

HOUSE COMMITTEE ON AGENCY PERFORMANCE & OPERATIONS

February 16, 1999 Hearing Room E

8:00 a.m. Tapes 17 - 19

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. Pettey, Administrative Support

ISSUE HEARD: Overview of State Agency Participation in Housing Issues

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
TAPE 17, A		
004	Chair Lokan	Opens meeting at 8:09 a.m., and opens informational meeting.
<u>INFORMATIONAL MEETING: OVERVIEW OF STATE AGENCY PARTICIPATION IN HOUSING ISSUES.</u>		
022	Bob Rindy	Director, Department of Land Conservation and Development (DLCD). Submits written testimony (EXHIBIT A) and summarizes.

032	Rindy	<p>Discusses DLCD Goal #10, which provides for buildable lands for residential use. Encourages the availability of adequate housing units at price ranges/rent levels which are commensurate with the financial capabilities of Oregon households. Highlights the statewide planning program that requires cities to:</p> <ul style="list-style-type: none"> • Inventory the available land for residential development • Project the need for land for future residential development • Plan for and zone enough buildable land to meet projected needs
089	Rindy	<ul style="list-style-type: none"> • Plan for public facilities and services • Plan for and zone land for required housing types, such as multi-family
130	Rep. Montgomery	Asks if the cost of land is considered in the decision to expand urban growth boundaries (UGBs), particularly in today's market of escalating prices.
136	Rindy	Responds that projections of housing density require raw land, but he does not know how to include the cost of land in that projection.
150	Rep. Montgomery	Clarifies, "that is a no, then; the cost of land isn't considered."
153	Rindy	Responds, "not by rules."
158	Rep. Lowe	Asks about in-filling established neighborhoods, and requests clarification regarding housing types relative to zoning.
168	Rindy	Responds that the city must provide opportunities for various housing types in the UGB. States that the rules provide for in-fill of manufactured housing, but not all housing types (EXHIBIT A, pg. 13), citing ORS 197.314. Explains that group homes are regulated by fair housing statutes, and local governments cannot exclude certain kinds of residential care homes from any zoning district.
216	Rindy	Describes standard zoning practices.
233	Rindy	Explains review of standards regarding zoning and housing types, which ensures zoning is not a barrier to affordable housing.
248	Rep. Lowe	References ORS 197.295 (EXHIBIT A, pg. 9). Requests clarification of definition of buildable lands. Asks whether consideration is given to the highest and best use of the land.
265	Rindy	Explains that most UGBs were established more than 20 years ago. Comments that in rule and statute is contained the hierarchy of land within the UGB, such as commercial, residential, and industrial. Notes that quality farm land is the last to be added to the UGB. Mentions that the first land to be added to the UGB is land that is either already developed to some extent, or contains soils unsuitable for farming.

302	Rep. Lowe	Asks what is the most current inventory of land and soil types. Inquires where that information can be found.
307	Rindy	Responds that there are periodic review requirements in place, occurring on a rolling schedule. Explains that the city examines available land for housing and other uses, to determine how to provide for the 20-year supply, possibly through up-zoning, and no addition to the UGB, or additions to the UGB.
337	Rindy	Explains that soil surveys are done statewide by the Soil Conservation Service. Replies that information on how often soil surveys are done will be provided.
348	Rep. Lowe	Asks if surveys include new information about what is under the subsoil, such as gravel pits.
351	Rindy	Replies that he will provide that information.
355	Rindy	Discusses coordination of actions of state agencies involved in housing. Explains that DLCD participates in regional field teams statewide, which include representatives from a variety of agencies, such as Department of Environmental Quality, Economic Development, Housing & Community Services, Transportation, and DLCD, meeting once a month in various regions of the state.
376	Chair Lokan	Asks about effectiveness of regional field teams.
379	Rindy	Responds that it is a new program, but it is effective because of the ability to have a multi-agency response to a variety of issues.
393	Chair Lokan	Asks how long regional field teams have been active.
398	Rindy	Replies that teams have been meeting monthly or more frequently.
407	Chair Lokan	Asks for names of local jurisdictions who participate in regional field teams.
TAPE 18, A		
028	Rindy	Describes DLCD's incentive activities. Explains that orientation is toward cities of 10,000 population. Discusses workbook for jurisdictions on how to plan for residential growth in urban areas, various laws and procedures involved in providing for affordable housing, as well as other publications.
055	Rep. Piercy	Inquires as to the greatest challenge facing DLCD today regarding housing.
060	Rindy	Addresses rising housing costs and the need to streamline local development processes.

