



BHCD Budget Advisory Committee

Kate Allen

Date: January 30, 2009

Robin Boyce

To: Mayor Sam Adams
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Randy Leonard
Commissioner Dan Saltzman

Gale Castillo

Jennifer Cooperman

Rey España

Re: BHCD FY 2009-10 Requested Budget

Naomi Harris

Mardiça Hicks

We represent the twelve members of the Budget Advisory Committee who worked over several months with BHCD Director Will White and his senior staff to develop its FY 2009-10 requested budget.

Andrew McGough

Rev. Terry Moe

We write to express our strong support for full funding of BHCD's budget request, including \$6.7 million dollars in new **on-going** General Fund to pay for its 20 Add Packages. As an initial matter, we can attest that BHCD's total budget request is in line with its Strategic Plan¹ and its Sustainability Plan². We also think it is time for the City to acknowledge in its budget that **the City's mission encompasses providing permanent housing and emergency shelter for people experiencing homelessness, and a path to economic freedom for the disenfranchised.** While funding these activities with one-time-only (OTO) money may have been expedient in the past, it is simply unacceptable on a going-forward basis.

Bradley Perkins

Jim Smith

Brian Wilson

Approving the Bureau's total request will barely maintain service levels at the FY 2008-09 levels. Our community partners are seeing sharp escalations in need, well beyond what we have funded them to address. As the City and the nation experience the most serious economic downturn in more than sixty years, the Bureau's programs and services are necessary to avert widespread homelessness and its attendant social costs.

¹ BHCD is in the sixth year of implementation of its Strategic Plan. This Plan, developed with extensive community input, focuses the Bureau's efforts on assisting the City's lowest income residents, those in the bottom quartile of all households. BHCD's budgeted programs fall into three campaign areas: increasing affordable housing choice, improving access to economic opportunity, and ending the institution of homelessness.

² BHCD presented its Sustainability Plan to Council in November 2008. The Bureau showed Council how its programming, particularly in the Ending Homelessness arena, is systemically dependent on OTO funding. It sought to engage Council in determining whether its programs remain among the City's priorities, and, if they do, to put them on a sustainable economic footing.

1. *The BAC does not endorse reductions to BHCD's program based upon the Bureau's and stakeholders' program area rankings.*

Per the instructions issued by the City's Office of Management and Finance, the Bureau constructed its base budget and the add packages with reference to two scales: how central is the program to the Bureau's mission, and how important do the stakeholders consider the program to be.

The Bureau's administrative team ranked program areas on a scale from most core to least core. We want to remind you that the Bureau has already eliminated all non-core programs from its operation and budget. In 2004, the Bureau slashed its program areas from seven to three, and focused its resources on its three core initiatives: ending homelessness, expanding affordable housing choice, and increasing access to economic opportunity. The only "outlier" programs within the Bureau's budget relate to public safety activities mandated by Council (e.g., Chiers, needle exchange, Hooper Detox). **We question whether the Bureau can carry out its mission of 'bringing low income people and community resources together' by focusing on homelessness to the exclusion of economic opportunity.**

We also have concerns about the "popularity" rankings. We believe ranking essential services in a popularity poll is a fundamentally flawed approach. Government must step up and protect core services in hard economic times.

2. *The BAC supports the ranked Add Packages that the Bureau has proposed.*

The Bureau has given the highest priority to program elements necessary to maintain and continue implementation of the Ten Year Plan to End Homelessness.³ The BAC whole-heartedly supports this. The Bureau has assigned a high priority to programs that prevent homelessness and ensure that housing meets basic decency standards. This seems entirely appropriate in current market conditions.⁴

The BAC also supports the ranking the Bureau assigned to the economic opportunity programs. While it might appear that all of these programs should be subordinate to the funding for shelter, after careful consideration we concluded that addressing the current economic instability (with its disproportionate impact on people already in poverty), requires immediate attention and resources. Ending homelessness goes hand in hand with giving people the tools to support themselves. We are impressed at how the Economic Opportunity Initiative has succeeded at serving our community's most economically disenfranchised through its comprehensive approach. We also believe the very strategic sectoral approach used in the

³ These program elements are primarily in the Permanent Supportive Housing [PSH] functional area, but include some elements in other functional areas.

⁴ Portland continues to have a severe shortage of affordable housing. The entire rental market has been experiencing historically low vacancy rates, as people who would like to purchase homes put off the investment until housing prices stabilize and credit becomes more available.

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Workforce program is most likely to help participants attain living-wage jobs in an economy where unemployment has recently risen to 9%.

If Council does not fund Add Packages 10-14 and 18, Portland will lose most of its shelter capacity. No one else will pay for these services. Even though we understand that Resolution A obligated the County to pay for some of these programs, it is clear to us that Resolution A is defunct. We understand that the County is unable to increase its contribution to shelter, due to its structural deficit. This situation is of enormous concern to the BAC. We call on the City and the County to reopen the discussion of funding obligations, with a focus on providing services to our collective community in a collaborative and forward-thinking manner.

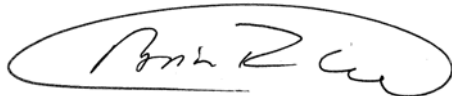
We believe that BHCD's three initiatives continue to be highly relevant. The three initiatives reinforce each other. Pushing ahead on all three is the strategy most likely to get us to the point where no one is homeless because of poverty or disability, everyone has a place to call home, and everyone has a fair chance at economic prosperity.

In parallel to the federal stimulus legislation now under discussion, the Bureau's array of safety net, development, and economic opportunity programs directly address the current economic situation and provide the building blocks necessary for economic recovery. As we have said, we think it is time for Council to stabilize the funding for BHCD's programs by providing on-going General Fund support. Due to the unusually challenging economic climate, we recognize that Council may be unable to do this in the current budget cycle, and indeed may need to release money from the Emergency Fund to cover these critical program costs. We implore Council to locate a permanent source of funding for these programs before the next budget cycle commences.

Conclusion

We strongly encourage the Mayor to include BHCD's base budget and 20 Add Packages in his proposed budget, as on-going City programs. The federal government has left the task of maintaining the social safety net to local governments until further notice. Without support from local government, the system will cease to function. Council has, in a series of forward-looking actions, demonstrated its acceptance of this new reality. It is time for the general fund to reflect this, as well.

Respectfully submitted,



Brian Wilson, chair



Bradley Perkins, vice-chair