

January 15, 1991Hearing Room D 10:00 a.m.Tapes 1 - 2

Measures heard: Organizational & Informational

MEMBERS PRESENT:REP. BOB REPINE, CHAIR REP. JUDY BAUMAN, VICE-CHAIR REP. MARIE BELL REP. ROD JOHNSON REP. DAVE MCTEAGUE REP. RON SUNSERI

STAFF PRESENT:JANET MCCOMB, COMMITTEE ADMINISTRATOR KIMBERLY BURT, COMMITTEE ASSISTANT

WITNESSES:JOHN LATTIMER, LEGISLATIVE FISCAL OFFICER, LEGISLATIVE FISCAL OFFICE, (LFO) DOUG WILSON, ANALYST, LEGISLATIVE FISCAL OFFICE, (LFO)

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

TAPE 1, SIDE A

005 CHAIR REPINE: Calls the hearing to order and asks the members to briefly describe their background. (10:00 A.M.)

015 REP. SUNSERI: My background is seventeen years as an associate broker in real estate; I think we need to address low income housing and the homeless problem, to whatever degree we can.

020 REP. BELL: I represent District 41 and I don't have a background in housing, although I believe, as being the representative of the second largest metropolitan area, that there is a need for representation in the housing area.

I don't believe that there will be a lot of money from the state to solve those needs, but I believe our roll is to be leaders and to find ways to find low cost housing.

030 REP. MCTEAGUE: I represent District 25 and there is a lot of new housing going in and I also have a lot of mobile home parks and I'm interested in those issues as well as low income housing.

037 REP. JOHNSON: I represent Douglas County; I think state monies will not be the solution to our housing problems; we need to focus on the reason that private persons are no longer participating in providing housing as they historically have, seeing if we can create an atmosphere that would lead to more private monies being put into housing projects.

050 REP. BAUMAN: The housing committee is underrated, but one that can do a lot.

There is a need in Oregon for low income and affordable housing and that is my major interest in the committee; mobile home issues will also be important this session.

I am concerned that economic development can't happen without available housing.

092 REP. BAUMAN: I am the Vice-Chair of the committee and I represent Southeast Portland, District 13.

CHAIR REPINE: I represent Josephine County; I have been a builder for eighteen years.

There is a concern in Oregon with housing deficiencies and the issues we took on last session will be back, including everything from migrant housing issues to mobile home issues.

I think we got a clear message from Governor Roberts when she set aside five million dollars in lottery funds for housing.

115 CHAIR REPINE: I have met with a coalition dealing with housing issues and those people will be coming to us throughout the session and they will be a good resource to this committee.

REP. BELL: We have three members carrying over and I think that will help us to maintain philosophies and goals.

135 REP. SUNSERI: Measure 5 doesn't have to be our enemy in this particular situation; I think that as the corporate world starts to see some benefit from the reduction of taxes we may see some substantial assistance in housing in terms of volunteerism.

148 CHAIR REPINE: We have proposed committee rules, (EXHIBIT A).

Some changes were made on item numbers four and twelve.

REP. BAUMAN: Can we talk about the policy on convening; these rules are very strict.

CHAIR REPINE: I would rather make time available to members after the hearings as opposed to starting later and finding out we didn't have enough time to accomplish our tasks.

REP. JOHNSON: Will roll be taken?

CHAIR REPINE: Yes, at the beginning of the meeting.

200 MOTION: CHAIR REPINE moves adoption of committee rules.

210 VOTE: In a roll call vote the motion carries unanimously.

216 CHAIR REPINE: We have developed a list of issues for the housing committee, (EXHIBIT B); please review that list.

245 CHAIR REPINE: We will have a summary of housing issues at the end of the week.

We will be bringing our own bills from our offices this session and I encourage members to have their staff pull those files.

REP. BELL: Can the schedule of testimony at hearings be given to us ahead of time?

CHAIR REPINE: Staff and I are trying to develop a schedule so that you may see where we are headed.

