

HOUSE COMMITTEE ON AGENCY PERFORMANCE & OPERATIONS

January 14, 1999 Hearing Room E

8:00 a.m. Tapes 1 - 3

MEMBERS PRESENT: Rep. Jane Lokan, Chair

Rep. Kathy Lowe, Vice-chair

Rep. Dan Gardner

Rep. Steve Harper

Rep. Tim Knopp

Rep. Jeff Kruse

Rep. Bob Montgomery

Rep. Kitty Pierce

MEMBER EXCUSED: Rep. Betsy Close

MEMBER ABSENT: Rep. Steve Harper

STAFF PRESENT: Pat Zwick, Administrator

Susan M. Pettet, Administrative Support

MEASURE/ISSUES HEARD: Organizational Meeting

Affordable Housing

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

| TAPE/# | Speaker | Comments |
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| TAPE 1, A | | |
| 001 | Chair Lokan | Opens meeting at 8:05 a.m. Discusses proper name of committee, and adoption of Committee Rules. States that Rep. Close is excused. Welcomes committee and introduces Administrator Pat Zwick and support staff. Requests all members be present at meetings and remain until the conclusion of the meeting. States that any member not excused will be noted as absent. Informs members all meetings will begin on time, and if there is no quorum, chair will open as subcommittee. Requests a witness be allowed to complete testimony before questions from members begin. |
| 082 | Rep. Montgomery | Asks what adjournment time will be. |
| 083 | Chair Lokan | States that the committee will attempt to close the meeting one-half hour before session to allow for office appointments. |
| 103 | Rep. Kruse | MOTION: Moves the adoption of the proposed Committee Rules (EXHIBIT F). |
| 110 | Chair Logan | Asks for explanation of change to the Rules. |
| 111 | Pat Zwick | Reviews proposed Committee Rules, noting change in Rule 12, fourth line from bottom, changing "with" to "to". |
| 129 | Rep. Montgomery | Opines it was an oversight error rather than an intentional error. |
| 136 | | Restates the motion. |

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| | Chair. Lokan | |
| | | VOTE: 7-0 EXCUSED: 1 ñ Close ABSENT: 1 ñ Harper |
| 145 | Chair Lokan | Hearing no objection, declares the motion CARRIED. |
| <u>AFFORDABLE HOUSING</u> | | |
| 149 | Chair Lokan | Opens informational hearing on affordable housing . Informs members that statewide affordable housing will be a major focus of the committee. Invites Bob Repine to testify. |
| 168 | Bob Repine | Director, Oregon Housing and Community Services Department (OHCS D), testifies in support of affordable housing. Submits two publications, <u>Programs in Review (EXHIBIT A)</u> and, <u>Addressing Oregonís Housing Crisis (EXHIBIT B)</u> , and explains |
| 198 | Repine | Emphasizes OHCS Dís role in creating affordable housing and providing community-based services (EXHIBIT C, pg 1). Discusses unmet housing needs in Oregon (EXHIBIT C, pg 2). States that 33% of the homeless population is women and/or women with children. |
| 291 | Repine | Discusses private market limitations and federal support (EXHIBIT C, pg 3). States that housing is a form of economic development, creating jobs, cash flow, and is responsible for many dollars flowing through communities. |
| 355 | Repine | States that benchmark goal is 68% of Oregonians spending 30% or less of income on housing, a national averaging of incomes relative to affordability. |
| .380 | Repine | |

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| | | Says that federal support will remain status-quo; however, present action in Congress could provide some improvement. States that the voucher system is under study and could cause disruption in housing relationship with recipients. |
| 416 | Repine | States that there are nine state agencies involved in elements of housing activity, including Depts. of Corrections, Human Resources and Mental Health. |
| TAPE 2, A | | |
| 026 | Chair Lokan | Expresses an interest in coordinating with counties. |
| 032 | Repine | Informs members that the 30% rule was established by HUD; previously it was 25%, but HUD changed it to reduce their subsidy payments. |
| 059 | | Explains OHCS D partnership with national, state and local considerations (EXHIBIT C, pg 4) . |
| 125 | Repine | Reviews programs and partners in housing development (EXHIBIT C, pg 5): |
| 158 | Repine | <ul style="list-style-type: none"> • Establishing uniform regions for all government agencies, and staff requirements to service remote agencies and programs |
| 195 | Repine | <ul style="list-style-type: none"> • Commodity programs |
| 243 | Repine | <ul style="list-style-type: none"> • State agencies working together to make services more efficient |
| 268 | Repine | <ul style="list-style-type: none"> • Myrtle Creek housing needs, recent housing project costs and benefits |

