

# HOUSE COMMITTEE ON AGENCY PERFORMANCE & OPERATIONS

**January 26, 1999 Hearing Room E**

**8:00 a.m. Tapes 9 - 10**

**MEMBERS PRESENT: Rep. Jane Lokan, Chair**

**Rep. Kathy Lowe, Vice-Chair**

**Rep. Betsy Close**

**Rep. Dan Gardner**

**Rep. Tim Knopp**

**Rep. Jeff Kruse**

**Rep. Bob Montgomery**

**Rep. Kitty Piercy**

**STAFF PRESENT: Pat Zwick, Administrator**

**Susan M. Pettet, Administrative Support**

**MEASURE/ISSUES HEARD: HB 2149 Public Hearing**

**HB 2085 Public Hearing**

**HB 2086 Public Hearing and Work Session**

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.

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TAPE/#	Speaker	Comments
<b>TAPE 9, A</b>		
004	Chair Lokan	Opens meeting at 8:03 a.m., and opens public hearing on HB 2149.
<b><u>HB 2149 PUBLIC HEARING</u></b>		
010	Pat Zwick	Committee Administrator. Summarizes provisions of HB 2149.
040	Bill Foster	State Architect, Facilities Division, Department of Administrative Services. Speaks in support of HB 2149. Submits and reads written testimony <b>(EXHIBIT A)</b> .
065	Rep. Piercy	Asks for example of CM/GC (Construction Manager/General Contractor) methods as opposed to competitive bidding.
069	Foster	Describes State Library renovation.
087	Chair Lokan	Asks for definition of public improvement project.
092	Foster	Responds that a public improvement project is fixed assets, and explains.
098	Chair Lokan	Asks if a public improvement project is in excess of \$100,000.
101	Foster	Responds that is a post-project evaluation.
105	Chair Lokan	Asks for clarification of qualification and cost-basis equality.
109	Foster	Explains that the approach may differ by circumstances. States that in utilizing the CM/GC method, the general contractor is selected by qualification, cost, and general conditions, and comments that the balance of contract is competitively bid to subcontractors.
119	Rep. Gardner	Asks whether design bids are put in place by rule.
125	Foster	Responds affirmatively. States the design/build process is ongoing, and describes.

137	Rep. Gardner	Requests current CM/GC guidelines be provided to the committee administrator.
144	David Douthwaite	Government Relations Manager, Associated General Contractors, Oregon-Columbia Chapter. Speaks in opposition to HB 2149. Submits and reads written testimony ( <b>EXHIBIT B</b> ).
178	Douthwaite	Suggests ORS Chapter 279 needs revision, and explains.
200	Rep. Close	Asks about repeal of ORS 279.103.
210	Douthwaite	Responds that ORS 279.103 is the post-project review process included in Section Two of HB 2149.
217	Chair Lokan	Asks about rewriting ORS 279.
222	Douthwaite	Details co-chair experience with interim public contracting work group.
247	Lokan	Asks for example of design/build application.
269	Douthwaite	Describes sport facility in Hillsboro. States that ORS 279 doesn't really apply to construction industry, and explains.
285	Chair Lokan	Asks about potential difficulties in awarding a bid based on cost and qualifications.
293	Douthwaite	Responds it has worked in the CM/GC process, and explains.
323	Chair Lokan	Invites Bob Foster to respond to further questions.
326	Rep. Piercy	Asks whether a work group should spend time on the public contracting issue prior to implementation.
332	Foster	Responds affirmatively.
354	Rep. Piercy	Asks if an interim group should be put together to look at the issue.
360	Foster	Responds it's probably an interim project.

364	Chair Lokan	Advises there is another bill dealing with the idea of continuing interim task force studying ORS 279 and related purchasing and contracting issues.
388	Shawn Miller	Associated Builders & Contractors. Testifies in opposition to HB 2149. Recommends interim task force, and explains. Indicates that to get out of exemption process, there must be a series of findings,. Supports ORS 279 review and possible re-write.
<b>TAPE 10, A</b>		
030	Bob Shiprack	Oregon State Building and Construction Trades Council. Testifies in support of HB 2149. Opines thereís no need to hold over for interim. Discusses public and private contracting methods and costs.
076	Shiprack	Addresses interim committee experience.
103	Chair Lokan	Closes hearing on HB 2149, opens public hearing on HB 2085.
<b><u>HB 2085 PUBLIC HEARING</u></b>		
115	Pat Zwick	Explains provisions of HB 2085.
127	Lynn Schoessler	Housing & Community Services. Testifies in support of HB 2085. Addresses tenant association purchase of mobile home parks as regards rent control, and explains.
157	Schoessler	Speaks about loan program and access to funds.
161	Chair Lokan	Asks if fund amount is \$200,000.
164	Schoessler	Responds affirmatively. Addresses purchase and sale of mobile home parks.
176	Rep. Montgomery	Asks for example of non-profits; also inquires about litigation exposure.
180	Schoessler	Responds that there are various groups of non-profits, and elaborates. Informs that a non-profit organization has litigation exposure.

