

HOUSE COMMITTEE ON AGENCY PERFORMANCE & OPERATIONS

February 9, 1999 Hearing Room E

8:00 a.m. Tapes 13 - 14

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

ISSUES HEARD: Safe, 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
TAPE 13, A		

003	Chair Lokan	Opens meeting at 8:35 a.m., and opens informational meeting.
<u>INFORMATIONAL MEETING ON SAFE, AFFORDABLE HOUSING</u>		
041	Pam Curtis	Policy Analyst, Health, Human Services, and Labor, Governor's Office. Submits document entitled <u>Work Group on Safe, Affordable Housing, Report to the Governor (EXHIBIT A)</u> . Discusses Oregon's strategy for social support, an overall goal of creating self-sufficiency. Presents slide program. Highlights and explains the following points:
075	Curtis	<ul style="list-style-type: none"> • Human investment framework that integrates social supports, work force development, and education
099	Curtis	<ul style="list-style-type: none"> • Critical core social supports necessary for success in school and job
131	Curtis	<ul style="list-style-type: none"> • Populations needing support
156	Curtis	Continues slide presentation, and discusses state role in the social support continuum:
		<ul style="list-style-type: none"> • Direct service provider, such as public safety or child protection
		<ul style="list-style-type: none"> • Primary payer and funder, such as welfare payments
		<ul style="list-style-type: none"> • Quality assurance, regulation, and licensing
		<ul style="list-style-type: none"> • Investment partner and technical assistance
177	Curtis	Discusses 26 identified core supports on creating self-sufficiency, focusing on housing. Identifies gaps, refocus roles, and development of common goals. Describes housing work plan comprised of three specific products: <ul style="list-style-type: none"> • A work plan for state agencies • Recommendations for policies and laws • A plan to implement changes possible under current law.
198	Curtis	Notes one specific objective given to work group: If no new money, what can be done to accomplish goals for housing. Suggests realignment of current programs among state agencies for better outcomes.
227	Curtis	Submits document (EXHIBIT B) and summarizes. Presents overhead program, and identifies key findings regarding housing in Oregon:
		<ul style="list-style-type: none"> • Housing market prices have risen 10-15 percent per year since the late

		1980s, while incomes have risen 3-5 percent
		<ul style="list-style-type: none"> • Median price of housing in the metro area increased 34.7 percent between 1991-96
		<ul style="list-style-type: none"> • Combined total of Oregon households on local waiting lists for rental assistance is 26,600, representing 75,103 Oregonians
		<ul style="list-style-type: none"> • Stable, affordable housing is key support to the success of welfare reform • From July 1995 to September 1997, Adult and Family Services housing support increased from \$32,115 to \$353,353 • Oregon benchmarks indicate that in 1990, 30 percent of low-income owners and 50 percent of renters did not have affordable housing. In 1996, the figure was 45 percent of owners and 60 percent of renters. • In 1990, one in every 10 Oregon households was severely cost-burdened, defined as spending more than 50 percent of gross income on housing
288	Rep. Piercy	Asks if statistics include those Oregonians with insufficient or no income to qualify for housing.
307	Curtis	Estimates number of Oregonians who are homeless at somewhere between fifty and seventy thousand.
327	Rep. Piercy	Inquires if the fifty to seventy thousand is included in the quote of 75,103 cited previously.
335	Curtis	Indicates that an insufficient data tracking system is in place at this time.
342	Rep. Lowe	Asks for definition of 30 percent of household income in cost analysis.
351	Curtis	Responds that it is gross income as opposed to net, and includes housing-related costs, rent or mortgage payment, mortgage insurance, and utilities.
362	Curtis	Discusses and explains four key strategies (EXHIBIT C): <ul style="list-style-type: none"> • Improve decision-making process • Increase acceptance of need for low-income and special needs housing • Improve coordination and alignment of state goals, policies and programs • Increase resources
381	Curtis	Comments on Executive Summary (EXHIBIT A, pg. 2). Discusses human service goals, and infrastructure side of housing.
463	Rep. Kruse	Asks for clarification regarding sale of state properties, such as Dammasch, where the original projection was for the property to be utilized in the mental health community. Inquires if there will be competition between two different needs, or re-strategizing.

