



NeighborImpact

Supporting People, Strengthening Communities.

February 23, 2015

Testimony to the

JOINT COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE
ON TRANSPORTATION AND ECONOMIC DEVELOPMENT

RE: SB 5513 Housing and Community Services Department Budget

NeighborImpact, the community action agency representing Crook, Deschutes and Jefferson counties, appreciates the opportunity to comment on the tremendous benefits received by Central Oregon residents through Oregon Housing and Community Services. More than **one quarter** of our region's residents are served **annually** through one or more services administered through the department, mainly through services related to housing, energy assistance, weatherization and food banking.

A robust Oregon Housing and Community Services Department is essential as our communities continue to climb out of the impact of the late recession. Unemployment in Crook County remains the highest in Oregon. Foreclosure rates in Jefferson County remain the highest in the state. Rental prices reached record levels in Deschutes County this year, yet the allowable increase in fair market rent grew by **one dollar**. Had the partnership between OHCS, NeighborImpact and local landlords not been in place, hundreds of families would be on the street.

We have appreciated the good working relationship we have had with OHCS regarding food. We look forward to a similar positive relationship with the Dept. of Human Services as the food program is transitioned.

We urge the department to continue its successful efforts to stem home loss due to foreclosure. Foreclosure mitigation has been tremendously successful in our region. More than 1000 families are still in their homes today, thanks to the OHCS/NeighborImpact partnership. Unfortunately, the foreclosure crisis has not quite ended for us with the return to better times. A recent OregonLive report indicated that 1 in 87 homes in Jefferson County are in some stage of foreclosure. Now is not the time to retreat from a successful program. It is far easier and more cost effective to keep families in an existing home through negotiation with lenders than it is to build new housing to support families which have lost everything.

We encourage the Department and the legislature to continue to think about regional equity in the distribution of housing resources. The demand for dollars to support affordable housing is so great throughout our state that any

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one region could probably consume all the available resources. Unfortunately, the need is statewide and is growing in all parts of Oregon. Now more than ever, distribution of resources must be considered through the lens of a distribution mechanism which provides something to every corner of our large and diverse state.

We ask legislators to bear in mind in approving the OHCS budget that housing is a two-part endeavor. Dollars are needed to shelter people, but shelter alone is not enough. Dollars are also needed for services to ensure that those who are sheltered are successful in creating stable families and stable environments. Services for quality casework, utility assistance, transit and other essential needs are critical along with construction and rental assistance dollars in order to make sure every Oregonian succeeds.

In conclusion, we thank legislators and OHCS for their continuing attention to housing as a foundational asset for a successful community. Director Van Vliet has done an excellent job of remaking the Department in an attempt to try to streamline its performance and delivery and continues to work to align state efforts with local capacity. The addition of a housing function to the legislative committee structure has been useful for engaging state policy makers in the larger discussion about how to successfully grow and build successful communities.

We urge your continued support of the director and the departments, and we look forward to continued successful partnership.

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott R. L." with a stylized flourish at the end.

Scott Cooper

Executive Director

Lawrence wrote in a news release. Police said a man had taken a 24-ounce bottle of malt liquor and threatened the store clerk with a rock. The clerk was not injured.

Haras, a Bend Police dog, searched the area and located Andrew Salazar, 56, a transient, hiding behind a trash bin inside a fenced storage area behind the nearby McDonald's restaurant, according to police.

Salazar failed to comply with police commands and received minor injuries, according to Lawrence. He was treated at St. Charles Bend before being taken to the Deschutes County jail, where he was being held Wednesday in lieu of \$21,000 bail on charges of second-degree robbery, third-degree theft and interfering with a peace officer, according to Deschutes County jail records.

Man arrested after 3-car wreck

A Redmond man was arrested Wednesday on suspicion of reckless driving and driving with a revoked license following a three-car crash shortly after 3 p.m. on the Old-Bend Redmond Highway near 94th Street.

