housing, and the support they need to get on their feet and succeed.

In closing, I recognize that we have a lot of work to do. But I feel confident that with your work, my work, our work, we can end this scourge of homelessness in our society. Thank you.