

January 17, 1991Hearing Room D 8:00 a.m.Tapes 3 - 5

Measures heard: LC 1676 HB 2182

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

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

WITNESSES:REP. MIKE BURTON, HOUSE DISTRICT 17 GERALD BIEBERLE, COMMUNITY ACTION AGENCIES AND OREGON SHELTER NETWORK REY RAMSEY, ADMINISTRATOR, OREGON HOUSING AGENCY LYNN SCHOESSLER, ADMINISTRATOR OF PROGRAMS, OREGON HOUSING DIVISION

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 3, SIDE A

005 CHAIR REPINE: Calls the hearing to order. (8:00a.m.)

Roll call: Representatives Bell, Johnson, Shibley, Sunseri and Repine answer "present".

LC 1676; relating to housing for the homeless, (EXHIBIT A).

016 REP. MIKE BURTON, HOUSE DISTRICT 17: We are here to ask the committee to introduce LC 1676.

The measure would designate a coordinator of state agency services to the homeless; in every jurisdiction and district in this state there are homeless people and the definition of homeless varies on who you talk to, but it isn't always the stereo typed derelict on the street.

044 REP. BURTON: Each session we appropriate money on the question of homelessness, yet in the statute there is no one responsible for the coordination of efforts to deal with homelessness in Oregon.

053 REP. BELL: Are we talking about temporary shelters, low income housing,

the whole gamut, or the simple correction of an immediate problem?

REP. BURTON: I would hope this would range from anyone without shelter addressing questions of availability of housing or temporary shelter; we

do bits and pieces of this across the state and we are looking for a point of coordination.

REP. BELL: Would this individual would also coordinate low income housing within the state?

REP. BURTON: That is one piece; my concern is that we get at all the pieces in a coordinated matter.

082 REP. BURTON: Temporary shelter is important, but long term housing for families that are trying to stabilize is also very important; there are a lot of people who are homeless in that sense.

090 REP. JOHNSON: Would the person coordinating the effort have authority to re-allocate existing monies or take money away from anyone currently receiving those monies?

REP. BURTON: No one person is coordinating the monies being spent; where the authority lays and how it should work is something that should be deliberated.

In the original draft of this bill we had designated the Director of the Human Resources Department to be the coordinator, but there is some interest now in re-focusing where housing functions should be and I think that is positive.

110 CHAIR REPINE: I want to clarify that this is somewhat of a conceptual agreement of text you see there; we aren't necessarily here to re-define, amend or craft this bill.

125 GERALD BIEBERLE, COMMUNITY ACTION AGENCIES AND OREGON SHELTER NETWORK: Right now the state Homeless Assistance Program is operated out of the State Community Services Program in the Department of Human Resources.

The funds are basically contracted out to community organizations and community action agencies play the lead role in most communities.

We are asking for this bill because we found that, particularly during the interim, when there is a homeless problem, it is hard to pin any one person down to deal with it.

150 BIEBERLE: The notion has come to take State Community Services out of the Department of Human Resources and combine it with the Housing Agency to get a better focus on some of these programs, and that is why the blank is in the draft.

CHAIR REPINE: At one time there was a calendar date in this draft, why is that gone?

BIEBERLE: We used to think that homelessness was a temporary thing and we found out that wasn't true; homelessness isn't a only a housing problem.

168 REP. SUNSERI: How will you overlap or harmonize with the Housing Authority?

BIEBERLE: It is easiest at the local level; our contractor in Multnomah County has a memorandum of understanding signed with the Housing Agency that defines what each will do in this area.

REP. BELL: It seems we need a better concept or terminology than "homelessness" as it is too narrow; I represent District 41 in Lane County and our commissioners are interested in helping the problem.

220 CHAIR REPINE: We will have the opportunity to develop those definitions.

BIEBERLE: I would assist in that process.

238 MOTION: CHAIR REPINE moves that LC 1676 be put in bill form and be made a committee bill.

244 VOTE: Hearing no objection the motion carries.

262 REP. SHIBLEY: I represent District 12; there is a lot of diversity in that district; I am eager to be an active member on this committee; affordable housing is a concern for most people in my district; I look forward to working with the committee and the staff.

REP. BAUMAN arrives, (8:17 a.m.).

283 REY RAMSEY, ADMINISTRATOR, OREGON HOUSING AGENCY: We will try to give you a feel for what our agency has available to it by way of resources and then we will talk about what we have been doing for the past six months and some of the things we would like to see in the coming years.

We issue general obligation bonds and revenue bonds.

Submits informative material, (EXHIBIT B).

323 RAMSEY: In the last session the legislature gave us the ability to form

Community Development Corporations, (CDC's), which are non-profits and have, as their mission, affordable housing.

