

# Oregon Housing and Community Services

## 2008 Annual Report



What we do matters!

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**What We Do  
Matters!**

## Director's Message



Victor Merced, Director

### Our Vision

All Oregonians have housing that meets their needs.

### Our Mission

Provide leadership that enables Oregonians to gain housing, become self-sufficient, and achieve prosperity.

### What we do matters!

Sounds like a bold statement for the director of a 125-person agency to make. But it's true ... every day the staff and partners of Oregon Housing and Community Services **make a difference** across Oregon.

This report shares some of what we accomplished during the 2006-2007 fiscal year.

We present our results through the framework of our agency's strategic plan ... a plan that recognizes the varied nature of our **partnerships** and the many needs of the **people** they serve.

As the state and the nation face an uncertain future, with the mortgage lenders regrouping and the specter of a recession on the horizon, we know that OHCS investments in the state's communities and people meet a growing and critical need. **Our work helps** move Oregonians from desperation to independence.

Our strategic plan and business model reflect a best practice for achieving and sustaining results. That's because we build on **a foundation of interdependence** — with lenders, developers, property owners, social service providers, and community agencies.

Join us as we seek to help Oregon become a safe and stable home for all who live here.

Sincerely,

Victor Merced

Director

## State Housing Council Chair's Message

From my vantage as chair of the Oregon Housing Council, the view is remarkable. I have the privilege of working with an agency that accomplishes a great deal for the people of Oregon. You can read of those accomplishments in the following pages. As this publication goes to press, the economic landscape of Oregon and the nation is shifting, making the work of Oregon Housing and Community Services all the more critical.

My hometown of Ashland reflects many of the challenges that face policymakers and city leaders across Oregon. In too many towns, the people who work in a community are forced by economics or housing shortages to live too great a distance from their jobs. The lack of affordable housing close to jobs generates significant costs for our state and its residents. These costs take the form of road construction, commuting time, vehicle wear and tear, gasoline expenses, and environmental damage. While we cannot always measure these costs, we know that we must find creative solutions to the consequences of enforced "commuterhood."

OHCS can play a role in helping communities and other state agencies identify creative solutions to these pressing challenges. The agency's talented staff can help find a way to a more livable future for every resident.

At each meeting of the housing council, I am struck by the impact and value of the agency's work. Every day, OHCS makes a difference. It is an honor to work with this talented group of committed professionals.

As we move into the future, I look forward to working alongside OHCS as it seeks to ensure that all Oregonians have housing that meets their needs.

Larry E. Medinger  
State Housing Council Chair



Larry E. Medinger, Chair  
Ashland

## State Housing Council Members



Scott Cooper  
Prineville



John Epstein  
Portland



Maggie LaMont  
La Grande



Stuart E. Liebowitz  
Roseburg



Francisco López  
Salem



Jeana Woolley  
Portland

## OHCS Executive Team



**Top Row, L to R:**

Bob Gillespie (Housing Division Administrator),  
Floyd Smith (Agency Affairs Director), Ron Meek (Human Resources Director)

**Middle Row, L to R:**

Bill Carpenter (Chief Information Officer), Jo Rawlins (Director's Executive Assistant),  
Marlys Laver (Asset and Property Management Division Administrator),  
Pegge McGuire (Community Resources Division Administrator)

**Bottom Row, L to R:**

Nancy Cain (Chief Financial Officer), Rick Crager (Deputy Director), Victor Merced (Director)

## Goal 1: Secure an end to hunger and homelessness for all Oregonians



With OHCS funds, food banks accessed more than 6.5 million pounds of food from local sources. Each state General Fund Food dollar generated \$13.30 worth of food.

### Working to reduce hunger in Oregon

OHCS administers three federal food programs – the Emergency Food Assistance program, USDA commodities, and the Food Distribution Program on Indian Reserves – as well as the state General Fund Food program.

The Emergency Food Assistance programs operates through the Oregon Food Bank, distributing food through 20 food banks. The food banks also work with OHCS in distributing USDA commodities. The Food Distribution Program on Indian Reserves supports the needs of people living on reservations.

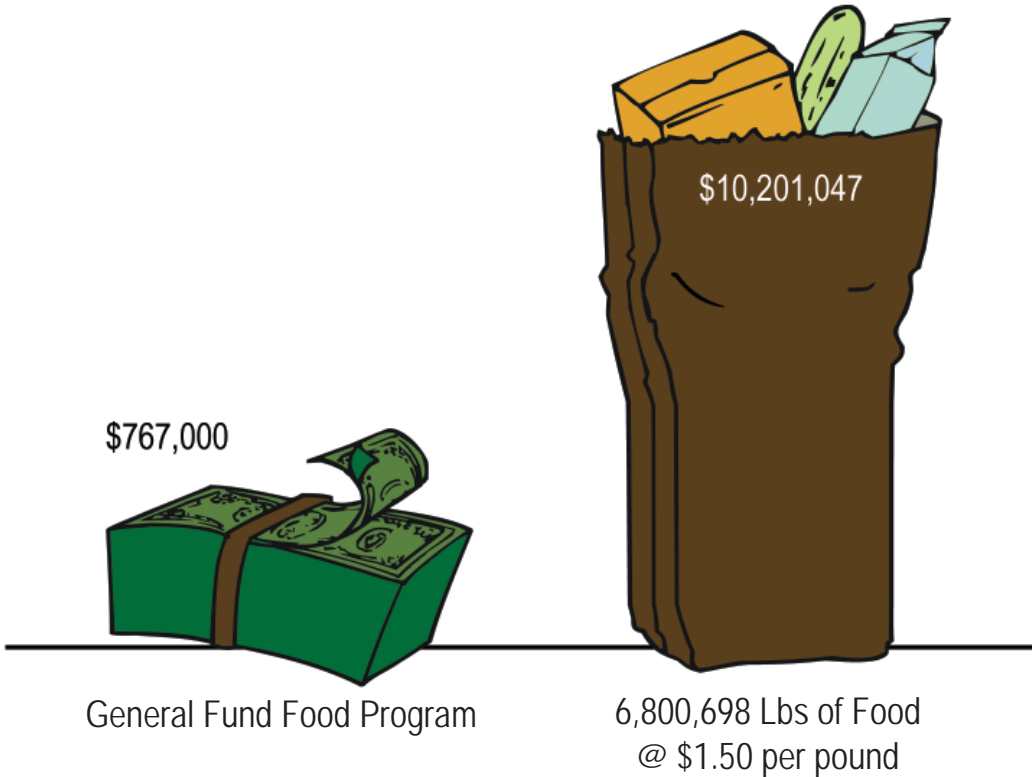
The state-funded General Fund Food program allows the Oregon Food Bank and its partners to help clients find other budget resources. Most importantly, it offsets the costs of food repackaging, transportation, storage and handling of donated products.

