

Public Hearing: SB 673  
WorkSession: HB 2825  
Tape 92 A/B  
93 A

HOUSE COMMITTEE ON  
HOUSE REVENUE AND SCHOOL FINANCE  
PROPERTY TAX SUBCOMMITTEE

APRIL 28, 1993 8:00 AM HEARING ROOM A STATE CAPITOL  
BUILDING

Members Present: Representative Tom Brian, Chair  
Representative Mike Burton  
Representative Margaret Carter  
Representative Fred Girod  
Representative Delna Jones  
Representative Jim Whitty  
Witnesses Present: Jackie Bloom, Government Relations, City of Portland  
Mike Saba, Senior Planner, City of Portland  
Planning Bureau  
Lyn Musolf, Oregon Chapter American  
Planning Association  
Diane Luther, Executive Director,  
Northwest  
Housing Alternatives  
Dee Walsh, Director, REACH Community  
Development  
Gretchen Dursch, Director, Housing Our  
Families  
Peter Grundfossen, Association of Oregon Housing Authorities  
Staff: James Schersinger, Legislative Revenue Officer  
Steve Bender, Legislative Revenue Office  
Terry Drake, Legislative Revenue Office  
Steve Meyer, Legislative Revenue Office  
Paula McBride, Committee Assistant

TAPE 92 SIDE A

011 CHAIR BRIAN called the meeting to order at 10:57 and conducted  
administrative business.  
021 CHAIR BRIAN opened the Public Hearing on SB 673.

These minutes paraphrase and/or summarize statements made during this  
meeting. Text enclosed in quotation marks reports the speaker's exact  
words. For complete context of proceedings, please refer to the tape  
recording.

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034 JACKIE BLOOM testified in support of SB 673, which she stated would  
amend in two ways the original low-income housing property tax exemption.  
The first was that the sunset would be removed, and the second related to a  
filing date change which would allow nonprofits to qualify for the tax  
exemption under certain circumstances, which she explained.

050 MIKE SABA testified in support of SB 673. His testimony was verbatim.  
Exhibit 1

Questions and discussion

080 MIKE SABA defined "low-income" as related to SB 673.

Questions and discussion, specifically about the original tax exemption program for low-income housing and about the current program.

231 LYN MUSOLF testified in support of SB 673, which he believed would be an additional tool to meet the affordable housing requirements initiated by the state. He spoke about his own experience with building low-income housing as Chairman of the Board of Innovative Housing in both Portland and Gresham.

285 DIANE LUTHER testified in support of SB 673, believing that the present program works well to help preserve and product affordable housing in Oregon. She gave a brief history of the sunset, first instituted in 1985, and of cycles of funding the builders of lowincome housing have had to go through since that time. There are two current statutes that relate to low-income housing, but SB 673 was adopted by the City of Portland. She gave examples of the problems that would occur with housing projects, both for the projects and for the people who live in them, if the sunset were not removed.

385 DEE WALSH testified in support of SB 673. She talked about the responsibilities and purposes of her organization, which is a private, non-profit in inner southeast Portland. She supported the property tax exemption currently in place for low-income housing, and she gave an example of her own experience with financing that would be severely impacted if the sunset was implemented. She also believed rents in low-income housing units would have to be drastically increased, severely impacting tenants. Exhibit 2

TAPE 93 SIDE A

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002 DEE WALSH continued her testimony in support of SB 673. She pointed out that much of the property her organization obtains and renovates was not on the tax rolls originally, and property values in the neigHB orhoods increase because of their work. Exhibit 2

027 GRETCHEN DURSCH talked about her organization, and gave members a newspaper article about their first project. They buy derelict and vacant buildings, rehabilitate them, and then-rent them for low-income housing. She stated two main goals: to revitalize the community, and to provide housing for low-income tenants. She gave examples of tenants and their circumstances, people who would be impacted if the sunset were not removed from the low-income tax exemption program. Exhibit 3