REP. MCTEAGUE arrives, 8:22 a.m.

RAMSEY: CDC's are a concept that is growing, there are roughly 22 CDC's in the State of Oregon; the federal government is giving some priorities to non-profits and we need to get them started.

353 RAMSEY: We went to the E-Board in September and asked for funds; we started the Partnership Housing Team, which is basically technical assistance for communities around the state.

We created a Housing Development Officer, (HDO) and a Community Housing Planner.

Describes program.

464 RAMSEY: We need to offer the smaller communities assistance putting together their comprehensive plans; we have sent out a letter to communities reminding them of "goal ten", letting them know that there is a person who can assist them.

TAPE 4, SIDE A

035 RAMSEY: Land use issues significantly impact manufactured housing and mobile homes and they are a viable alternative to affordable housing and that is something we need to pay attention to.

We do have the ability to sell revenue bonds for multi-family housing, although we haven't done that since 1982 when the federal government cut back on section 8 certificates.

We need to get every community in the state to develop an affordable housing plan.

075 RAMSEY: A trust fund from the lottery or any other funding source would

help as it wouldn't carry with its interest rates.

We are hoping for a trust fund, affordable housing in every community and technical assistance.

100 REP. BAUMAN: Have you looked at the possibility of packaging a payroll deduction mortgage payment pool?

RAMSEY: We have looked at employer assisted housing; when I was in New Jersey I went to the affordable housing agency and received materials on that issue; I have seen models.

REP. BAUMAN: Have you seen cost reductions in this negotiating power or is it the assurance of having payments made?

RAMSEY: Anything that makes it more appealing to the financial institution is a plus, but our job would be marketing or salesmanship to get individuals or corporations to want to make this kind of investment for employee benefit; we need to get information out.

145 CHAIR REPINE: We have 22 CDC's; I'd like to see where they are now.

Does your regional idea "dove tail" with economic development?

RAMSEY: Economic development has 6 people; I am asking for 3 individuals.

CHAIR REPINE: Do you think this is obtainable; if we have identified housing as a need and a necessity all over the state?

RAMSEY: I would like to try; the scope is a little less than with economic development.

190 RAMSEY: We feel that housing should be coordinated as much as possible in one entity and we are endorsing the concept of the State Community Services moving and merging with our operations.

RAMSEY: Some communities already want to donate land; other communities aren't interested in this.

REP. SUNSERI: What is your definition of "low cost" housing?

RAMSEY: I'm looking at the affordability level; we look at income levels and the percent of income spent on housing and we look at what we can do to lower the cost.

265 REP. SUNSERI: Is \$400 considered "low" rent?

RAMSEY: For a significant portion of the population it isn't; our requirements are that these units provide for mixed incomes to accommodate different income levels.

282 REP. BAUMAN: Has there been discussion about land trades or land trusts

or using the accounts of the State Land Board to obtain low income housing?

RAMSEY: We get a list from General Services of available lands and when our team is going out they will have that list in hand and will look at the land.

335 REP. SHIBLEY: How do you see regional representatives coordinating these activities?

RAMSEY: There would be an overlap of regions; the coordination has already begun.

We have also put forward a bill saying that when the Economic Development Department is considering projects in the area that housing be one area that they factor in as an infrastructure issue.

REP. SHIBLEY: Do you know where you'll place these?

RAMSEY: No; the greater need is technical assistance; I do feel it is important to get to the outlying areas of the state.

410 REP. JOHNSON: Would the trust fund be funded by the general fund?

RAMSEY: We have asked for a lottery appropriation of 5 million dollars; we know that will only yield a certain amount of interest, but it will get us started and we can go from there.

440 REP. JOHNSON: Private people seem to be discouraged from being landlords; how can we get private people on a small scale to participate?

RAMSEY: There is a trend for smaller private people to be less likely to get involved; we will see if we can research that for you, but we are still getting a lot of interest from the for-profit organizations.

TAPE 3, SIDE B

040 REP. BAUMAN: Most housing programs have been funded through the Department of Revenue; my experience is that HARP hasn't been discussed by the housing committee, but by the revenue committee.

What coordination and impact will there be on low income housing needs for the recipients of HARRP; I would like to see a study of that.

We should look at the possibility of targeting this through a trust fund; I would like your agency and the Department of Revenue to discuss that.

085 RAMSEY: We have looked at HARRP and what impact it could have if re-targeted; we have some models to use if some of the HARP funds were

re- directed and used to build units.

105 REP. MCTEAGUE: What cuts will your agency go through because of measure 5?

RAMSEY: We aren't a General Fund agency; we were told not to expand, although we will be looking to economize.