#### Accomplishments

Through these federal programs, OHCS and partners distributed 4,350,484 pounds of food and 752,066 food boxes across Oregon.

# Leveraged Resources and the General Fund Food Grant

Source: Oregon Food Bank and OHCS, 2007



## 2007-2009 short-term strategies

Develop and implement, with partner input, a permanent supportive housing model for people experiencing homelessness.

Recommend and implement policies or system changes with our partners that effectively reduce hunger and homelessness in Oregon.

Develop and implement a comprehensive housing preservation strategy with our partners.



## Homelessness: Identifying the issues

OHCS and a statewide network of non-profit and local government agencies deliver a continuum of services to people who are experiencing or at-risk of homelessness.

Each year, local providers conduct a one-night count of people experiencing homelessness. Through improved outreach and committed volunteers, the network that serves homeless Oregonians reaches a growing number of people every year.

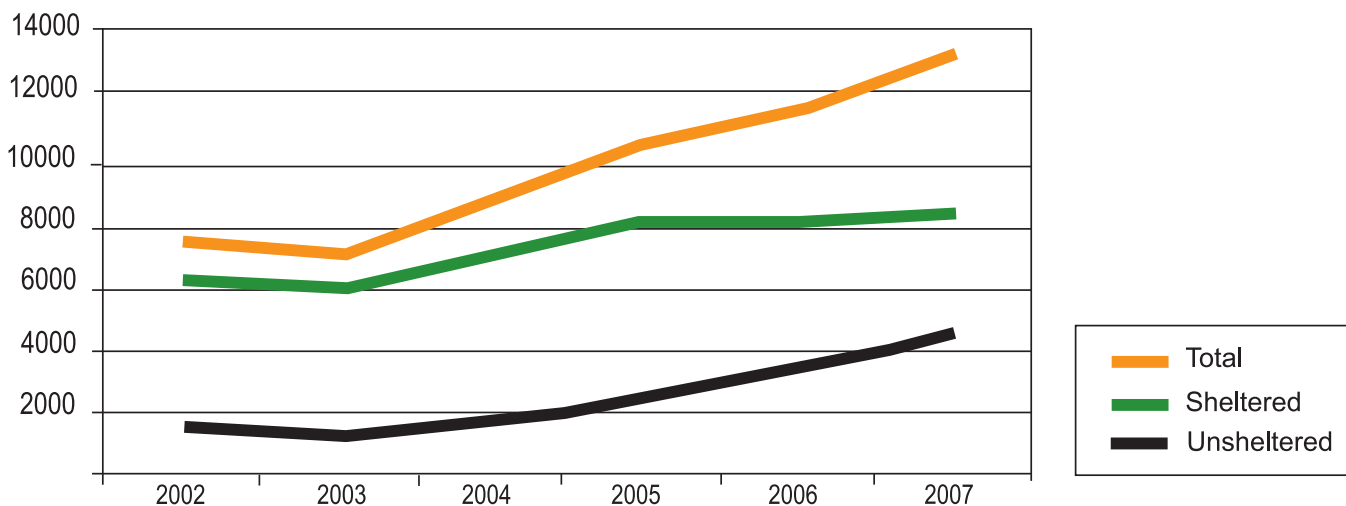
The number of people identified during the count grew from 7,433 in 2002 to 13,020 in 2007. This represents a 75 percent increase.

The Governor’s Ending Homelessness Advisory Council, the Interagency Council on Hunger and Homelessness, and many counties have begun to develop strategies for reducing the number of people experiencing homelessness.



Find the state’s 10-year plan to end homelessness at [www.ehac.oregon.gov/](http://www.ehac.oregon.gov/)

### Five-year one-night count trend





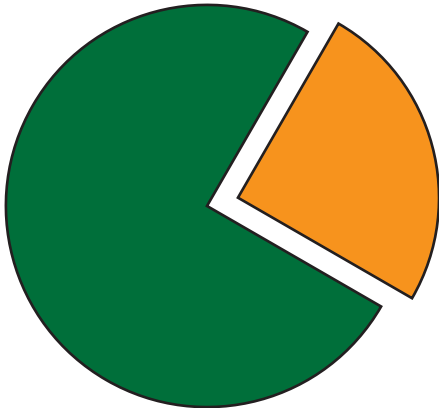
# Finding Solutions

Stable, permanent housing functions as a foundation for healthy families and neighborhoods. Families and communities benefit through better school performance, improved physical and mental health, safer neighborhoods, and increased civic engagement.



## Moving toward a permanent solution

5,993 Households in case management



Households obtaining permanent housing  
25%  
1,502

# Making Progress



During the 2006-2007 program year, OHCS partners provided case management services to nearly 6,000 homeless households and helped 1,500 of them find permanent housing.

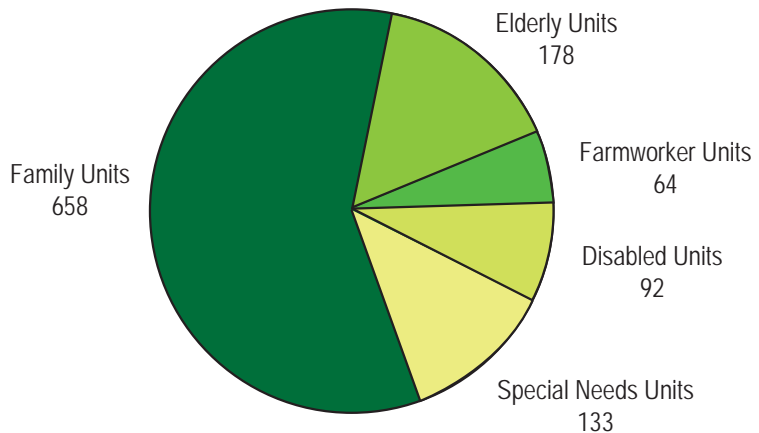
## Goal 2: Ensure an ongoing inventory of affordable housing that meets community needs



In 2006-2007, OHCS committed more than \$61 million to fund the development of 1,125 units of affordable housing across the state.