TAPE 14, A		
054	Curtis	"The specific recommendation on the trust fund from the sale of state-owned property for persons with special needs, would be the sale of property that is already used for persons with special needs."
060	Chair Lokan	Asks if potential sale of Fairview is included.
063	Curtis	Responds affirmatively.
068	Rep. Piercy	Asks if the benchmark goal alignment of building affordable low-income housing is progressing at the expected rate.
070	Curtis	Responds affirmatively. Explains how Oregon strategies are tied to the benchmarks for affordability and availability of housing, and outlines tracking for renters and owners.
075	Margaret VanVleit	Liaison to Housing and Community Services Department for the Governor's Community Development Office. Submits document (EXHIBIT D), and summarizes. Provides an overview of Community Solutions Team (CST) and links to housing. Explains that the overall goal of CST is to develop higher-quality communities with public investments. Gives example of prison siting in Ontario, the Nyssa, Ontario, Vale Area (NOVA) project, and effects on surrounding communities. Outlines state investment. Explains NOVA's role was to look at the impact of state investment on infrastructure, transportation, water and sewer systems, and housing market.
098	VanVleit	Discusses Portland Development Commission's role in revitalization of Martin Luther King Boulevard area. Expresses interest in solving problems, not merely running agency programs.
127	VanVleit	Explains that a CST key objective is for state agencies to work closely with local governments and communities to:
149	VanVleit	<ul style="list-style-type: none"> • Minimize cost of infrastructure • Protect resource lands by promoting new development within urban growth boundaries (UGB) • Address economic goals • Improve accessibility of goods and services • To provide a balance of jobs and affordable housing
245	VanVleit	<ul style="list-style-type: none"> • Outlines how regional CSTs operate: Address community development problems and shorten project timelines. Explains that CSTs are comprised of agency field staff, and team members have direct access to directors and the CST to solve problems. Adds that CSTs meet monthly.
273	VanVleit	Addresses housing connection to the following areas:

		<ul style="list-style-type: none"> • Economic development ñ when new jobs are created, wages must be considered in the local housing market • Transportation ñ be creative with walking, biking, car sharing, and a location-efficient mortgage. • Environmental quality ñ storm water management requirements add to cost of housing • Land use ñ comprehensive plans need to provide adequate zoned land for affordable housing
308	VanVleit	Gives Lincoln City as an example of low-income wages in a thriving economy and the effect on affordable housing. Discusses job base in Corvallis and necessity for commute from smaller communities in Linn and Benton Counties due to imbalance in jobs/housing. Outlines explosive growth in Hermiston, and affordable housing developments under construction.
352	Chair Lokan	Comments on difficulty in reaching agreement on environmental concerns and balance of jobs/affordable housing, and asks how Governorís Office sees this issue.
369	VanVleit	Responds that a regional partnership is in place to work together to address the base level problems and facilitate solutions.
396	Chair Lokan	Asks if there is no new money, what is recommended in the area of housing.
399	Curtis	Refers members to Work Group Report, Executive Summary (EXHIBIT A, pg. 2). Explains bulk of recommendations by the work group to the governor require no new resources, but instead require a different way for human service agencies to work together. Gives example of Strategy #14 (EXHIBIT A, pg. 3), redeploying resources and making vacancy information more available. Explains that testing is occurring at this time in two communities between Housing & Community Services Department (HCSD), and Adult & Family Services (AFS). Comments that the rental situation for families who receive public subsidy in Oregon is grim. Explains human-service agency efforts to connect housing vacancy information with folks needing housing.
TAPE 13, B		
031	Chair Lokan	Asks how many state agencies are directly involved in housing issues, providing subsidies or direct access to housing.
038	Curtis	Responds that all human resource divisions are involved.
045	Rep. Piercy	Comments about educational success in schools relative to housing issues.
058	Rep. Montgomery	Asks if state agencies that provide housing subsidies and services can be combined.