186	Rep. Kruse	Asks if non-profits function the same as tenant associations.
190	Schoessler	Responds affirmatively, and explains.
202	Rep. Kruse	Asks for clarification regarding tenant association purchase of mobile home park, and third-party involvement in operations.
216	Schoessler	Explains third-party nonprofit involvement in purchase and operations.
236	Chair Lokan	Asks about state's obligation.
237	Schoessler	Responds that loan funds are available to non-profits and/or tenant associations.
241	Chair Lokan	Asks about loan default.
243	Schoessler	Responds that the loan would be collateralized, and explains details.
269	Chair Lokan	Asks about previous experience with mobile home parks.
273	Schoessler	Describes various experiences since 1989 session.
287	Rep. Lowe	Asks if this bill would allow a non-profit to access funds to assist mobile home park associations in securing moneys for down payment for low income families.
303	Schoessler	Responds affirmatively.
310	Rep. Piercy	Asks for comment on low-cost housing assistance by the state of Oregon.
315	Schoessler	Responds this is a key factor, and describes intent of non-profit, and imposition of restrictions.
347	Rep. Lowe	Asks if this takes place on the free market.
350	Schoessler	Responds affirmatively, and explains.

376	Rep. Lowe	Inquires about bare land purchase.
383	Schoessler	Responds that funds are available for purchase of existing park by tenant association, and explains pool funds availability and programs.
<b>TAPE 9, B</b>		
011	Pat Schwock	Represents Manufactured Home Owners of Oregon. Speaks in support of HB 2085. Expresses desire for tenant-owned parks, and explains.
030	Rep. Close	Asks if tenants have rent control with a non-profit.
034	Schwock	Responds that a management group would exist, involving residents of park. States that rents tend to stabilize with tenant-association ownership, eliminating 30-40% profit to mobile home park owners.
053	Rep. Kruse	Asks for documentation regarding profit of 35-40% profit to park owners.
055	Schwock	States the profit factor has been documented in a number of articles.
059	John Brenneman	Manufactured Housing Communities of Oregon (MHCO). Takes neutral position on HB 2085. Recommends support of the bill moving through the process to promote free-market alternatives. Encourages cooperative development, and explains.
078	Rep. Montgomery	Asks if this is the same bill as last session. Inquires as to MHCO's position on bill.
081	Brenneman	Opines that the bill was not written in this language, and expounds. Says that MHCO supported bill last session.
097	Rep. Montgomery	Asks about business profits and sales.
098	Brenneman	Offers to provide presentation from management groups. States that Eugene mobile home park won park-of-the-year nationwide, and gives details.
113	Chair Lokan	Expresses concern that \$200,000 in the fund may not be adequate,

		and speculates state may need to assist. Invites Mr. Schoessler to clarify fund availability.
121	Schoessler	Responds that the fund is a redevelopment and investigative loan fund, and explains details.
135	Chair Lokan	Comments that established mobile home parks often require expensive maintenance.
147	Schoessler	States that project feasibility would be judged up-front, and explains interim funding programs and requirements.
163	Lokan	Closes public hearing on HB 2085, and opens public hearing on HB 2086.
<b><u>HB 2086 PUBLIC HEARING</u></b>		
175	Pat Zwick	Committee Administrator. Summarizes provisions of HB 2086.
193	David Sheelar	Manufactured Dwelling Park Ombudsman, Oregon Housing & Community Services. Testifies in support of HB 2086. Explains ORS 90.770 as effects tenants of manufactured dwelling parks and floating home marinas. Details eviction process.
233	Sheelar	Addresses oral waiver, and elaborates.
265	Sheelar	States that landlords and tenants support HB 2086.
269	Rep. Piercy	Asks about opposition to oral waiver.
277	Sheelar	Responds there have been no objections.
279	Rep. Close	Asks how oral consent is proven in a court-of-law.
283	Sheelar	Describes process.
295	Chair Lokan	Inquires about tenant complaints regarding oral consent.
301	Sheelar	Responds that oral consent applies in eviction practices, and

		describes mediation.
332	Rep. Montgomery	Asks about effect of mediation process.
343	Sheelar	Describes mediation process benefits for tenants.
347	Pat Schwoch	Manufactured Home Owners. Speaks in support of HB 2086. Addresses eviction process, and referral to OHCS (Oregon Housing & Community Services) ombudsman's office.
378	Chair Lokan	Asks if situation can be resolved with manager or owner before eviction process is completed.
394	Schwoch	Describes unique manufactured home ownership difficulties: "We own the land, they own the ground," and explains.
399	Rep. Montgomery	Comments on oral consent process.
401	Chair Lokan	Closes public hearing on HB 2086, and opens work session.
<b><u>HB 2086 WORK SESSION</u></b>		
403	Rep. Gardner	<b>MOTION: Moves HB 2086 to the floor with a DO PASS recommendation.</b>
405	Rep. Lowe	Comments on experience with oral consent/waivers in a court of law. States that the waivers come into evidence as a business record, and oral testimony creates no problems.
<b>TAPE 10, B</b>		
035	Rep. Montgomery	Comments about tenant insecurity in manufactured home parks and floating homes.
		<b>VOTE: 8-0</b> <b>AYE: In a roll call vote, all members present vote Aye.</b>
042	Chair Lokan	<b>The motion CARRIES.</b>



		<b>REP. GARDNER will lead discussion on the floor.</b>
055	Chair Lokan	Closes work session on HB 2086.
065	Pat Zwick	Discusses next meeting agenda and participants.
090	Chair Lokan	Comments about field trip to affordable housing developments.
109	Chair Lokan	Adjourns meeting at 9:36 a.m.

Submitted By, Reviewed By,

Susan M. Pettey, Pat Zwick,

Administrative Support Administrator

### **EXHIBIT SUMMARY**

**A ñ HB 2149, written testimony, Bill Foster, 2 pp**

**B - HB 2149, written testimony, David Douthwaite, 2 pp**