### Fall 2006 and Spring 2007 Consolidated Funding Cycles and 2007 Bond Financing

1,125 units funded



- “Family” includes single-parent and large family units.
- “Disabled” includes units for people with physical and developmental disabilities, as well as people with chronic mental illness.
- “Special Needs” units include housing serving those in alcohol/drug rehabilitation, victims of domestic violence, people with HIV/AIDS, people experiencing homelessness, released criminal offenders, and youths.



## 2006-2007 Affordable Housing Funding

	Units	Funding
Baker	36	\$1,142,103
Clackamas	52	\$1,374,573
Clatsop	12	\$1,386,568
Columbia	1	\$100,00
Curry	8	\$1,067,290
Deschutes	90	\$4,289,603
Douglas	29	\$1,843,781
Jackson	52	\$910,435
Jefferson	24	\$798,751
Lane	115	\$11,645,398
Linn	51	\$2,445,383
Marion	70	\$1,334,519
Multnomah	247	\$8,815,345
Polk	5	\$743,293
Umatilla	94	\$3,645,057
Union	46	\$1,691,335
Washington	128	\$13,100,925
Yamhill	65	\$4,775,807
<b>Totals:</b>	<b>1,125</b>	<b>\$61,110,166</b>

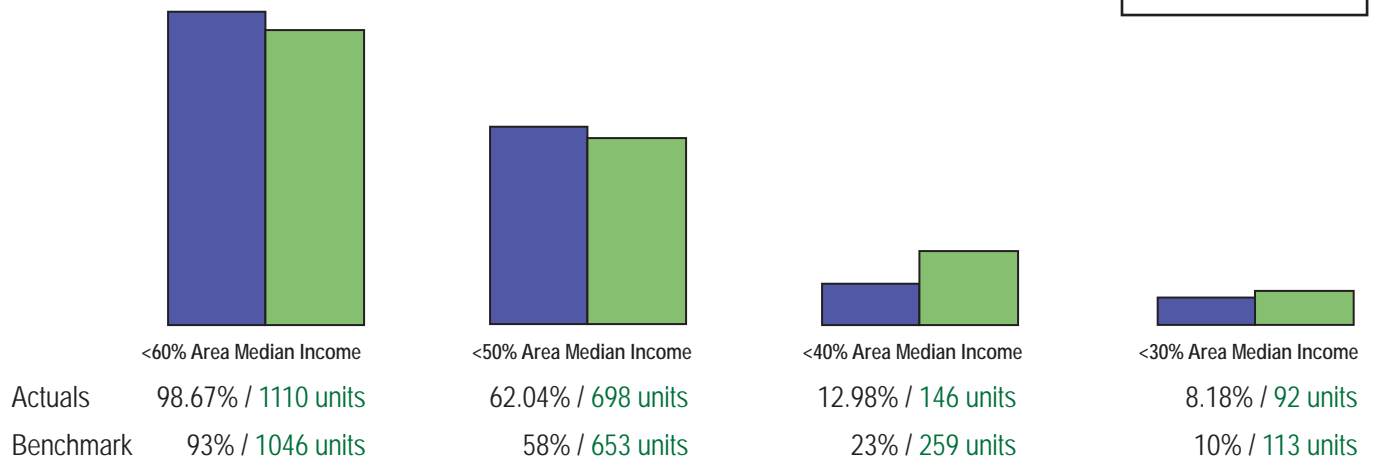
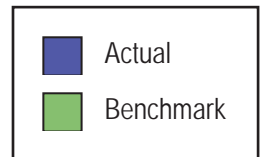
# Helping Oregonians balance the budget at home

For families in crisis, simply coping with the demand of survival can prove too daunting. With an affordable place to live, however, a family can achieve its dreams. A home serves as the keystone of healthy, thriving, engaged life for all family members.

OHCS strives to make housing more affordable for those Oregonians at the highest risk of housing instability and homelessness. OHCS works to spend 93 percent of its affordable housing funds to create housing affordable to households earning 60 percent or less of area median income. A goal which OHCS surpasses.



## Serving Oregonians with the greatest need



**1,125 Affordable Units**

Fall 2006, Spring 2007 CFC Cycles and 06-07 Bond Financing

More than 65,000 Oregon households live in manufactured dwelling parks, comprising a significant percentage of the state’s affordable housing. However, under market pressures for other uses, many parks have closed or face closure.

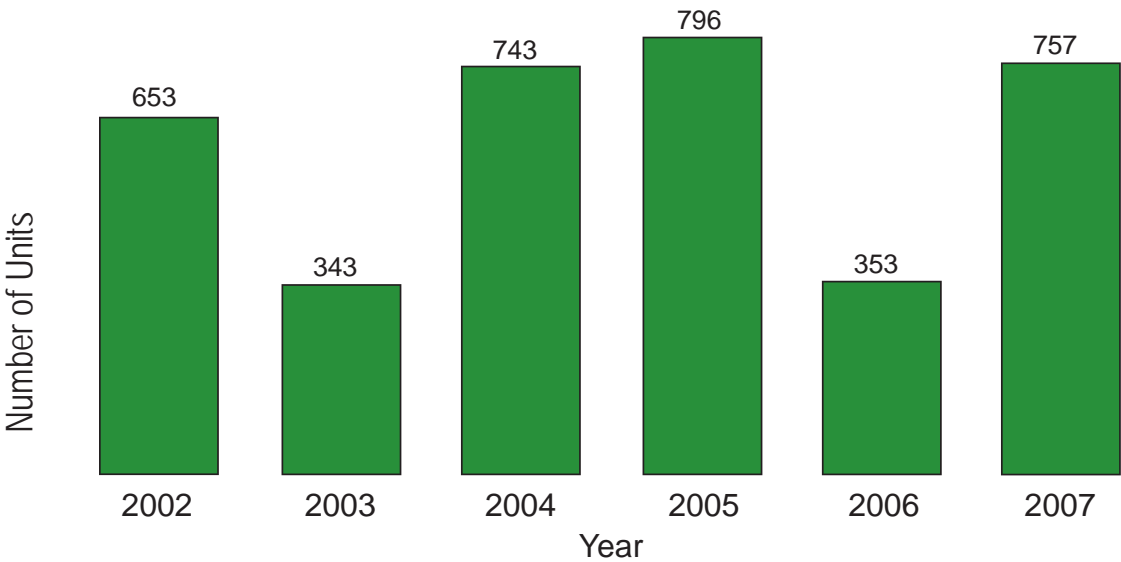
In recognition of this problem, the 2007 Legislature provided gap funding to allow park residents to purchase their parks and maintain their homes and communities.