083	Chair Lokan	Comments on high housing costs in Oregon relative to the rest of the nation.
090	Rindy	Discusses Portland housing market in the past 10 years. Explains wide fluctuation of housing costs in Oregon.
113	Chair Lokan	Speculates price of land is rapidly increasing within the UGB, contributing to high housing costs.
119	Rindy	Remarks that DLCD is attempting to eliminate barriers to housing development within the UGB.
127	Rindy	Comments that .45 full-time employee (FTE), or approximately \$119,600, is devoted exclusively to housing. Gives figure of \$120,000 for specific grants for housing-only projects. Explains indirect tasks devoted to housing by DLCD.
151	Chair Lokan	Asks about streamlining services.
157	Rindy	Responds that the main challenge in streamlining is to continue assisting local communities in changing and updating ordinances through periodic review and grants.
170	Rep. Piercy	Asks if all partners are at the table facilitating this process.
175	Rindy	Responds affirmatively.
195	Joe Brewer	<p>Building Codes Division, Department of Consumer and Business Services. Submits document (EXHIBIT B). Explains functions of the agency:</p> <ul style="list-style-type: none"> • Sets standards for new construction • Regulates the construction industry • Adopts the state's one- and two-family dwelling code • Reviews plans • Performs inspections where local jurisdictions have chosen not to provide that service • Reviews and monitors building inspection activities of local jurisdictions every four years • Certifies and trains building inspectors and officials
241	Chair Lokan	Asks how agreement is reached on jurisdictional operating plans.
250	Brewer	Answers that agreement is reached by approaching the situation from a local standpoint, and addressing complaints promptly.

281	Chair Lokan	Asks if cooperation with other jurisdictions has been satisfactory.
289	Brewer	Responds there is general satisfaction, with only three complaints in the last year. Discusses resource information feedback.
301	Brewer	Explains inspection of manufactured housing and set-up standard. Responds to question from Chair Lokan, addressing manufactured dwelling site preparation. Discusses authority placed with the agency by Housing & Urban Development (HUD) to determine national perspective on manufactured housing.
346	Brewer	Talks about development of design standards for manufactured dwelling parks, and the agency's role regarding complaints. Discusses licensing function of the agency.
361	Brewer	Comments on agency plan review to assist other state agencies.
387	Chair Lokan	Asks about benefits of the plan.
392	Brewer	Responds that the biggest challenge faced by the agency is consistency.
TAPE 17, B		
008	Brewer	Discusses agency streamlining. Comments about participation in a national building codes and standards organization, which fosters the adoption of statewide codes.
029	Chair Lokan	Asks if streamlining helps reduce the cost of housing.
033	Brewer	Responds affirmatively, and explains.
036	Brewer	Discusses agency administrative rules (EXHIBIT B, pg. 14).
059	Rep. Close	Comments that contractors in the Corvallis area complain that new earthquake standards are adding to housing costs in a state with few earthquakes.
066	Brewer	Comments that exposure is more significant than previously thought, and explains efforts to address the situation statewide. Discusses code requirements. Encourages contractors to contact the technical advisory group at the agency.
096	Chair Lokan	Asks for a response to budget allowance for housing.
100	Brewer	Responds that the agency has broad authority; one code specialist (.5 FTE), that splits time between answering technical and dwelling code questions, but many

		employees work on housing-related issues. States that the area of building codes is fee-driven. Adds that field activity in rural areas relates to housing inspection and plan review. Comments that a great deal of activity is on a project-specific basis.
130	Bill Scott	Director, Oregon Economic Development Department. Submits written testimony (EXHIBIT C), and summarizes. Comments on and describes two major sources of funds for housing-related projects: Community Development Block Grant Program (CDBGP), and Rural Investment Fund (RIF). Explains that Oregon cities and counties have used the program since 1983 to address a variety of critical needs:
180	Scott	<ul style="list-style-type: none"> • Rehabilitation of existing housing • Improvement of public water and wastewater systems • Construction of community facilities, such as day-care centers, emergency shelters, child abuse assessment facilities, and senior centers
202	Scott	Mentions that of the \$16 million appropriated for the Rural Investment Fund, \$1 million has been spent on programs associated with housing.
225	Scott	Speaks about community model to support local goals, consistent with state policies.
227	Chair Lokan	Asks for clarification of block grant award.
234	Scott	Responds that the CDBGP is a federal grant to the states, received in a block of money.
248	Chair Lokan	Asks for the source of the grant money.
255	Scott	Describes CDBGP as a program of the Department of Housing and Urban Development (HUD), with a small state match requirement of approximately one-half million on \$15 million annually.
286	Chair Lokan	Asks who can apply for grants.
290	Scott	Clarifies that applicants for grants must be cities or counties. Explains application evaluation process.
311	Chair Lokan	Asks for evaluation criteria.
313	Scott	Explains that one criteria would be a demonstrated need within the community, or how well-designed the project is to fit the need. Indicates the second criteria is the capacity of the applicant to complete the project.

