



## Oregon Housing and Community Services



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Date: May 18, 2009  
To: Employees and Partners of Oregon Housing and  
Community Services  
From: Victor Merced  
Re: Director's Bulletin – Revenue Forecast, Central Oregon  
Homelessness Plan, Weatherization Events

Oregon's revenue forecast, updated Friday morning, commands our continuing concern.

For the current biennium, the shortfall is estimated to be \$351.3 million. That's money not available to cover the costs of government during the next six weeks. We are awaiting direction from Gov. Kulongoski and the Legislature. The consequences will most certainly be significant.

**Declining revenues.** Looking into the next biennium, starting July 1, the state economist anticipates the revenue shortfall to be \$3.8 billion. Some observers thought it would be worse.

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But this recession-driven drop in revenue does not give us leave to take our attention away from the challenges of severe cuts we have written into the budget for the next two years at Oregon Housing and Community Services. Those challenges will continue to grind on our agency and hurt Oregonians most needing our help.

OHCS can at least be thankful that, according to the analysis of State Economist Tom Potiowsky and his team, Oregon’s financial “free fall” of the fourth quarter of 2008 and the first quarter of 2009 has abated.

Still, they warned that “uncertainty” is a significant factor in the months ahead. This means that though these well-respected experts see turnaround on the far horizon – perhaps in 2011 – it is by no means assured.

This is a developing story. And the executive team at OHCS is carefully managing policy attuned to the newly announced revenue numbers. This is a time for calm analysis as we do our very best to serve Oregonians with housing and community services.

**Homelessness plan.** Three Central Oregon counties have banded together to create the first 10-year plan to end homelessness east of the Cascades. Representatives of Oregon Housing and Community Services attended the kickoff in Bend last Friday, along with city, county and federal policy planners and anti-poverty advocates.

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Deschutes, Jefferson and Crook, among the recession's hardest-hit Oregon counties, have seen unemployment go off the charts, driving mortgage foreclosures and rural homelessness.

Leaders there are putting their heads together with the intent of crafting a viable homelessness plan in one year, according to Cindy Pasko, community development director at the Partnership to End Poverty at Bend and a member of the Governor's Ending Homelessness Advisory Council.

Cindy says the dramatic impact of the recession has changed the face of homelessness in Central Oregon that now includes many former middle-class families that have lost their homes. She reports the January 2009 count found more than 2,300 homeless persons in the three counties, including more than 900 children.

**Weatherization events.** Oregon's \$38.5 million in weatherization stimulus money is making political hay, and for good reason.

Only 10 percent of the federal money has arrived, primarily for weatherization planning, but Oregon Housing and Community Services is working closely with the office of Gov. Kulongoski to bring attention to the important energy-saving work that is soon to come our way and the job-creation that will accrue.

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The idea of the American Recovery and Reinvestment Act is to create jobs that will lead to good works – including weatherization of low-income housing throughout Oregon. Supporters of the stimulus bill rightly wish the public to understand the importance of the federal spending.

Among those supporters, Gov. Kulongoski, Sen. Wyden and Rep. Schrader are drawing attention to the power of the weatherization money with events in the works to showcase the multiplier effect on Oregon's economy.

We are proud to showcase the good work that OHCS is doing to maximize stimulus dollars in our state and will share the details as they develop.

*We will not as a people surrender to fear.*

~ Gov. Ted Kulongoski, May 15, 2009, City Club of Portland

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