



# Rebuilding Oregon's housing policy

PHOTO BY KRISTINA WRIGHT

*A conversation with Portland's Margaret Van Vliet on her charge to overhaul the state's housing agency*

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Oregon's Housing and Community Services department is arguably not the most glamorous in state government. But it's definitely an eye catcher: 49 separate programs and 64 funding sources, with myriad compliance and reporting systems that, in essence, are driving the state's policies around poverty and housing.

That's what it looked like when Portland's Margaret Van Vliet took the helm last year. Fresh from helping carve out the new Portland Housing Bureau, Van Vliet was handpicked by Gov. John Kitzhaber to craft a similar reorganization with the state agency.

By February, the state Legislature is expected to cut the ribbon on a totally revamped, and most likely smaller, housing agency. OHCS is a little bit the canary in the coal mine in that regard, with a slew of other state agencies expected to face the same reinvention in this new economic normal and Kitzhaber's "structured devolution."

More than two decades ago, when the OHCS was crafted as a consolidation of programs, there was money to be made in housing. The agency grew plump with flexible loan revenues that were redistributed to an ever-widening array of services to address an ever-widening gap in economics. Today, the agency is responsible for helping a diverse population spanning more than a half a million Oregonians living in poverty, about 30 percent of them children, and approximately 23,000 people experiencing homelessness. It's also facing smaller revenues than it has in years, and there's no rosy outlook in the future.

Van Vliet spoke with Street Roots about what lies ahead for the state's agenda on housing and homelessness, emphasizing that this isn't about righting a bureaucratic wrong, but finding new ways to do more with the inevitable less.

**Joanne Zuhl:** How would you describe the state's current housing agenda?

**Margaret Van Vliet:** Disparate, disconnected and lots of well-intentioned people running isolated programs, but it's

all pretty disconnected. It doesn't add up to an over arching housing policy. I have eight statutorily named advisory bodies. It kind of depends on what room you're in and what bucket of money you're talking about, what your "policy agenda" is. So, in some corners it's about energy efficiency and healthy housing, in others it's about safe housing for farm workers and their families, and the list goes on.

I think that's both our problem and our opportunity. Let's get crisp about what a statewide housing policy agenda would look like.

**J.Z.:** There is a lot of speculation on how far this will go. Is this a restructuring or a dismantling?

**M.V.V.:** I think it could be either. There isn't a secret plan. The emphasis is on rethinking the service delivery-model, so that we can aim at better policy outcomes. Unlike city government, we cannot be as nimble. And the communities across Oregon are so diverse. Trying to dictate how a dollar gets spent, how you ought to report on the data, who is the priority population and how many bedrooms should they have — we're not particularly good at that in Salem, so there is a real desire to think much more strategically about the state's role, about over arching policy agendas, and drive toward a service-delivery model that gives more control to local governments and local nonprofits, where they're able to take that up and really do something with it. We don't want to burden small communities, but where there are places that can take it up, we need to aim at giving more deference to the local governments and nonprofits.

**J.Z.:** Wasn't the original idea that they are all connected when it comes to housing issues, so consolidation made sense? Is this the other side of the same coin in the argument?

**M.V.V.:** I suppose you could say that. At the core of it I think there is an understanding that any kind of affordable housing is helpful because there is such huge need really everywhere in the state. We operated in such a silo and have for many years, without regard to what are the other big systems in state government. We

were just carrying our own flag and preaching to our own choir.

Let's elevate it. Let's get everyone at a higher elevation and look at how important housing is and how severe the shortage is everywhere you turn. Now let's have a conversation about leveraging, say, the child welfare system and decide that family reunification is a high priority. What would that mean about how I'd allow locals to spend state housing dollars to stabilize families and community?

**J.Z.:** It's going from the micromanagement to macro issues — health care, family health, stability. You're aligning yourself with the bigger issues.

**M.V.V.:** We're spending a lot of time talking about public safety, health and education, and those systems have to get transformed. Housing is fundamental to each of those. So I want to hitch my wagon to that long-term agenda and elevate the conversation, instead of just keeping our eye on the widgets at the ground level.

**J.Z.:** Where are local communities going to have more control? At a state level you must be seeing more issues that various communities need to address.

**M.V.V.:** Part of this is for the state to have a more nuanced understanding of local needs, but really to empower those local communities to do some of their own work in a priority setting. They all want jobs and economic development, and a lot of them are coming to housing because they realize they can't attract big employers, because they don't have good workforce housing.

We are totally pass-through (on funding). We don't do any direct service. What if the money didn't have to stop in Salem and have a bunch of compliance and grant administration work and data analysis work, and the role of the state agency could be very minimal and basically pass more dollars through at the local level? Wouldn't that be interesting?

Gov. Kitzhaber calls it structured devolution. There's a corollary with the coordinated care organizations (CCOs — the new local-focused Medicaid delivery system). The state government is there to

help facilitate, not to be big brother, cop — know-it-all.

**J.Z.:** You mentioned coordinated care organizations. Some of them are looking at incorporating housing into their health care model. Is that on your agenda as well?

**M.V.V.:** Absolutely. In some sense this is happening organically. In Douglas County, we know the CCO has very much woken up to the fact that they can do all this (health care work), but half the people they release from the hospital will go back and live under a bridge, or the elderly woman goes back to live in the rundown trailer, and that's not helpful to their health outcomes.

So people are coming to it organically, which is terrific. We have to evolve and devolve over time, and get Salem out of the business of being the know-it-all.

**J.Z.:** There's a financial imperative to this call for change at OHCS. How is the agency going to make itself financially sustainable in the years ahead?

**M.V.V.:** If we were doing a big look, a big reorganization, we could do the classic — cut the budget, cut staff and reduce our footprint.

But something's going to give. I've done this more than 20 years, let's not just take the path we know how to do, which is to downsize the agency. But let's instead be very thoughtful with this governor, in this moment, with an increased understanding of the housing situation and challenges. Let's really think deeply about what we are doing with these dollars. Where can we get out of the way so the maximum of those dollars can flow to low-income people?

**J.Z.:** What are these changes going to mean for people on the ground?

**M.V.V.:** My hope, and the reason to do this, is we have more resources — period — to help low-income people. That we spend less on my workers, the employees. I love them, but we need to shrink the number of people in Salem so we can spend more dollars on low-income Oregonians, the way

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