## Preserving our nation’s investment

For more than 30 years, federal rent subsidy contracts have provided housing for some of Oregon’s most needy households. Section 8 projects currently provide housing and rent subsidies to approximately 30,000 Oregonians. These contracts have ensured that Oregonians with very low incomes can have a place to live.

Housing Units Preserved 2002-2007



## 14 Affordable Housing

People served by these projects typically earn between \$11,000 to \$27,000 depending on household size and the household's location in Oregon.

As the federal contracts expire, property owners may choose to convert the properties to market-rate condominiums. Oregon Housing and Community Services and other affordable housing partners work to preserve this invaluable housing stock.

Preservation of existing affordable housing saves public dollars, ensures stable housing for residents, and prevents the current shortage in affordable housing from growing any larger.



From 2002 through 2007, Oregon Housing and Community Services preserved 3,645 units of affordable housing.



# Achieving the dream of homeownership

First-time homebuyers face many challenges. From navigating the process of house hunting and financing, to problems with credit and housing affordability, the experience can seem overwhelming.

OHCS works with the federal government, public, and private partners to make **the dream of homeownership** a reality for more Oregonians.

These efforts include:

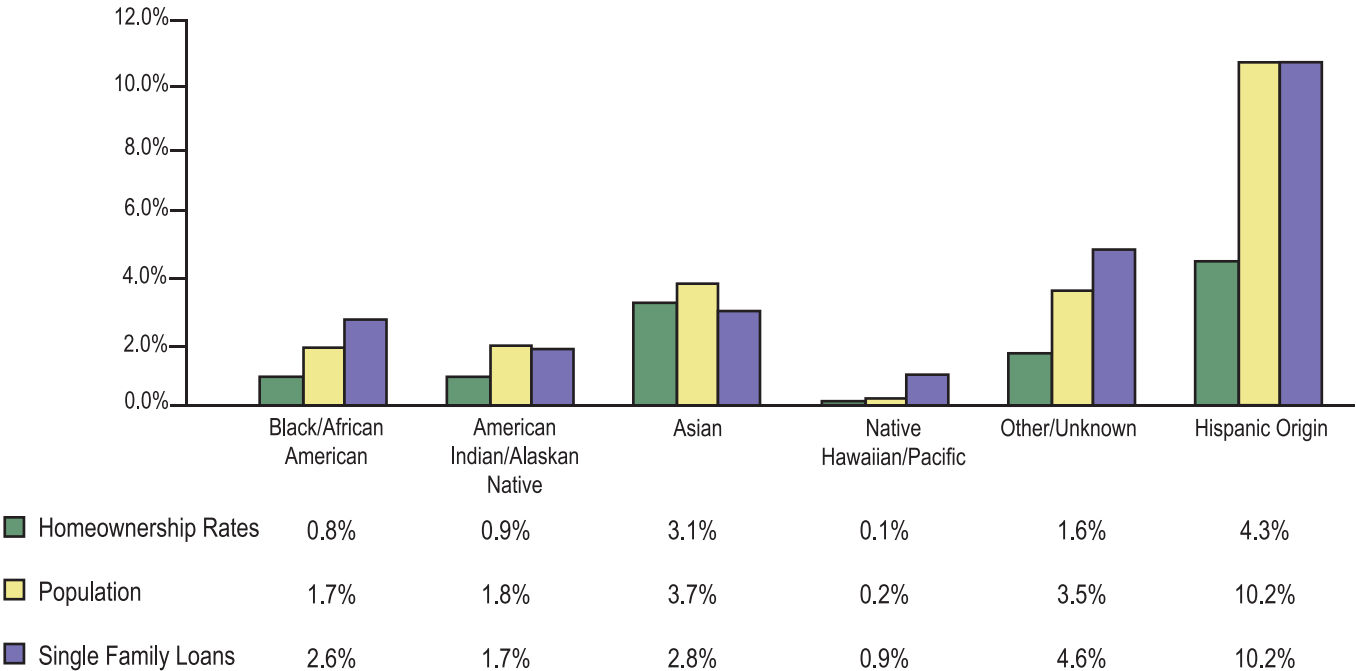
- The CashAdvantage Home Loan – a low-rate loan coupled with cash to help with down payments and closing costs.
- The RateAdvantage Home Loan – a below-market, fixed-rate loan for first-time homebuyers.

OHCS loan programs offer the reality of homeownership to all Oregonians, regardless of race or ethnicity.