Charrish Ryder Wellman, 43, who was driving south in a 1995 GMC Yukon, allegedly sideswiped a northbound 1991 Buick Century driven by Nena Fawn Finney, 47, of Bend, according to the Deschutes County Sheriff's Office.

Wellman's Yukon then rear-ended a 1994 Jeep Cherokee driven by a juvenile, and the Yukon rolled on to its side. Wellman was arrested at the scene and taken to the Deschutes County jail, the sheriff's office said. The drivers were treated for minor injuries at the crash site.

Sunriver Police warn about scam

Sunriver Police are warning the public about a possible phone scam involving a caller claiming to be from the U.S. Treasury Department.

A Sunriver-area resident received a voice mail Tuesday afternoon from a male caller identifying himself as Steve Martin from the U.S. Treasury, according to a news release. He said he would take enforcement action toward the resident if his call was not returned. The number he provided was a generic number that did not correspond to the Treasury Department, according to police.

Police encourage Deschutes County residents to be wary of giving sensitive information over the phone. Those suspecting they are the victims of such a scam are encouraged to contact their local law enforcement agency.

— Bulletin staff reports

ments over the airport's minimum operating standards.

Butler Aircraft Services, which provides aviation services at the airport through a sublease with KC Aero, filed a complaint in Deschutes County

many of the same accusations and is asking for at least \$12.6 million in damages.

"We take this whole situation seriously," Redmond City Manager Keith Witcosky said Wednesday afternoon. "And

client still hopes to work out an agreement with the city.

"We're prepared to work with the city and airport with whatever issues remain outstanding," Gragg said. Representatives for Butler

had concerns about the airport's fixed-base operators, which provide aeronautical services such as fueling, flight lessons, charter services and mechanical support.

See Lawsuit / B5

Bend Bulletin 2-19-15 P. B-1

THE BURDENS OF RURAL LIVING

• 'Not necessarily prospering': Age, cost, poverty concerns loom on the housing front

By Andrew Clevenger • The Bulletin

WASHINGTON — Residents in Central Oregon are more likely to spend a dangerously high percentage of their income on housing than the national average, one symptom of a larger looming housing crisis in rural areas.

A slender minority of Americans — about 1 in 5 — lives in rural areas, but rural residents are more likely to own their own homes and live in poverty, according to an analysis of census data by the Housing Assistance Council, a national organization that works with local nonprofits to help develop and maintain affordable rural housing.

In 2013, the national poverty rate was 14.5 percent, according to the U.S. Census Bureau. Deschutes County was slightly higher at 15.2 percent, and Crook County (17.4 percent) and Jefferson County (21.8 percent) were significantly higher. The most recent

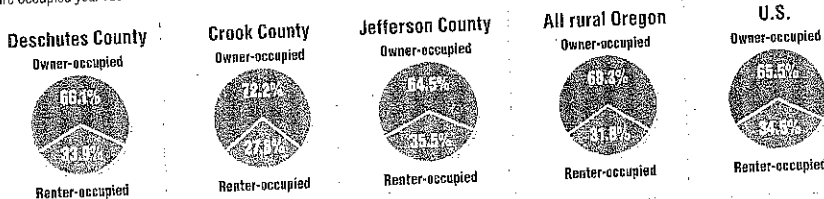
unemployment figures are higher for Central Oregon (7.6 percent for Deschutes County, 10.5 percent for Crook and 9.2 percent for Jefferson) than the national average of 5.6 percent.

While the country's economy is slowly recovering from the Great Recession, the local economies in rural areas are often lagging behind, said Sheila Crowley, president of the National Low-income Housing Coalition. When money is scarce, homeowners often don't have the money to spend on essential repairs and upkeep, she said.