330	Rep. Lowe	Asks if grant money can be used for land acquisition.
335	Scott	Responds affirmatively.
338	Rep. Lowe	Asks if property acquired with grant money can be taken for public purpose by eminent domain.
347	Scott	Replies that he does not know the answer. Offers to provide the information.
353	Scott	Discusses project development stages, including the draw-down on grant awards, as set out in the contract.
380	Chair Lokan	Asks about timeline during construction phases.
388	Scott	Responds that the agency is flexible, but wants project completion.
401	Rep. Lowe	Asks if most projects are in the metro area, and what types of projects the agency has been involved in.
408	Scott	Explains the agency role is to assist non-metropolitan areas. Offers to provide a map of area projects. Explains large investment in smaller, hard-hit communities.
419	Chair Lokan	Asks if economic need is part of the evaluation.
425	Scott	Responds that the project must benefit low- and moderate-income people, reduce slums and blighted conditions, and meet an urgent community need.
436	Chair Lokan	Inquires about maximum allowance of funds to complete a project. Asks for an estimate of project completion according to agreements.
455	Scott	Responds that 18 months would be a reasonable time to completion, and explains complexity of projects.
475	Chair Lokan	Asks who owns the housing project upon completion.
480	Scott	Replies that normally the project is owned by the city or county, and typically managed by a non-profit corporation.
TAPE 18, B		
048	Rep. Lowe	Asks how long the project is owned by the city or county.

051	Scott	Replies that he does not know the answer, but will provide the information.
054	Chair Lokan	Asks about housing component in the agency budget, and FTE required to perform responsibilities. Asks about streamlining possibilities.
063	Scott	Refers to the chart (EXHIBIT C, pg. 4). Explains that the actual grant available is \$15 million per calendar year, which includes three to four million dollars earmarked for housing rehabilitation.
076	Chair Lokan	Asks about state investment.
079	Scott	Explains that employees are paid with federal funds. Associates 2.5 FTE to housing investments supported by the agency. Indicates that more than 2.0 of that is federally funded, which would be analogous with either the grants or RIF funds used. Attributes a little over one-third of the block grant money with the program, or \$10-\$11 million.
093	Scott	Assigns approximately one-third of staff to the program, although staff is funded by multiple programs.
101	Dave Cook	Director, Oregon Department of Corrections (DOC). Addresses housing provided by DOC for male and female felons. States that transitional housing is not provided directly.
146	Cook	Gives examples of special housing units.
175	Cook	Explains transitional leave program, where inmates are returned to their original community but still in custody of DOC for 90-days. Describes work with a group known as the Oxford Houses. Notes that there are approximately 24 Oxford Houses in Multnomah County.
195	Chair Lokan	Asks if Oxford Houses are for the 90-day transition period.
210	Cook	Replies that there are approximately 700 Oxford Houses nationwide. Notes that Oregon uses Oxford Houses for transitional leave. The agency hires a single contractor to assist DOC with the Oxford Houses and monitor compliance. Describes four specific rules that apply to offenders in the Oxford House: Sobriety, share in costs, participation in house business, and nondisruptive behavior. Comments that prior to 1997, inmates would leave a successful boot camp program with necessary skills, and find no available housing. Since 1997, with the creation of the DOC relationship with the Oxford Houses, the success rate for offenders has improved because of adequate housing. Describes improved reputation of Oxford House program in the Eugene area.
243	Cook	Gives statistical information regarding inmate transition to Oxford Houses.
252	Rep. Lowe	Asks if Oxford Houses can be located in single-family zone without restriction.