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| 309 | Frank Brawner | Resident of Neskowin, retired, here as a volunteer. Discusses Oregon's unmet housing needs by county (EXHIBIT B, Appendix B) and explains those are HUD numbers. States if HUD guideline is 30% of income, no lender in the United States will deviate from that because loans must be eligible for sale in the secondary market. |
| 345 | Brawner | Testifies in support of affordable housing. Gives legislative history of trust fund relative to future housing needs. Commends OHCSA responsiveness and efficiency. Stresses limitations without additional funds. |
| TAPE 1, B | | |
| 011 | Brawner | Discusses first-time homebuyer programs, farm labor housing, general housing needs in Oregon, lack of housing in Ontario for prison workers. |
| 044 | Brawner | Talks about state tax credit. |
| 059 | Brawner | Discusses definition of very low income (EXHIBIT B, pg 5), and that new jobs require new schools and affordable housing, giving examples of median income. |
| 157 | Brawner | Discusses Oregon Housing Trust Fund income guidelines. |
| 167 | Fred Van Natta | Oregon Building Industries Association, testifies in support of affordable housing. States that Oregon is 46 th in the United States in providing affordable housing. Gives definition of affordable housing that includes equity ownership by the family. |
| 208 | Van Natta | Discusses manufactured homes, stick-built homes and equity ownership. Explains chart (EXHIBIT C). Discusses that Eugene, Portland, Medford and Salem are in the top 16 cities in the United States in providing the least affordable housing. |
| 278 | Van Natta | |

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| | | Discusses private sector support for public sector housing, with priority given to communities with lower-cost housing to get the most for the money. | | |
| 310 | Van Natta | States that energy efficient units should receive incentives. | | |
| 345 | Van Natta | Gives history of Building Codes Agency and function. | | <ul style="list-style-type: none"> • History of Building Codes Agency and function |
| TAPE 2, B | | | | |
| 015 | Van Natta | States that better-paying jobs are relative to decreased need for affordable housing. Discusses areas targeted that connect housing issues with economic development with regard to funding decisions. | | |
| 046 | Van Natta | Discusses Coos Bay market and employment opportunities, homes converted to first-time homebuyer programs, the effect on the tax rolls, the high cost of ownership, and the effect on the rental market. | | |
| 098 | Van Natta | States there is a lack of affordable land to build on, and discusses possible expansion of the urban growth boundary. | | |
| 124 | David Nebel | Oregon Law Center, testifies in support of affordable housing. Submits and reads testimony (EXHIBIT E). Discusses emergency housing need. | | |
| 186 | Nebel | Talks about state funding of community programs, different approaches in community use of funds, and reasons for the need for increased funding. | | |
| 254 | Nebel | Continues reading testimony, addressing CDCs (community development corporations) ability to produce affordable housing. | | |

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| 273 | Nebel | Discusses youth housing needs and programs. |
| 338 | Nebel | States his organization can highlight where they've been in each community and the state's role in each project. |
| 357 | Nebel | Addresses teen housing projects in Eugene area. |
| 376 | Repine | Summarizes video presentation. Explains that youth arrive at shelters either through choice or circumstances. Addresses special housing needs in Deschutes County. |
| TAPE 3, A | | |
| 016 | Brawner | Presents video program on funding sources, tax credits, take-out loans. |
| 112 | | Video discusses NOAH (Network of Affordable Housing) consortium of 17 banks to provide funding for multi-housing projects. |
| 129 | | Video discusses migrant worker housing projects, special handicapped housing needs, and unique project results in Deschutes Co. and Myrtle Creek. |
| 153 | Chair Lokan | Comments on committee goals. Adjourns meeting at 10:05 a.m. |

Submitted By, Reviewed By,

Susan M. Pettey, Pat Zwick,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ Affordable Housing, Programs in Review, Bob Repine, 49 pp

B ñ Affordable Housing, Addressing Oregon's Housing Crisis, Bob Repine, 8 pp

C ñ Affordable Housing, OHCSO programs description, Bob Repine, 18 pp

D - Affordable Housing, chart, Fred Van Natta, 1 p

E ñ Affordable Housing, written testimony and charts, David Nebel, 4 pp

F ñ House Agency Performance & Operations Committee Rules, staff, 2 pp