Questions and  
discussion

087 PETER GRUNDFOSSEN related he has been Chair of the Housing Lobby Coalition, which is the organization that supported the Housing Trust Fund Bill in the 1991 Session. Both his organizations supported either eliminating the sunset or extending it for at least ten years. The exemption is currently being used only in Portland and Eugene, and he wanted an extension of the program throughout the state, especially because there was such a need for low-income housing (maybe 25,000 additional units). He talked about tenants who would be effected if the sunset were

implemented (and the program eliminated), and he supported the work of non-profit groups that are involved in building low-income housing units in Oregon. He urged members to pass SB 673.

Questions and discussion interspersed

225 PETER GRUNDFOSSEN talked about the intention of the original bill that relating to non-profit organizations who create lowincome housing units in Oregon, and he explained why it was used in so few areas of the state. The legislation was enabling, but no community is forced to participate in the program if they don't have the money to do so.

241 DIANE LUTHER talked about low-income housing statutes, but the one that SB 673 related to is the only one scheduled to sunset.

She stressed that most of the people who live in low-income housing were striving to better their lives and were mostly working. She described the limitations of her ability to finance low-income housing units that could fit the rent levels for most of these people without the property tax exemption that was currently in place.

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Questions and discussion

313 CHAIR BRIAN asked the Subcommittee if they wanted to proceed with SB 673 by extending or eliminating the sunset. He mentioned options.

Discussion

388 CHAIR BRIAN believed the sunset could be extended for ten years, and he mentioned discussions that could be held during the interim related to various low-income programs. He proposed language changes for SB 673.

Discussion

TAPE 92 SIDE B

008 REP. CARTER asked why the sunset was necessary at all since programs are reviewed.

Discussion

018 CHAIR BRIAN closed the Public Hearing on SB 673.

021 CHAIR BRIAN asked the visiting "daughters" to introduce themselves ("Ask a Daughter to Work Day").

041 CHAIR BRIAN opened the Work Session HB 2825.

047 STEVE MEYER explained HB 2825, which would make mobile home owners who are situated on rented space eligible for the Elderly Rental Assistance Program. He explained the qualifications for this current program.

Presently they can be eligible only if they rent both the mobile home and the space. He talked about two particular issues with HB 2825 relating to income level and what amount to exempt. He referred to a handout that gave examples of different levels in these two areas. Exhibit 4

Questions and

discussion

090 CHAIR BRIAN believed HB 2825 would have to have a subsequent referral to the House Appropriations Committee, and he explained reasons for this. He thought the question of HB 2825 was a narrow one centering on whether or not this group of people should be eligible to compete with other types of renters.

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Questions and discussion

110 STEVE MEYER said if the rent level is \$2100 and the 20% for household income was kept, the estimated biennial cost would be about \$3.8 million to add mobile home rents to the EPA Program; but if actual rent was used, the estimate was \$3.4 million/biennium.

Questions and discussion

160 STEVE MEYER explained the term "gross rent" from HB 2825, specifically what was included and what excluded from determining a mobile home owner's rent.

Discussion

186 CHAIR BRIAN directed staff to change language in HB 2825, as follows: Lines 22-23 will read the same as the existing law (actual rent up to \$2100), and Line 24 will read "20%). He believed the Subcommittee would recommend that HB 2825 have a subsequent referral to House Appropriations.

Discussion

200 CHAIR BRIAN closed the Work Session on HB 2825.

201 CHAIR BRIAN adjourned the meeting at 12:08.

Paula K. McBride, Committee Assistant  
Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. Testimony of Mike Saba, City of Portland Planning Bureau.
2. Testimony of Dee Walsh, REACH Community Development, Inc.
3. Oregonian article, on Housing Our Families project, Gretchen Dursch.
4. Elderly Rental Assistance Examples: HB 2825 Comparisons, Steve Meyer, Legislative Revenue Office.

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