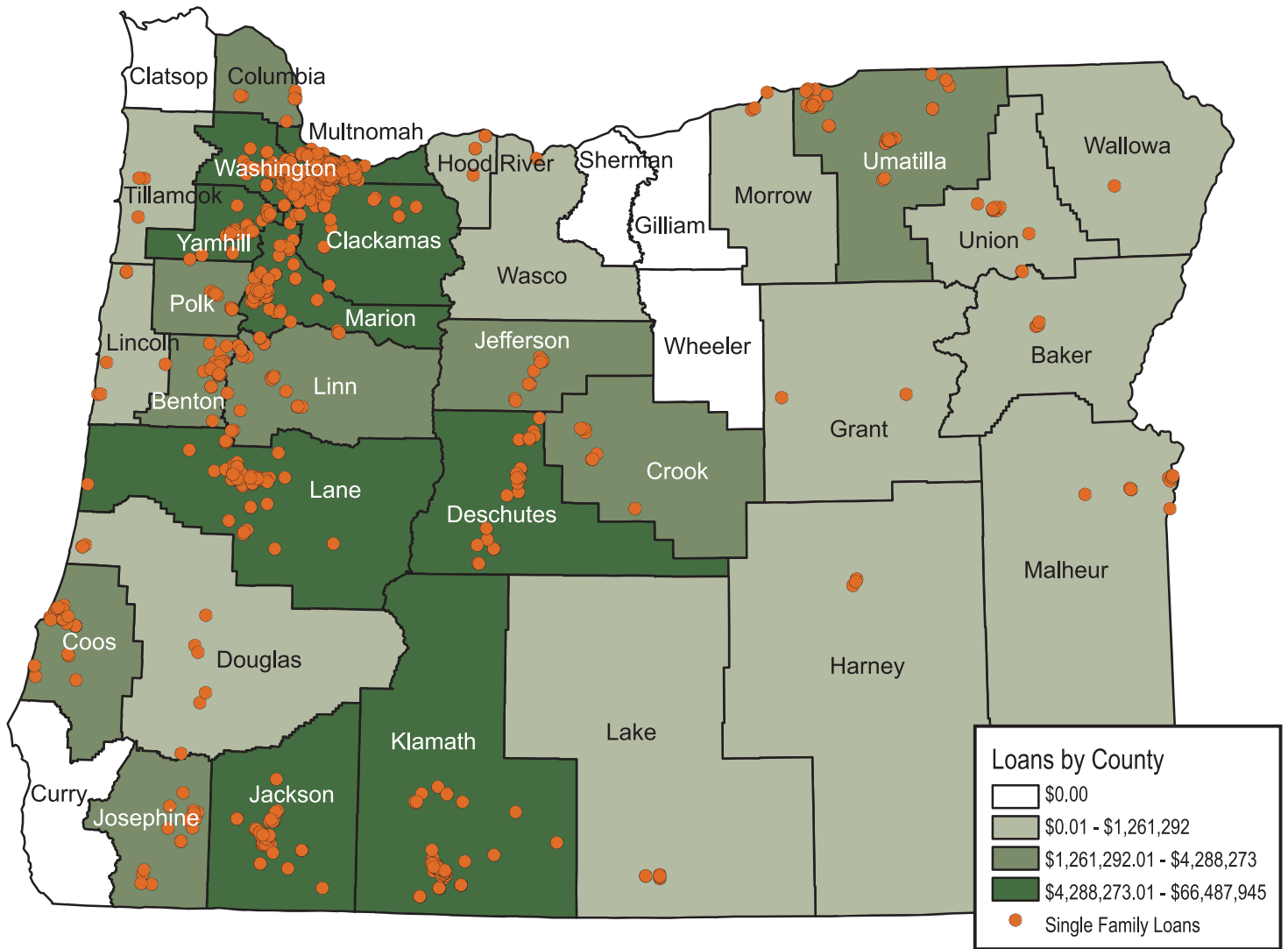
In 2006-2007, these programs provided 1,195 loans, valued at more than \$189 million, to first-time homebuyers.

Homeownership and single-family loans by race/ethnic group 2006 (excluding white, non-Hispanic)



# Single Family Loans by County

July 1, 2006 - June 30, 2007



## 2007-2009 short-term strategies



Develop and implement a comprehensive housing preservation strategy with our partners.

Develop strategies with our partners to address manufactured dwelling park closures.



**Goal 3: Help ensure that our partners have sufficient capacity to use OHCS resources effectively**



The Small Community Incentive Fund provides resources for communities to promote affordable housing development near jobs and transportation, revitalize downtown centers, and rebuild distressed rural economies. Funded projects cover a wide array of local needs, including, but not limited to, community centers, libraries, parks, clinics, and shelters. For the 2007 to 2009 biennium, SCIF funds will support the department’s efforts to preserve affordable housing in communities across Oregon.

**In 2006-2007, Oregon Housing and Community Services granted over \$2.2 million in Small Community Incentive Funds to 18 counties across the state.**

Baker	\$80,000	Crossroads Carnegie Arts/Cultural Center
Clackamas	\$105,000	Molalla Facade Improvements Program, SE 4th and Stafford Street Realignment
Columbia	\$80,000	Evergreen Aviation Services Relocation
Deschutes	\$160,000	Daggett Lane Develop Infrastructure, East Cascade Homes
Douglas	\$80,000	Winston Community Center and Library
Grant	\$240,000	Grant County Dental Clinic, Depot Park Building Renovation, Mt. Vernon Community Hall Renovation, Historic Hotel Prairie
Jackson	\$241,813	Cantrall-Buckley Campground, Civic Center, Rising Sun Farms, Jefferson Nature Center, Rogue River Community Center, Community Hall/Emergency Shelter
Jefferson	\$80,000	Culver Hwy 361 Planning and Engineering
Josephine	\$30,808	Food & Friends Josephine County Kitchen Relocation
Klamath	\$209,580	Bly Streetscape (4%), Merrill Flag Pole Park, Klamath Falls 7th Street Parking
Linn	\$80,000	Halsey Community Center
Marion	\$80,000	Scotts Mills New City Hall
Polk	\$80,000	Independence Cinema Sidewalk
Sherman	\$131,362	Sherman County Library Expansion, Moro Downtown Park Improvements
Tillamook	\$80,000	Cedar Creek Child Care Center Facility, NeahCasa
Umatilla	\$135,490	The Horizon Building, Project Main Street
Wallowa	\$80,000	EM&M Restoration Acquisition Phase
Washington	\$80,000	Ingels & Pope Building Renovation
Yamhill	\$80,000	Greene Commercial Building
<b>Total</b>	<b>\$2,214,053</b>	