123 REP. BELL: What entities overlap in Lane County?

LYNN SCHOESSLER, ADMINISTRATOR OF PROGRAMS, OREGON HOUSING DIVISION: The chief project with coordination is the Richardson Bridge project which is using county money, has the Housing Authority participating and has had land contributions.

Our involvement in that was with our Federal Low Income Housing Tax Credit Program and unfortunately our guidelines didn't fit well, but we have revised those.

REP. BELL: We should strongly suggest that all overlapping entities be involved in the process of planning; there may also be more possibility for resources if we do that.

145 RAMSEY: There is a Social and a Housing Planning Committee in that county so it is coordinated and they have private and public sector people working to coordinate the various groups that work on the projects.

REP. SUNSERI: Has there been any attempt to form a task force to try to raise funds in the private sector to assist in housing?

RAMSEY: The trust fund bill provides for the ability for corporations to make donations first; second, our agency is working with several private agencies in looking at loaning us an executive to work with community development corporations.

175 CHAIR REPINE: Calls a recess for the purposes of a five-minute break.

CHAIR REPINE: Calls the hearing back to order.

190 SCHEOSSLER: Reviews programs within the Housing Agency; see Exhibit B.

Our agency is spilt into two divisions, one is the administrative operations division and the other is the program operations division.

210 SCHOESSLER: Goes over programs listed, see Exhibit B.

270 SCHOESSLER: Submits Oregon Housing Resource Guide, see Exhibit B.

Continues going over the Oregon Housing Division programs.

The low income housing fund provided last session wasn't as much as we had hoped for.

Brad Wilder, the Mobile Home Ombudsman in our office, will go over the mobile home programs.

320 SCHOESSLER: The National Affordable Housing Act will serve as a

block grant for housing; I will put together a summary of that bill for you.

390 REP. BAUMAN: It sounds like we should move quickly and draft legislation, perhaps with an emergency clause, because we should have effective legislation being implemented for a strategic plan for housing.

SCHOESSLER: We have the obligation; there is a coordination responsibility.

422 RAMSEY: We have asked housing authorities to send us information; we have been trying to get started notwithstanding the federal legislation.

CHAIR REPINE: Where are we at this point?

RAMSEY: We are getting different responses from different entities; we do know that we need the information, so we are starting.

We are in the very early stages.

474 CHAIR REPINE: Is information still tied up in the census?

RAMSEY: Yes.

SCHOESSLER: HUD has directed the Census Bureau to construct there information so that it will correlate the information required in this comprehensive housing affordability strategy, but the census bureau wasn't prepared to do this for one year.

TAPE 4, SIDE B

040 REP. BELL: Have you considered drafting guidelines to send to local entities so they could be prepared if funds become available?

SCHOESSLER: If Section 8 money, public housing money or Section 202 money is wanted, there must be a local strategy for the community as well as ours.

080 BRAD WILDER, MOBILE HOME PARKS OMBUDSMAN, OREGON HOUSING AGENCY: A typical mobile home park has upward of 100 spaces; young families and older retired groups with incomes that are generally less than average occupy the majority of spaces.

Contrary to the name, mobile homes aren't mobile; once the tenant purchases the home and puts it on rented or leased ground, it is considered stationary.

The mobile home space vacancy rates are low and with an investment in the mobile home, tenants can't simply move on if a dispute occurs with the landlord.

We have dedicated two programs to changes in the mobile home parks; the Mobile Home Park Purchase Program and the Mobile Home Parks Ombudsman Program.

There is a high turnover rate of ownership of mobile home parks and zoning is a problem with mobile home parks; many are zoned for commercial use, so the zoning and planning issue is part of the overall

picture.

160 WILDER: Describes the Mobile Home Parks Purchase Program.

We have had good results from tenants who want to purchase mobile home parks until the Housing Agency tells them that there will need to be a five or ten thousand dollar down payment, and that is where this program fails.

195 CHAIR REPINE: The 5 dollar one time fee was to generate a quarter of a million dollars; where is that money?

WILDER: It was under \$300,000 and the \$5 - 10,000 down payment is per space; there is an average sale price of a mobile home park in this state is between one million and 1.5 million dollars.

220 REP. SUNSERI: What kind of loan to value ratios have you been able to negotiate with lenders?

WILDER: We are looking at alternative forms of financing as lenders are asking for approximately 30% down.

We have never received 100% participation from tenants in a park; we would like to think we can have success with 60% participation.

REP. SUNSERI: There is a program in place then that isn't practical and also the lenders not really cooperating with the concept of the purchase program?

WILDER: That is the case.

