



Oregon

Governor Kate Brown

Housing and Community Services

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Senate President Peter Courtney
House Speaker Tina Kotek
Co-Chairs, Joint Committee On The Second Special Session of 2020
j2ss.exhibits@oregonlegislature.gov

RE: Flexibility for COVID Housing Support Response, Section 41 of House Bill 4304

Hello Co-Chairs Courtney and Kotek and Members of the Committee,

Oregon Housing and Community Services (OHCS) is thankful that the critical services funded by our agency remain mostly whole in this very challenging budget landscape, and we are excited to see an additional investments in OHCS programs proposed this session. Your leadership in preserving and expanding these vital services will benefit communities large and small and support an equitable COVID response and recovery. **To further support an equitable recovery, House Bill 4304 will provide flexibility to OHCS and expand access to homelessness support and prevention resources.**

OHCS is seeking this change to address the unprecedented demands on our community services and homeless services systems. OHCS is slated to pass through more than \$200 million directly, exclusively and noncompetitively to Community Action Agencies over the course of just a handful of months. As context, for the 2019-21 biennium, base level of funding for homeless services is \$50 million. To successfully and thoughtfully steward these resources, OHCS needs more seats at the table to help program these dollars; an all hands on deck approach will help deploy funds and meet the immediate and mid-term needs of our friends and neighbors. Our Community Action Agencies are working harder than ever to get funds out to Oregonians as fast as they can, but the existing statute and the existing program delivery system was not built for this. OHCS needs flexibility to address the crisis.

This change will open the door to new strategies that will more intentionally serve communities of color, and build the capacity of organizations designed for and by people of color. The COVID-19 pandemic, recent uprising on the issue of systemic racism, and the inequitable impact of the health and economic crisis on communities of color, call for government to take intentional actions to undo systems that have, intentionally or not, led to barriers to access and disparate outcomes.

OHCS and our partners are a part of the recovery infrastructure, and we must ensure the COVID response and recovery is equitable. OHCS will soon begin allocating \$49.4 million in Emergency Solution Grants (ESG) provided through the [federal CARES Act](#). ESG can be used for shelter and homeless services and homeless prevention, like rent or utility assistance. HB 4304, specifically section 41, will provide flexibility for OHCS to provide access to ESG resources to the existing service provider network **and** to culturally specific organizations and other providers.

With this flexibility, OHCS will allocated \$7 million of ESG resources to local Community Action Agencies and will allocate the remaining \$42.7 million through a competitive process that maintains regional distribution of ESG resources. OHCS knows that homelessness and COVID have had a statewide impact. The competitive process developed will include regional allocations that take into account the needs of communities across the state and ensure geographic reach of ESG funds. This will also allow for culturally specific organizations to have a set aside, as direct investments in culturally specific organizations builds their capacity, allowing them to expand their services and create stability in staffing.

This competitive process will also provide an opportunity for OHCS to try a new approach to service delivery. The agency will continue the conversation about the best way to steward public funds and ensure equitable access to OHCS resources with our partners, the Housing Stability Council, and legislators. We look forward to the continued dialogue.

The dueling pandemics of COVID and racial injustice creates urgency in rebuilding systems with explicit goal of righting injustices that have long persisted, and ensuring capacity and “all hands on deck” to meet this unprecedented moment. HB 4304 is an early step towards this goal. We urge your support of the flexibility provided to OHCS in Section 41.

I would be remiss not to thank you for the proposed additional investments in OHCS programs. The proposed \$50 million for the Local Innovation Fast Track (LIFT) Housing Program is welcome news as this is a chronically oversubscribed resource. As seen with [recent LIFT awards](#), LIFT supports the development of affordable homes for rent or purchase across the state. We are also grateful to see additional investments in affordable housing portfolio stabilization and the Individual Development Account (IDA) Initiative, as tax credit sales have been impacted by federal tax code changes.

If you have any questions, please contact [Nicole Stoenner](#). Thank you in advance for your support.

Sincerely,

Margaret Salazar
Executive Director