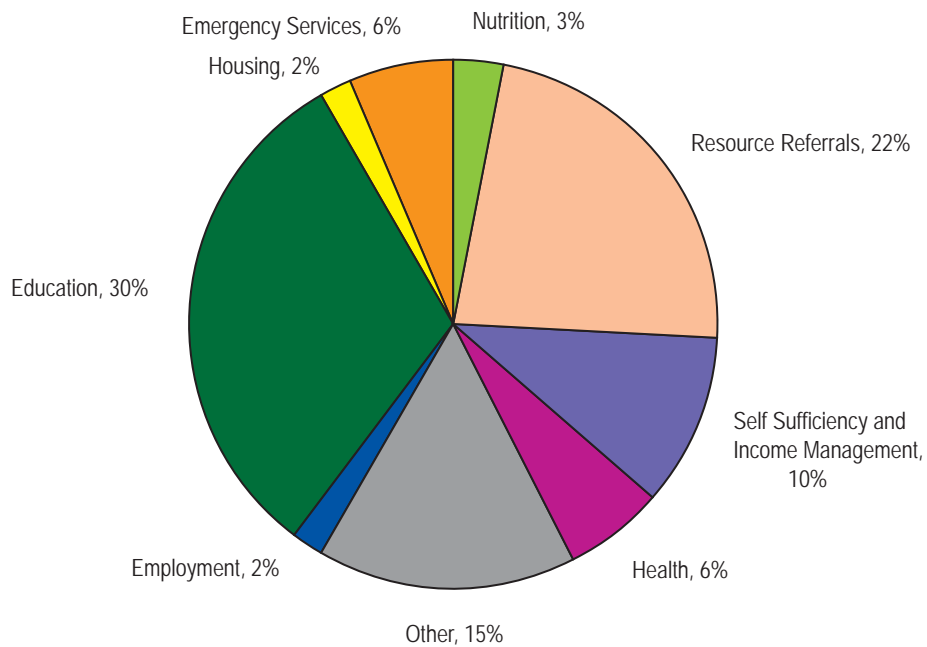
## Strengthening local capacity

OHCS recognizes that the people who live and work in their community best understand the challenges and opportunities facing local residents.

The Community Services Block Grant, administered by OHCS, provides monies for community action agencies across the state to provide services that address local needs and complement existing programs.

In 2007, OHCS granted more than \$4.5 million to local community action agencies. With these funds, communities addressed a multitude of local needs such as housing, nutrition, and auxiliary services. These dollars served over 365,000 Oregonians, and helped to build community capacity in every county of the state.

### Community Service Block Grant Funding



### 2007-2009 short-term strategies



Develop opportunities for partners to provide input.

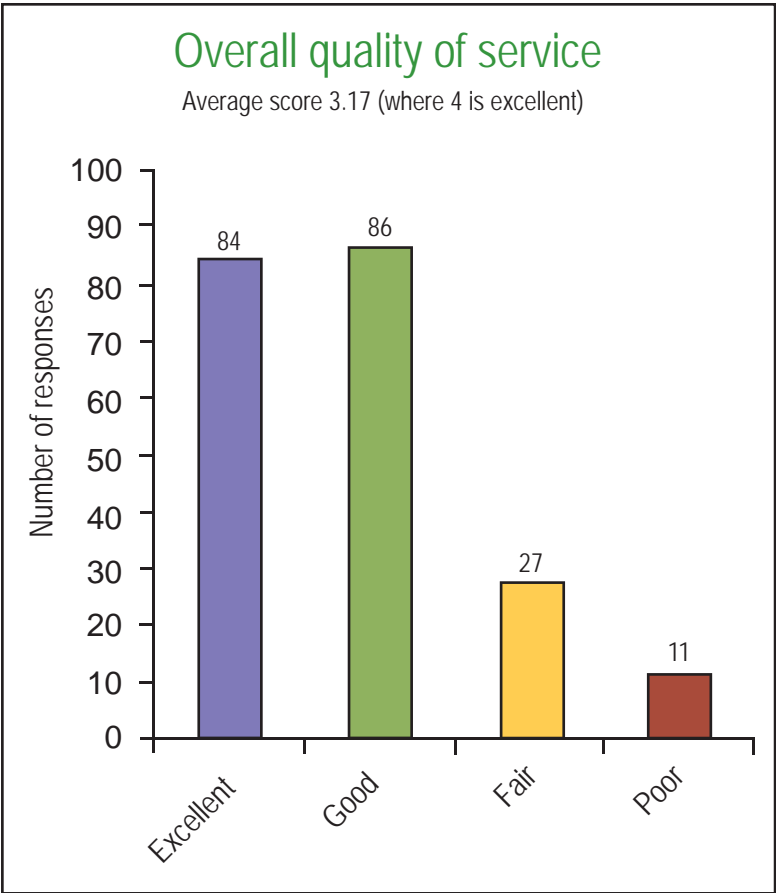
Develop a matrix to measure partner capacity.

# Goal 4: Create an agency culture that enables our staff to deliver the best possible programs and services



At Oregon Housing and Community Services, a small group of dedicated employees achieves remarkable results.

From ensuring the health and safety of housing residents, to equitably allocating limited resources, to making the dream of homeownership possible, employees strengthen the reputation of our agency for quality service and information.



## 2007-2009 short-term strategies



Establish development plans and budget-supported training programs that enable employees to achieve their professional potential and deliver high quality service.

