



# NeighborImpact

Supporting People, Strengthening Communities.

March 1, 2021

Oregon House Committee on Housing  
Rep. Julie Fahey, Chair  
900 NE Court St.  
Salem, OR 97301

Representative Fahey and members of the Committee:

I write today as executive director of NeighborImpact, the community action agency serving Crook, Deschutes and Jefferson Counties and the Confederated Tribes of Warm Springs. My community-based organization is extremely concerned about HB2100 and its unintended consequences.

As I write this, I want to note that we are holding this hearing at 8 a.m. on March 2, and dash-1 amendments were filed at 4:45 p.m. on March 1. The time allotted to review a major structural change in service delivery is unfortunately very short and allows a minimum of time for both supporters and opponents to prepare reasonable testimony to inform legislative views on the merits and detriments of this legislation.

HB2100 purports to be a racial justice bill. Would that it were so. Legislators are urged to "look under the hood" at what's really in this bill. It should be of legislative concern.

Dash 1 would divert 20 percent of funding from formula funding to community action agencies statewide to undefined "local initiatives, pilots or programs." (Section 4(8)(b), starting at line 2, page 11) It would also freeze formula funding to community action agencies in perpetuity at CSL for the biennium beginning July 1, 2021.

This is concerning because it will immediately impact and gradually erode over time the role of Community Action Agencies that have been statutorily designated to distribute federal anti-poverty funds passed through Oregon Housing and Community Services. Historically, we have also passed through state funds received through Emergency Housing Account and the State Homeless Assistance program. My organization receives around \$2

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million per biennium to do this work, but its impact goes far beyond the face value of the dollars.

In my region we share most of our SHAP dollars. Regional homeless shelters, our domestic violence shelter, our veteran's homeless outreach, a pregnant and parenting teen shelter and a runaway and homeless youth shelter all benefit. (For Rep. Zika: I am talking about Bethlehem Inn, Saving Grace, Central Oregon Veterans Organization, Grandma's House and the Loft) . We share other federal funding leveraged by EHA and SHAP to support other homeless service organization in the region. (Again, for Rep. Zika, this includes Jericho Road, the Redmond faith network and similar organizations in Prineville, Madras, La Pine, Sisters and Bend.) By cutting our funding by 20 percent, you are likely cutting their funding 20 percent or more, depending on how the reduction is distributed. I cannot imagine why a legislator would want to be positioned cutting services to organizations doing this vital work.

The Emergency Housing Account funding was critical during the COVID pandemic. Because federal CARES Act funds came with a prohibition on taking administrative costs, we had to pay our housing-related admin costs out of EHA. We ended up distributing nearly \$10 million in rent and energy assistance in our region. As we gear up to distribute another \$12 million in rent assistance, we are once again being told that there will be no admin allowed. We will once again turn to EHA to get desperately needed money into the hands of Oregonians depending on us to keep roofs over their heads.

The same story can be told of organizations that serve individuals displaced by wildfire, floods and ice storms. Community is always there and always prepared to step in with efficient and sometimes creative solutions. It is the "always on" option for Oregon Housing and other state agencies when things go very, very wrong. Unless, of course, it isn't.

HB 2100 should also raise concern for legislators concerned about parity for their home districts. The Dash 1 amendment significantly weakens the current system that mandates and ensure equitable distribution based on geography. New, nebulous language provides that federal funds be "allocated statewide in a manner proportionate to a needs-based formula" (Section 2(8), beginning at line 40 on page 8.) The bill further commits "to distribute money in a manner that proportionate to local needs." (Section 4(6), beginning at line 10 on page 11.) It says considerations in funding will include "outcome-oriented contracting processes and best practices for account program funds, including best practices for serving rural communities ((Section 4(7, beginning at line 15 on page 11), And all of that is bureaucratic gibberish that means the administering agency has broad authority to shift money where it likes, rewarding friends, punishing enemies and ever-heeding the siren song that pulls money to large metropolitan communities.

In the literature sent to legislators in the run up to the hearing this morning, Oregon Housing and Community Service has positioned this bill has a "modernization" bill and claiming that the statute hasn't been updated in 30 years. In fact, the fact that the entire statute was previously reviewed under the previous director by a broad table of stakeholders and rewritten in 2015. I know. I was on the committee, and we didn't move

forward with many suggested amendments precisely because it became clear that the system has many interwoven strands and hasty action has the potential to do serious damage to the ability to serve. Perhaps that's a wise thing to consider as we try this again, but in the middle of a raging pandemic.

This bill is not what it says. I will comment that many of Legislative Counsel's amendments to the original draft circulated by the Department and uploaded in testimony are improvements. But the fundamental problem remains: This bill does not improve homeless services; it destabilizes the homeless services delivery network at the community level and lays the groundwork to gradually eliminate the current, highly efficient, effective and statewide system that has served Oregon for 40 years. It does not modernize the system; it undermines the system.

The pursuit of righting racial wrongs is a noble and appropriate cause. My organization supports it. But this bill doesn't do that. This bill will simply result in less service to communities of color and everyone else as the existing system is destabilized and a new system that hasn't been stood up yet struggles to arise. There is a way to do this. It doesn't involve handing discretionary authority to move money around to a state bureaucracy. It involves broad collaboration and stakeholder engagement, a planful, transparent and considered approach and probably new funding to meet an expanded need and to support an expanded table of service providers.

I urge your opposition to HB2100 and the Dash-1 amendments. There is a better way to do this.

Thank you for all you do for Oregon.

Sincerely,



Executive Director, NeighborImpact