245 WILDER: We have shifted the emphasis of the Mobile Home Park Purchase Program to a more basic format; we intend to continue the program, outlining the development of the association, then we will walk the tenants through the process of establishing non-profit corporations and begin to collect money so that the next time that park comes up for sale we will have a "leg up" on the investor or buyer.

REP. JOHNSON: These purchase programs are for parks already existing with people who already own their mobile home and are renting space?

WILDER: Yes.

REP. JOHNSON: So this won't create more parks, but will alleviate the current problems?

WILDER: Yes.

REP. JOHNSON: If the tenants can't raise the money for down payments, what do they do if there are problems such as with the sewer, could they afford to fix it?

WILDER: In going through our presentation we have included the figures you speak of along with professional management staff; the profit in mobile home park ownership is shocking.

333 REP. SUNSERI: How will we make mobile home park investments neutral or tax neutral while not tampering with the rights of private property ownership?



WILDER: We have looked at certain taxes that non-profit corporations aren't subject to; as the tenants purchase the parks the increase in rent stops; this is a land use and a planning issue.

RAMSEY: The object is to take the market out of the process; one way is having a program with down payment assistance; another is empowering CDC's.

435 REP. SHIBLEY: What is the average age of the parks you serve?

WILDER: We see more older parks than new developments; I don't have a figure; old being 30 years.

REP. SHIBLEY: What are the vacancy rates?

WILDER: 1% or less.

I do feel that the majority of the parks are owned by out of state investors.

490 REP. SHIBLEY: What is the average length of ownership?

WILDER: Approximately five years.

TAPE 5, SIDE A

030 REP. JOHNSON: What efforts have there been to identify the reasons these parks aren't getting built?

WILDER: We identified significant planning and zoning problems and often communities aren't interested in construction of mobile home parks.

CHAIR REPINE: Not all mobile homes are movable and single wide and older models aren't accepted at all mobile home parks.

REP. SUNSERI: It isn't just a matter of putting wheels on and moving, it costs up to \$3 - 4,000 sometimes.

100 REP. BELL: Is there an assessment of available land zoned for mobile home parks or modular home parks and also, have we looked the possibility of developing public/private partnerships in purchasing that land and setting up the park and have we looked into helping the individuals actually purchase the mobile home or modular home and compile that into one package in order to encourage free enterprise and the growth and development of this type of housing?

RAMSEY: We aren't in favor of putting taxing burdens on investors or present owners; we are trying to create some sense of competition.

141 WILDER: Not all the mobile home parks in the state want or need to convert; we concentrate on parks that are locked in dispute with horrible conditions, where the tenants see their ownership of the park as a way to recover from the situation they are in.

REP. BELL: We should have an idea of where the available land is.

170 REP. MCTEAGUE: I think we have an understanding of the problems and I hope that we can do something this session to solve the problems.

The initiative process may be the only way to find a solution to rent stabilization and other issues, but I hope that we can find ways to solve some of the problems.

PUBLIC HEARING & POSSIBLE WORK SESSION ON HB 2182

215 SCHEOSSLER: HB 2182 seeks to get consistent treatment of partial rent payments that might be received from state sources as is presently provided for in the statutes for federal sources.

Describes history behind the bill.

In 1989 the statute clarified that the acceptance of the federal portion of rent didn't waive the landlords right to evict the tenant for non-payment of rent; we are seeking to have that same standard established for state portions of rental assistance.

250 REP. SUNSERI: In Portland there is a decrease in property owner participation in the Section 8 program, do you have a feel for that?

SCHEOSSLER: Landlords are hesitant to deal with Section 8 tenants, but there is still a four-year waiting list in Portland, so it is being used.

275 REP. SHIBLEY: Why did the state side of this not get addressed in 1989?

SCHEOSSLER: It was initiated by the Multi-Family Housing Council and prior to 1989 the state wasn't involved in rental assistance programs.

290 REP. SUNSERI: Section 8 requires a portion of a persons income to go toward rent; if the state pays that portion, will the person renting have no investment in the property monthly?

SCHEOSSLER: There will still be a federal Section 8 program; the state will initiate a rental assistance program for households that can't be helped through the federal program.

WORK SESSION on HB 2182

310 MOTION: REP. BAUMAN moves HB 2182 to the floor with a "do pass" recommendation.

320 VOTE: In a roll call vote, the motion carries unanimously. Carrier:  
REP. ROD JOHNSON

346 CHAIR REPINE: Being no further business to come before the committee we

are adjourned. (10:20 a.m.)

Submitted by, Reviewed by,

Kimberly Burt Janet McComb Committee Assistant Committee Administrator

EXHIBIT SUMMARY:

A - LC 1676 submitted by staff, pp 2 B - Informative material submitted  
by RAMSEY, 199 C - Staff measure summary for HB 2182 submitted by staff,  
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