# Goal 5: Secure the long-term financial stability of OHCS

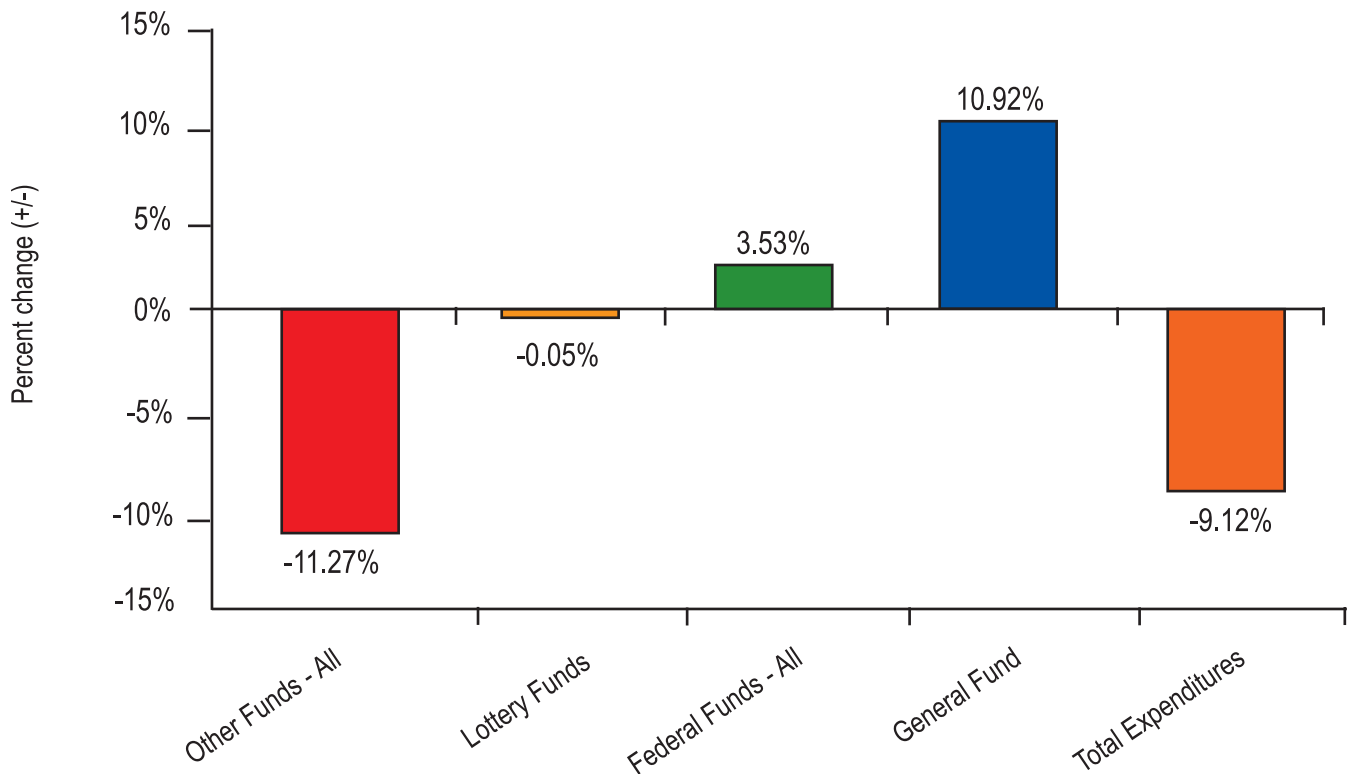


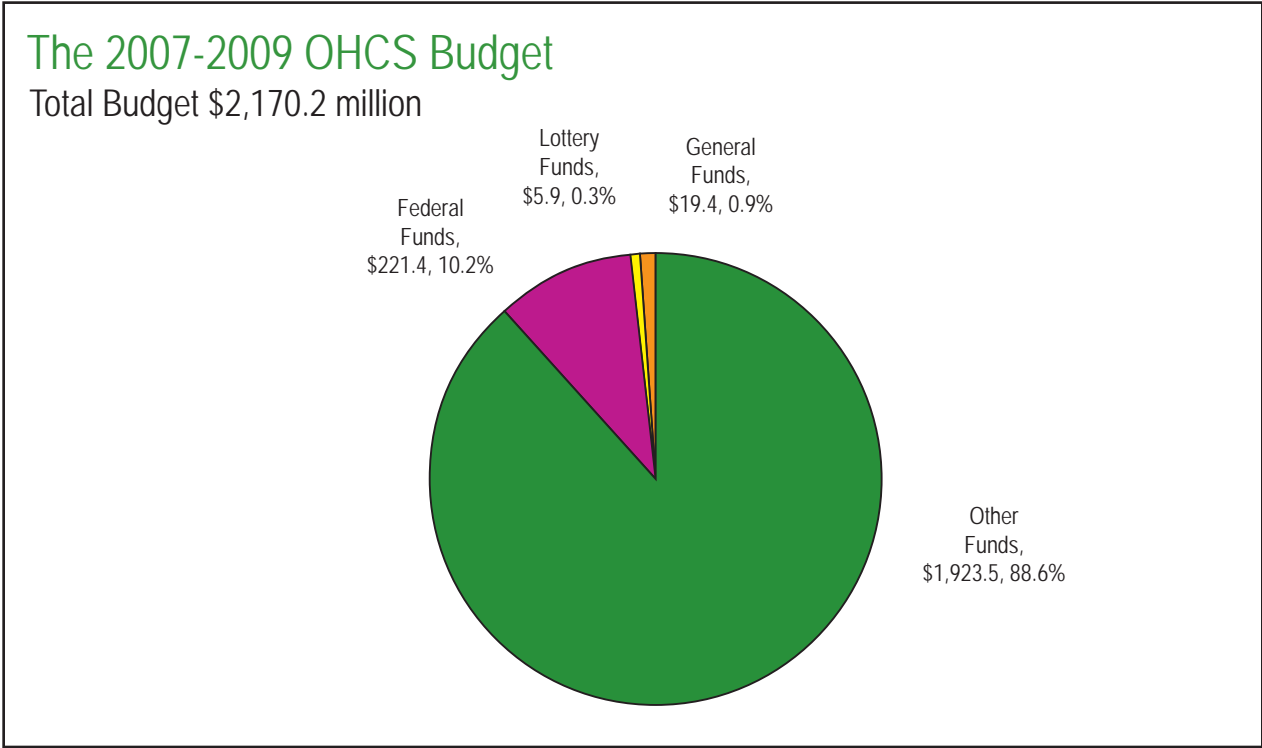
## Financial stability

During the last four fiscal years, OHCS total expenditures dropped a little more than 9 percent. While the General Fund contribution grew nearly 11 percent—it still amounts to less than 1 percent of the total OHCS budget.

A drop of 33 percent in the department’s debt service drove the decrease in overall expenditures. This reflects a change in the way the department manages its bond authority, eliminating the need to make frequent and large principal payments on short-term bonds.