068	Curtis	Responds that what is being contemplated currently is how to link up housing components of the various organizations. Cites example of alcohol and drug agency treatment investment containing housing component; rather than having the agency do the housing component, it makes more sense to have the housing agency work in conjunction with the alcohol and drug agency.
078	Rep. Montgomery	Comments that at least agencies are having a dialogue relative to housing, and indicates that is progress.
088	Rep. Piercy	Expresses concern about block grant mentality which gives a small lump sum rather than expanding services and moving forward.
100	Curtis	Comments on balance of coordination between programs and agencies.
109	Chair Lokan	Requests that a list be provided to members of agencies and/or departments with housing components.
121	Curtis	References Housing Report work group members by agency and name (EXHIBIT A, pg. 1), explaining that all of these agencies have some level of housing interest and/or program. Clarifies that the list is not all-encompassing.
133	Rep. Lowe	Suggests that the requested information be provided in the form of a flow chart.
137	Peter Grundfossen	Executive Director, Association of Oregon Housing Authorities. Submits written testimony (EXHIBIT E).
172	Grundfossen	States that testimony will be in response to the <u>Report to the Governor</u> by the work group on affordable housing. Comments that the Governor's ideas are complex and long-term. Reminds committee that the most important thing that can be done to help low-income folks get into affordable housing is to provide additional funds to the Oregon Housing & Community Services (OHCS). Comments on the importance of the Housing Trust Fund, which provides funds for construction of affordable housing.
202	Grundfossen	Comments on Report to the Governor, strategy numbers 3, 4, 8, and 9 (EXHIBIT E, pg. 1), and reads document. Elaborates on reasons these strategies cannot be solely relied upon.
247	Grundfossen	States that living wage jobs are more important than housing assistance. Comments that Oregon's problems stem from inadequacy of wages, and indicates that low-income people cannot afford market-rate housing.
276	Grundfossen	Addresses "obtuse" conclusion in the <u>Report to the Governor</u> EXHIBIT E, pg. 2 : "A personal economic risk management strategy will be more effective than a rental subsidy ." Claims this strategy is irrelevant to someone doomed to low wage jobs or federal/state subsistence grants. Comments that we must assure a long-term funding strategy by increasing the capacity of the Oregon Housing Trust Fund to address statewide affordable housing problems (EXHIBIT E, pg.

		2).
304	Grundfossen	Comments the state has much more to accomplish, and agencies need to work together more closely. Congratulates Governor's office for bringing groups together for discussion. States that simply increasing information flow and working closer together is not going to put people in housing; it requires money.
322	Rep. Montgomery	Expresses interest in how many employees and state agencies are involved in state agency housing issues.
342	Bob Repine	Director, Housing & Community Services. Comments about experience in state government and how agencies collaborate. Discusses CST effectiveness relative to housing development and employment opportunities.
TAPE 14, B		
006	Repine	Discusses steering committee reports relative to cooperation with agencies in discussing trust funds. Opines that the housing report will show that under the Governor's initiative, attempt is made to make government more responsive. Comments that goals could be reshuffled, but the <u>Report to the Governor</u> demonstrates the partners cooperation and understanding of what exists.
044	Rep. Close	Comments about strategy 27, and quotes property tax deductions enjoyed by higher income households.
054	Repine	Discusses financial considerations allowed working families, and addresses inconsistencies.
080	Rep. Kruse	Comments that mortgage interest and property tax deductions are not considered a welfare subsidy program.
090	Repine	Comments that 66 percent of Salem Housing Authority (SHA) clientele have social or other financial needs, but when placed in housing, the number reduces to 44 percent. Questions what this means financially, and how it converts into dollars or services.
123	Rep. Piercy	Discusses taxpayer dollars saved by reduction of public services, and requests further assessment.
133	Chair Lokan	Closes informational meeting. Adjourns meeting at 10:06 a.m.

Submitted By, Reviewed By,

Susan M. Pettey, Pat Zwick,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ Workgroup on Safe, Affordable Housing, Report to the Governor, staff, 67 pp

B ñ Key Findings about Housing in Oregon, Pam Curtis, 1 p

C ñ Key Strategies to Align State Agencies to Improve Housing, Pam Curtis, 1 p

D ñ Community Solutions Team Overview, Margaret VanVleit, 3 pp

E ñ The Oregon Strategy for Social Support, Margaret VanVleit, 8 pp

F ñ Housing Work Group Paper on Safe, Affordable Housing ñ A Response, Peter Grundfossen, 2 pp