300 JANET MCCOMB, COMMITTEE ADMINISTRATOR: As soon as I put together the information it will be added to the daily schedule that will be delivered to your office each morning.

REP. BELL: I would like to hear from anyone dealing with housing, even if it doesn't deal with a bill.

REP. BAUMAN: That is a good suggestion and Janet is well acquainted with who is out in the community and I know we are going to get information from the Housing Agency; there are concepts that are catching on in other parts of the country such as "linked deposit" and we should hear about those programs and then decide what fits in Oregon.

CHAIR REPINE: We have already started arranging for agencies to come give overviews so you will have a sense of who the overall participants in Oregon are.

355 JOHN LATTIMER, LEGISLATIVE FISCAL OFFICER: HB 2877 required that the Fiscal Office do program budgeting in three areas, one of which is housing; the audit committee has also asked us to give a report on housing and we have submitted a report containing that information, (EXHIBIT C).

395 DOUG WILSON, ANALYST, LEGISLATIVE FISCAL OFFICE (LFO): Our report, Exhibit C, deals with program review, which is an overview of housing programs, mainly directed at low income, medium income and affordable housing as well as looking at the state budget, the definition of housing and what state agencies provide in terms of housing programs.

430 WILSON: Housing is one of the few areas that sees program growth in the Governor's budget; in addition, the federal role in housing changed significantly during the 1980's.

There has been between a 70% and 80% cut in programs with the federal government (HUD).

460 WILSON: We are also working now under a state cap, so housing ends up competing with economic development, pollution control, student loans and a host of other things.

We did find that there is a shortage of affordable housing in many areas of the state.

TAPE 2, SIDE A

030 WILSON: The Home Investment Partnership Act transfers more responsibility to state and local agencies to fund and administer housing development programs; the federal programs also place a greater importance in non-profit housing developers.

040 WILSON: Federal, state and local governments provide some type of housing, or have a role in housing, although generally federal and state agencies provide the funding while local agencies provide the services directly to the clients.

Federal participation goes back to the 1930's; in the report, Exhibit C, on page 43, major federal housing programs are outlined.

060 WILSON: The Department of Housing and Urban Development, (HUD) provides rental assistance, section 8 housing and development and financing for housing for elderly and low income households.

HUD also guarantees loans and they provide financing for community development relying on state and local agencies to provide their services.

The Farmers Home Administration generally serves rural populations; unlike HUD, they provide direct services and don't rely on local agencies to provide services.

085 WILSON: A number of other federal agencies have some form of program, such as the Veterans Department, The Department of Energy, Human Services and the Defense Department.

Federal tax incentives play a role in housing with home mortgage interest deductions and property tax deductions; there are tax exempt bonds and the low income housing tax with the Housing Agency in Oregon.

100 WILSON: The state's role in housing is generally limited to providing property tax relief to low income and senior citizen households and acting as a conduit for federal funds or federally authorized funds.

Five state agencies provide over 400 million dollars worth of housing assistance that flowed through state government in the current biennium.

Uses overhead to describe housing programs and expenditures, see Exhibit C.

155 WILSON: Continues going over housing expenditures by state agency, see Exhibit C.

The states tax incentives are listed on page ten of the report, see Exhibit C.

190 REP. BAUMAN: Did you include tax increment district funding in your look at property tax funding?

WILSON: I know that some of that can be used for housing, but I'm not aware of the law on that.

REP. BAUMAN: It isn't used for low income housing?

WILSON: It is used some; Portland does some.

215 WILSON: Local non-profits have become a focal point; there isn't a great supply of them in the non-metropolitan areas of the state.

A primary concern is the lack of financial and staff resources for non-profits across the state.

240 REP. SUNSERI: Do you have data on participation of property owners in Section 8 showing either an increase or decrease?

WILSON: I will follow up on that.

248 WILSON: We tried to focus on safe and affordable housing for median

and below median households; this means providing shelter by facilitating home ownership for median to below median income households, providing affordable rental units, providing temporary emergency housing, providing housing for special needs and providing information and technical assistance.