Change in OHCS expenditures by fund type  
2004-2007





### Highlights of the 2007-2009 legislatively adopted budget

- A \$1.3 million General Fund increase over the 2005-07 legislatively approved budget for the Oregon Food Bank.
- \$8.1 million in new and redirected funding, which, when leveraged with other revenue, will support preservation of at least 600 affordable rental housing units which may otherwise be converted to market-rate housing.
- \$2.4 million in General Fund to restore the Housing Trust Fund. (In 2003, the Legislature transferred Housing Trust Fund dollars to the state’s General Fund.)
- \$16 million in Lottery Revenue Bonds for 150 Housing PLUS (Permanent Living Utilizing Services) units for homeless that provide supportive services such as alcohol and drug treatment, counseling, child care, and employment services.
- \$2 million in General Fund to be leveraged as a source of pre-development loans for affordable housing, such as gap financing for tenant purchases of manufactured home parks.

## 2007-2009 short-term strategies

Develop and implement a long-term financial sustainability plan for OHCS.

## OHCS Expenditures by

<b>Food</b>	<b>4.09</b>
General Fund Food Program - GF	2.09
Food Programs - FF	2.00
<b>Preservation</b>	<b>10.55</b>
Housing Preservation - OF	7.90
Housing Preservation - GF	2.65
<b>Community Capacity</b>	<b>20.70</b>
Community Services Block Grant - FF	9.80
Community Development Block Grant - FF	5.50
Corp for National & Community Services - FF	4.10
Other Programs - OF	1.30
<b>Administration</b>	<b>32.30</b>
Federal Funds	6.70
Other Funds	25.50
General Funds	0.10
<b>Homelessness programs</b>	<b>38.70</b>
Housing for Homelessness - OF	15.60
Emergency Housing Assist - GF	6.68
Emergency Housing Assist - OF	6.40
Continuum of Care - FF	3.30
State Homeless Assist Program - GF	2.75
Emergency Shelter Grant - FF	1.50
Housing PLUS Debt Service - Lottery-backed bonds	1.47
Housing Stabilization - FF	1.00
<b>Rent &amp; Mortgage Assistance</b>	<b>105.10</b>
Federal Rent Subsidy - FF	104.70
Low-Income Rental Housing Fund - OF	0.40
<b>Energy</b>	<b>105.20</b>
Low Income Energy Assist (LIEAP) - FF	53.50
Energy Deregulation-Bill Pay Assist - OF	27.90
Energy Deregulation-Weatherization - OF	17.50
Weatherization Assistance Programs - FF	6.30

FF = Federal Funds, GF = General Fund, OF - Other Funds

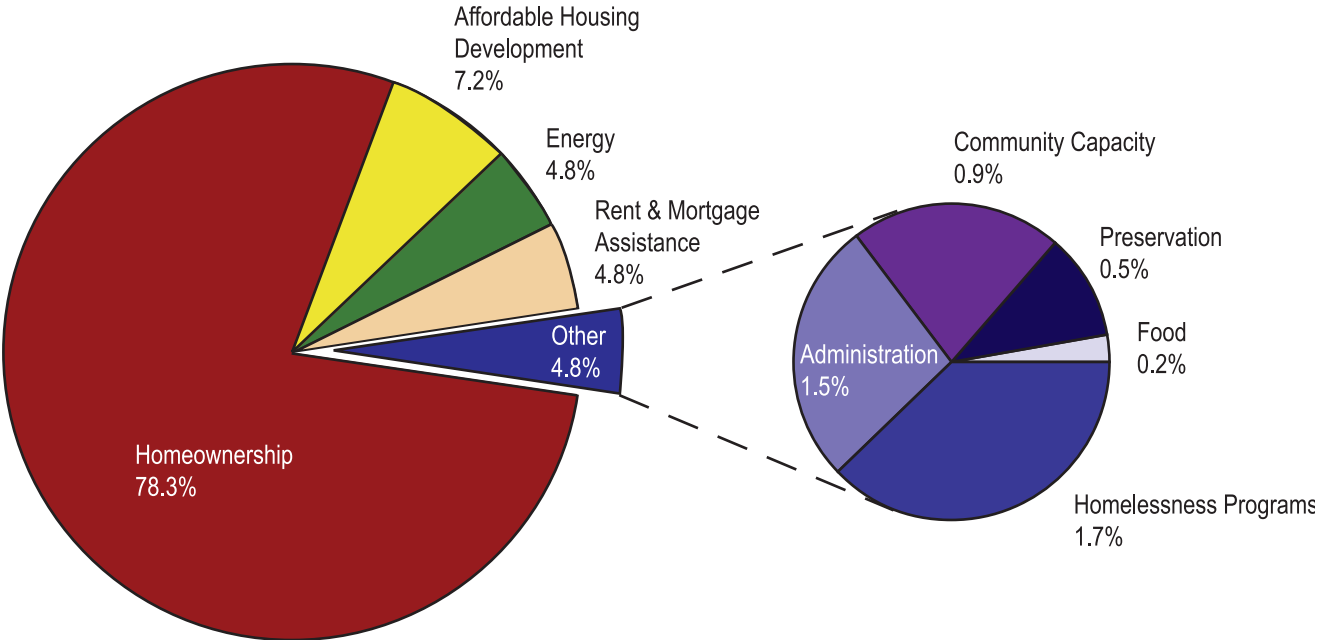
# Program Type (\$ millions)

<b>Affordable housing development</b>	<b>152.79</b>
Debt service and related bond costs - OF	110.38
HOME Program - FF	23.00
Housing Development & Guarantee Program - FF	5.30
Community Incentive Fund - FF	5.30
Community Incentive Fund Debt Service - Lottery-backed bonds	4.46
Restore Trust Fund - GF	2.35
Restore Housing Finance Fund - GF	2.00
Affordable Housing Financing - OF	1.00
Alcohol- & Drug-Free Housing - OF	1.00
 <b>Homeownership</b>	 <b>1,698.85</b>
Debt service and related bond costs - OF	1,362.73
Loan Purchases - OF	334.30
Home Ownership Assistance - OF	1.00
Home Ownership Assistance - GF	0.82

## OHCS expenditures by program type

**\$2,170.28 million**

includes \$12.5 million in transfers





## **What We Do Matters!**

[www.ohcs.oregon.gov](http://www.ohcs.oregon.gov)

Please send comments to:

Oregon Housing and Community Services  
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Attn: Research and Analysis Section

Report is available online at:

[www.ohcs.oregon.gov/OHCS/2008annualreport.pdf](http://www.ohcs.oregon.gov/OHCS/2008annualreport.pdf)

