

# Oregon Housing and Community Services Department

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## Legislature Update

February 13, 2009

**Lisa Joyce**  
Legislative Relations Manager



### For More Information

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Community members got to see just how hard state legislators work as the last of three back-to-back public hearings on proposed cuts to the current budget came to a close.

"What a difficult road they have to travel this session," said **Rick Crager**, deputy director of Oregon Housing and Community Services (OHCS).

A handful of people came forward to testify on OHCS issues before the state Legislature's Joint Ways and Means Committee.

OHCS faces a \$426,513 reduction to the Emergency Housing Assistance program, \$184,456 to the state Homeless Assistance program, and \$204,800 to the homeownership assistance program. Together these two potential cuts will affect about 4,000 homeless individuals, and mean that more than one hundred families will not receive down payment assistance.

**Robert More**, director of Housing and Emergency Services at Oregon Coast Community Action, was among the scores of people who traveled to Salem for the hearing. He described the worsening economy in Coos and Curry counties.

"During the period of belt-tightening and budget cutting, we must do all we can to preserve the safety net, particularly for those most vulnerable in our society," More said.

**Sandy Halonen**, executive director of Neighborhood Economic Development Corporation, addressed the impact of the homeownership assistance cut.

"This cut translates directly into 137 first time homebuyers who will not be able to purchase homes," **Halonen** testified. "Not only is the loss of this down payment assistance hurting them, it is also hurting our communities and neighborhoods."

Legislators heard testimony on human service issues Tuesday, education issues Wednesday, and all other issues, including affordable housing, last night. The sessions were held to allow community input on some \$800 million of cuts from state agency budgets over the next five months.

"Some of the people we serve, especially the homeless, don't have a voice at the Capitol," **Crager** said. "It's all the more important for those who serve them to describe their needs and ensure they're not forgotten."





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OHCS also faces cuts in housing preservation, Housing PLUS, and several other key programs. The agency is projecting about \$1.3 million in General Fund reduction for critical programs that service Oregon's most vulnerable populations, **Crager** said.

"We recognize that as the revenue picture darkens, we will need to make very difficult decisions," he added.

OHCS joins other state agencies in waiting to see how much funding will come to the state upon passage of the federal economic stimulus bill. More to come ... .

### House Bill (HB) and Senate Bill (SB) updates:

The Oregon Legislature meets Monday to consider bills of OHCS interest concerning the state data center and other operations of state government.

### Last week's (Feb. 9-13) round of decisions included:

**HB 2259:** More progress was made yesterday on the bill that renames Community Action Directors of Oregon (CADO). If passed, CADO will become Community Action Partnership of Oregon.

**HB 5015:** By freezing legislators' salaries, this bill sets the tone on what's likely to be a depressing round of state budget cuts throughout state government. Passed by the House and is heading for the Senate.

**SB 201:** The bill creates resources for improving energy efficiency and family self-sufficiency of low-income households. The Matchmaker Program initiative fills the gap between low-income families and the rest of the state's energy users.

The bill had its first public hearing last Thursday before the Senate Committee on Environment and Natural Resources.

**Chair Jackie Dingfelder** (D-Portland) asked about the amount of federal stimulus dollars projected to come to Oregon for low-income weatherization. **Pegge McGuire**, OHCS administrator of the Community Resources Division, projected Oregon's cut to be about \$38 million.



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### Next week (Feb. 16-20):

**HB 2436:** Now known as the Housing Opportunity Act, this bill increases document recording fees by \$15 and dedicates that revenue to affordable housing development. Thanks to incredible efforts by so many people, HB 2436 will go to the house floor on Tuesday. Kudos to Janet Byrd, convener of Oregon Housing Alliance!

**HB 2261:** The bill clarifies that the Oregon Affordable Housing Tax Credit Program (OAHTC) can be layered with taxable or tax-exempt bonds on affordable housing projects. Hearing on Wednesday at House Revenue.

**SB 199:** This bill increases the cap by \$4 million on the Oregon Affordable Housing Tax Credits, a valuable tool for financing affordable housing preservation and development. A hearing set for Wednesday will give OHCS and its partners an opportunity to describe how the tax credits work and they benefit low and very low-income Oregonians.

Legislators will want to understand how each dollar of financing provided through OHCS leverages additional resources as well as the economic activity. Recognizing other economic benefits of affordable housing development will help OHCS move the bill along.

For more information, see the OHCS Housing as an Economic Stimulus Brochure 2008 online at: <http://www.ohcs.oregon.gov/OHCS/index.shtml>

**Don't expect the tax credit bills to move early.** Policymakers will wait for updated revenue forecasts before moving any legislation with a potential revenue impact. Still, the hearing will be a great opportunity to highlight the need and what OHCS has accomplished with recent increases in the cap.

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