See Rural housing / B6

Rural housing: Owners vs. renters

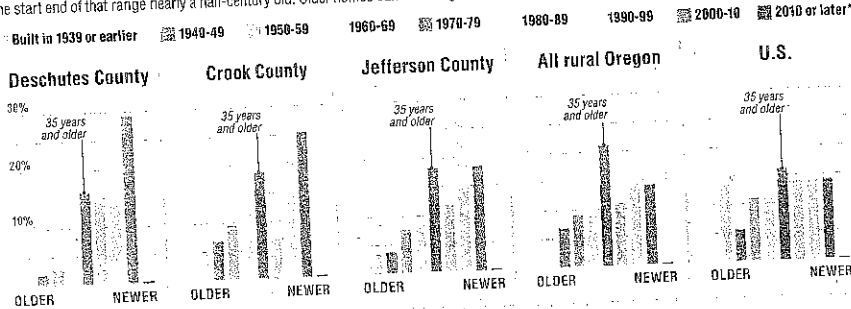
A majority of Oregon's rural homes, like most in the country, are occupied by their owners. The charts below show who lives in housing units that are occupied year-round in the three counties compared with all of rural Oregon and the U.S. as a whole (2009-12 estimates)*:



*Note: Estimates of 2009-12 housing units don't include seasonally occupied or vacant homes.

Aging rural homes

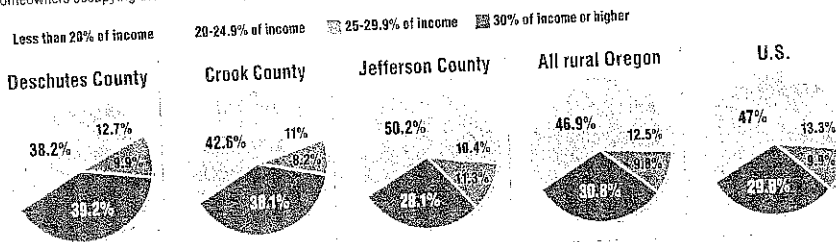
In Deschutes County, more than half of all homes were built between 1990 and 2010, most of them before the recession, to accommodate the influx of people moving here. A sizable chunk, about 30 percent of all homes, were built in the decades before (1970-89), making the houses on the start end of that range nearly a half-century old. Older homes can mean higher costs for repairs and heating.



*Note: "All homes" calculated from estimates of 2009-12 housing units. 2000 and later numbers are estimates.

Monthly costs

For homes new and old, the share of homeowners considered to be "cost burdened" — meaning they pay at least 30 percent of their entire household incomes on essential living costs — is higher in Deschutes and Crook counties than in the rest of the U.S. (It's about the same in Jefferson County and rural Oregon as a whole.) Shown below are charts of selected monthly costs as a percentage of household incomes for homeowners occupying their own homes (in 2010):



*Note: Includes data available on less than 50 percent of all homes. "All homes" calculated from estimates of 2009-12 housing units. Sources: Housing Assistance Council, U.S. Census Bureau

Greg Cross and David Wray / The Bulletin

City of Bend employees booting up their computer today encounter the same interface for many tasks employees did in 1990.

At Wednesday night's City Council meeting, if councilors voted to authorize up to \$5 million to be spent getting the system up-to-date. Currently, many of the city's administrative tasks, such as utility bills and staff payroll, are handled through an obsolete type of interface referred to as a "green screen." In such a setup, navigation occurs solely through typed commands, as opposed to a series of actions such as pointing and clicking, as most modern software operates.

"We're working with 25-year-old software," said Randy James, the city's IT director. "There was no public access to the Internet in 1990, and email was not in use by the Department of Defense and universities. The city is a different place much bigger and with a different demographic."

The upgrade involves systems with one-time and on-going subscription costs. The largest of the deals involves Tyler Technologies, which the city is paying about \$2.2 million for its "Munis" software, which will be the city's overarching financial management system. The council also approved an annual fee for Munis that will begin at around \$220,000 with incremental increases over the next 10 years.

See Bend /

Arrested man sought insurance payout

By Claire Withycombe
The Bulletin

A Bend man charged with murder in the 2009 fatal fall of his girlfriend on a popular trail in the Columbia River Gorge sued MetLife in 2011 after the company declined his claim for proceeds from her life insurance policy, purchased months before her death,

court records show.