266	Cook	Reads citation: "Under federal law and local zoning ordinances currently enacted, six unrelated permanent residents living together constitute a single family, and may live in any residential neighborhood without any special notice, permits, or variances."
285	Cook	Discusses Oxford House funding and contracting, including neighborhood meetings.
294	Rep. Lowe	Asks if all inmates ready for release are eligible for participation in the Oxford House program, regardless of offense, and if not, what is the selection process.
301	Cook	Explains that in 1995, SB 1145 transitioned all community corrections activities to the counties. Describes funds provided by DOC for programs. Discusses lack of transitional housing options in communities.
344	Rep. Lowe	Inquires if help is available to communities to deal with re-entry of inmates.
350	Cook	Editorializes that there is a general feeling among the population that adult offenders are unsalvageable. Indicates all counties work with DOC. Acknowledges more can be done to facilitate communication. Stresses importance of transitional housing.
TAPE 19, A		
011	Rep. Piercy	Asks if transitional period in an Oxford House is 90 days.
014	Cook	Responds affirmatively.
016	Rep. Piercy	Asks if 90 days is adequate.
018	Cook	Responds that 90 days is probably not sufficient, but DOC looks at it incrementally. Describes inmate recycle program strategy.
026	Rep. Close	Asks about federal investment. Inquires about ownership and funding of Oxford Houses.
037	Cook	States that there is no federal money in the program. Indicates that original funding is a \$5,000 grant from Ecumenical Ministries. Outlines goal of self-sufficiency while creating a family environment.
051	Rep. Close	Asks who owns the Oxford House property, whose name is on the title.
053	Cook	Replies that he does not know relative to title, but will provide that information. Speculates there may be county subsidies for transitional housing purposes, but

		DOC does not fund any of these facilities. Explains the DOC loan and repayment program, which assists offenders with rent payments.
063	Rep. Knopp	Asks about loan-repayment experience.
069	Cook	Admits that the experience is sketchy. Describes the Shutter Creek inmate welfare fund, which finances the loan-repayment program, and includes canteen proceeds, plus payments by inmates that go into the trust. Explains that if an inmate qualifies for Oxford House, but is unable to pay rent, he can draw from the loan fund. Describes a proposal by DOC to the legislature that provides for work release through a fund already established by Department of Administrative Services (DAS). Indicates he cannot respond as to the loan-repayment failure rate, but offers to provide that information. Notes that there is no work release program operated out of the DOC, and general transitional leave inmates have no access to that fund under current law.
082	Rep. Knopp	Comments that inmates will have access to the loan-repayment fund if HB 2214 passes the floor today. Indicates that he was "sad" to see the potential elimination of the choir at Shutter Creek facility if HB 2214 passes. Comments that HB 2214 allows inmates to use the loan fund for housing and transportation, also. Asks how many times the fund has been used.
091	Cook	Describes use of the fund as minimal.
099	Rep. Knopp	Asks if Shutter Creek is known as alternative incarceration.
102	Cook	Responds that a portion is, but half is known as the Summit Program, and the other half is the minimum-custody work crews.
105	Chair Lokan	Comments that inmate transitional housing appears to be an affordable housing need. Asks how available the Oxford Houses are to inmates.
110	Cook	Responds that a number of Oxford Houses in the Portland area are serving the bulk of offenders. Says that most released inmates return to approved housing with families. Talks about Oxford House structure and program benefits to transitional inmates.
122	Chair Lokan	Asks if there is a need for more transitional housing.
128	Cook	Responds yes, and part of that is for communities to understand that inmates will return. Points to Oxford House as a model. Describes other ways to accomplish transitional housing.
140	Chair Lokan	Asks if there is more need for inmate transitional housing.
146	Cook	Responds affirmatively. Quotes current recidivism rate at 30%, which could be improved by having appropriate transitional housing. Discusses inmate in-take

		process and incarceration plan, including treatment and education. Comments about transitional plan to the community with support for success.
160	Chair Lokan	Asks if counties would administer the program.
167	Cook	Responds that a model could be done in a number of ways.
168	Chair Lokan	Closes informational meeting. Adjourns meeting at 10:10 a.m.

Submitted By, Reviewed By,

Susan M. Pettey, Pat Zwick,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ Housing, written testimony, Bob Rindy, 22 pp. B - Housing, written testimony, Joe Brewer, 15 pp.

C ñ Housing, written testimony, Bill Scott, 4 pp.