260 WILSON: We left out programs that don't look at income levels and those that look at types of housing unless the major participants were median income or low income; we didn't look at prisons and half-way houses or foster care programs or student or staff housing.

We ended up with twenty-three programs inside five agencies representing over 403 million dollars worth of program in the 198 9 - 91 biennium.

292 REP. BAUMAN: What percent of the total is general fund money?

WILSON: 34%; keep in mind that 98% of that 34% is property tax relief.

We focused on target groups, median income (\$37,000), low income and very low income; we also looked at special needs groups and migrant farm workers in terms of dividing up some of the numbers.

315 WILSON: Shows expenditures by target group on overhead, see Exhibit C.

REP. JOHNSON: What is "low income"?

WILSON: Low income in Portland is \$29,700 for a household of four and \$20,800 for a household of one; very low is \$18,550 for a family of four and \$13,000 for a single person household.

360 WILSON: Continues describing expenditures by target group, see Exhibit C.

390 WILSON: Describes expenditures by fund type, see Exhibit C.

460 WILSON: Shows expenditures by service type, see Exhibit C.

TAPE 1, SIDE B

045 WILSON: Our intent was to describe rather than evaluate programs.

We found an absence of formal coordination and communication; an overlapping of services; lack of consistent reliable data concerning housing needs and available resources; and no strategic plan for the state to deliver housing services.

057 WILSON: We feel it is necessary to have good communication between agencies, but we didn't find that and we came up with three options for coordinating programs; the first was to expand the role of the state housing council to include coordinating housing activities of all state agencies.

070 WILSON: There is a statutory requirement that the Housing Agency review and coordinate housing programs of state agencies, but the recognition of this requirement for participation varies from agency to agency.

The third alternative was to develop a formal coordination entity; there is a group in DHR established by the director that meets informally to

explore housing trying to come together to coordinate.

An alternative we found would be to formalize that effort or some similar effort.

085 WILSON: We found duplication of services; absent any further study it was unclear if the overlapping of services was beneficial or reflect an effective distribution of resources, but felt it was something to look at.

We found a need for consistent reliable housing data and an absence of accurate information on housing; it is hard to set a strategic plan or get an idea of what the need for housing was without accurate data.

We feel that information should be gathered on housing needs of specific target groups, supply and condition of the states housing stock as well as an inventory of the resources available to provide services and finally we feel that there is a need for a strategic housing plan.

REP. BELL: I am thinking of the mentally and physically handicapped in resident homes and also shelters; I would like us to consider that these are two groups of individuals who are healthy and strong, but very vulnerable.

150 WILSON: Specifically some of the target groups weren't covered as the housing is incidental to the programs received; group homes for the mentally ill aren't included; the housing agency has worked with the Mental Health Division in attempting to downsize Fairview, financing group homes for people.

REP. BELL: I am afraid that we will overlook them and in our downsizing those people need to go to communities and many of them need those kind of homes.

I would like to get more data on the prevalence of the residence homes for the physically and mentally handicapped to see how much support is being given them.

170 WILSON: If you look at statistics from who the homeless people are you'll find a lot of mentally ill included in that population.

CHAIR REPINE: We might have Mr. Wilson back to answer more specific questions.

185 REP. BELL: I heard the phrase "competing for dollars with economic development" and I would hate to see us compete in any way for any segment of our society; we have the ability to coordinate with economic development, working with housing development, to see if we can't help by being an advocate or helper.

215 CHAIR REPINE: We are adjourned. (11:20 a.m.)

Submitted by, Reviewed by,

Kimberly Burt Janet McComb Committee Assistant Committee Administrator

EXHIBIT SUMMARY:

A - Proposed committee rules, submitted by staff, pp 2 B - Proposed committee topics of interest, submitted by staff, pp 1 C - Report on housing programs submitted by LATTIMER, pp 85