Stephen P. Wagner Nichols, 40, whose arrest report lists address near

Sunriver, is accused of killing 23-year-old Rhonda Kristen Casto, of Portland, according to Hood River County Circuit Court records. Casto fell about 10 feet while hiking a steep section of the Eagle Creek Trail, according to The Oregonian.

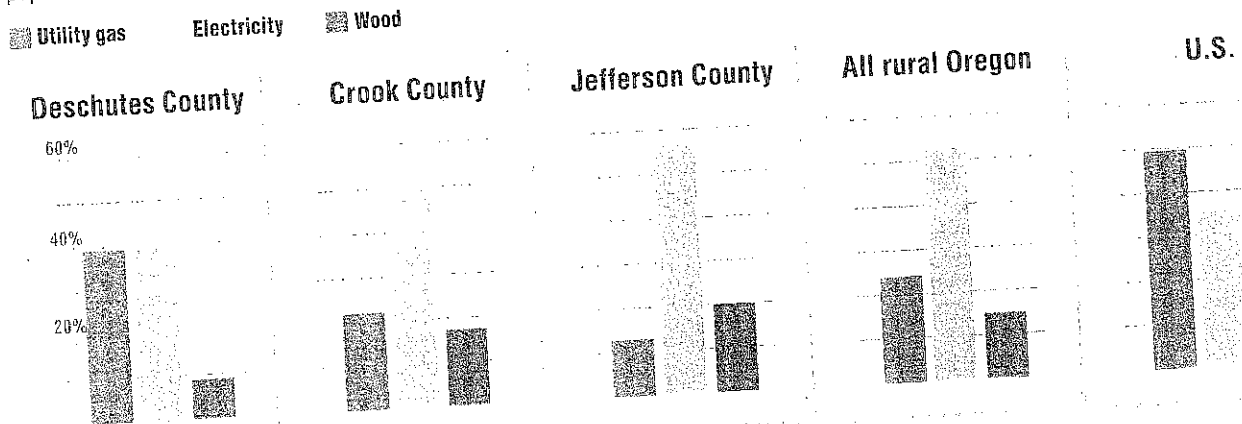
An October 2011 settlement agreement stated Nichols and his daughter with Casto were entitled to proceeds from the life insurance policy, federal district court records show.

No one answered the door Wednesday at the address listed on Nichols' arrest report. Mari Dereu, the owner of the property according to Deschutes County property records, could not be reached for comment via phone.

See Nichols / 1

Home heating

Almost half of all homes in the country use gas as their primary heating source, compared with electricity (36 percent). In Deschutes County the situation is flopped (40 vs. 46 percent), while in parts of rural Oregon, including Crook and Jefferson counties, far more households use electricity — which raises cost and efficiency concerns — to heat their homes versus gas, which can be harder to hook up across sparsely populated areas. In this region, wood burning is also common for heat.



*Note: "All homes" calculated from estimates of 2008-12 housing units.
Sources: Housing Assistance Council, U.S. Census Bureau

Greg Cross and David Wray / The Bulletin

Rural housing

Continued from B1

"In rural areas that are not necessarily prospering, there's an older house stock that may need repair. People may not be in a position to keep them in repair because the economies are less than robust," she said.

Homeownership rates in Deschutes County (66.1 percent) and Crook County (72.2 percent) are higher than the national average of 65.5 percent, according to the Housing Assistance Council. Jefferson County is close to the national average at 64.5 percent.

And according to the HAC, many Central Oregon homeowners are "cost burdened," meaning they pay 30 percent or more of their income on housing. In Deschutes County, 39.2 percent of homeowners are cost burdened, much higher than the national average of 29.8 percent. Crook County is also higher (38.1 percent), while Jefferson County (28.1 percent) is slightly lower.

Local food banks are beginning to see more seniors

ask for food assistance, said Scott Cooper, the executive director of NeighborImpact in Redmond. Ordinarily, that generation is very reluctant to ask for help with food, but with housing costs using up more of their incomes, many seniors don't have enough to money left to pay for food, said Cooper, who called the housing situation in rural Central Oregon "a rising crisis."

"We make the mistake of looking at it as a housing issue," he said. "You're dealing with lower incomes and smaller skill sets to make the kind of money you need to keep up with a rapidly changing housing market."

David Dangler, the director of rural initiatives for NeighborWorks America, an umbrella group that coordinates with a network of local nonprofits in hundreds of communities, said that rural areas often struggle to provide the kind of infrastructure — municipal planning boards, public water and sewers, public transportation — that make it easier to build and maintain affordable housing.

When something does

break down in an aging house in a rural area, it can cause a chain reaction of health and safety problems, he said. A leaky roof can lead to mold, cause higher heating bills, or short out electrical wiring. Sometimes, seniors living alone just close off damaged rooms and live in smaller and smaller portions of their houses, he said.

"All of those systems, as they age, and they break down, they create a series of problems that only escalate," he said. "If you don't have an economic cushion, you're less able to respond to the stuff that naturally happens (to a house) over time."

There are federal programs specifically designed to help rural homeowners, including the Direct Home Loan program, run by the U.S. Department of Agriculture's Rural Development office, which offers very low income buyers help securing affordable mortgages. The agency also offers loans and grants for home repairs for rural, single-family homes, but both programs have seen funding and participation drop in recent years.

In 2010, bolstered by funds from the American Recovery and Reinvestment Act, Or-

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regon received \$41.3 million in direct loans, \$4.1 million of which went to 28 loans in Central Oregon, according to USDA figures. In the following years, the number of loans in Central Oregon dropped dramatically — to 11 in 2011, nine in 2012, two in 2013 and three in 2014. The total amount loaned out also plummeted, dropping below \$1 million in Central Oregon in 2012 and below \$500,000 in both 2013 and 2014. The program's statewide total in 2014 was \$10.3 million, less than a quarter of what it had been just four years earlier.

The home repair program has been used infrequently, with only 21 projects in Central Oregon receiving a total of \$129,261 over the last five years.

"Since 2011, reductions to program funding that comes directly from Congress, budgetary delays and staffing reduction have contributed to a

decreasing trend in our loan volume," said Vicki Walker, the state director of USDA's Rural Development program.

Since 2011, the agency's Oregon office has lost 30 percent of its staff, making it harder to process loans, she said. Many loans require individual meetings with would-be borrowers, who aren't always up to speed on the documentation USDA requires, she said.

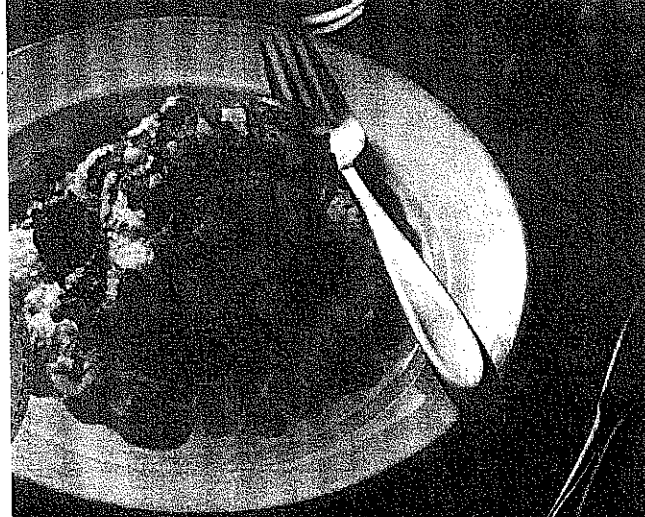
"It takes a lot of hands-on work. We did the best that we could with our staff," she said.

The agency has learned to stretch its dollars further by cooperating closely with local nonprofits, she said. And it is slowly adding more staff — three additions last year, two this year — which should help the agency get more money to the people who need it, she said.

—Reporter: 202-662-7456, aclevenger@bendbulletin.com

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