

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks

report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

HOUSE COMMITTEE ON HOUSING AND URBAN DEVELOPMENT

March 5, 1991Hearing Room D 8:00 a.m. Tape 35 - 36

MEMBERS PRESENT:Rep. Bob Repine, Chair Rep. Judy Bauman, Vice-Chair
Rep. Marie Bell Rep. Dave McTeague Rep. Gail Shibley Rep. Ron Sunseri

MEMBERS ABSENT:Rep. Rod Johnson

STAFF PRESENT: Janet McComb, Committee Administrator Kimberly
Burt, Committee Assistant

MEASURES CONSIDERED: SB 80 SB 82A

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TAPE 35, SIDE A

005 CHAIR REPINE: Calls the hearing to order. (8:04 a.m.)

Roll Call: Representatives Shibley, Sunseri & Repine answer "present".

CHAIR REPINE: We will operate as a subcommittee until we achieve a quorum.

PUBLIC HEARING SB 80 Witnesses: John Mangis, Oregon Department of Veterans Affairs, (ODVA)

Staff submits summary of SB 80, revenue impact and fiscal impact statement, (EXHIBIT A).

010 JOHN MANGIS, OREGON DEPARTMENT OF VETERANS AFFAIRS, (ODVA): Submits and summarizes written testimony, (EXHIBIT B).

050 REP. SHIBLEY: How long has the FHA policy been 60 days?

MANGIS: I believe that it always has been for occupancy; there are exceptions.

REP. SHIBLEY: How long has your department had the 90 days?

MANGIS: Since the beginning of the program; in the past, the departments underwriting criteria was different than FHA.

We had our own administrative law and policy regarding the program; the 90 days was a liberal amount of time, but it also created problems.

REP. BAUMAN arrives. (8:08 a.m.)

080 REP. SHIBLEY: What is your best guess about floating more bonds?

CHAIR REPINE: Your labor dispute, please update us.

MANGIS: The grievance filed against the agency on the contracting out issue was scheduled for arbitration on March 6th, but the Attorney General has asked for a postponement.

There is work being done to try to address the grievance without going to arbitration.

When we settle that we still have the State Treasurer's moratorium on the sale of bonds to deal with.

110 MANGIS: After Measure 5 passed the moratorium was issued.

REP. MCTEAGUE arrives. (8:12 a.m.)

155 REP. SUNSERI: Are the new loans going from variable rates to fixed and will they be for 30 years?

MANGIS: Terms of loans can go out to 30 years; it is up to the veterans themselves as to what they can afford and we can adjust that.

ODVA asked for the authority to make variable rate loans, but had to raise interest rates; we hadn't tied it to the bond sales and we should have.

The federal tax law has changed since 1980; in 1980, 1984 & 1986 they tightened down the criteria for the issuance of tax exempt bonds.

210 REP. BAUMAN: What was the discussion in the senate committee on SB 80?

MANGIS: There weren't any concerns that I remember; it is just two things that make sense, trying to address IRS concerns on occupancy and trying to get in line with what is required through FHA as the insurer on new loans.

235 CHAIR REPINE: Closes public hearing on SB 80.

PUBLIC HEARING ON SB 82A Witnesses: John Mangis, Oregon Department of Veterans Affairs, (ODVA) Joe McNaught, Assistant Attorney General, Credit & Bankruptcy Section, Department of Justice, (DOJ)

Staff submits summary of the bill, revenue impact and fiscal impact statements, (EXHIBIT C).

240 JOHN MANGIS, OREGON DEPARTMENT OF VETERANS AFFAIRS, (ODVA): Submits and summarizes written testimony, (EXHIBIT D).

288 CHAIR REPINE: Are there state agencies that have this same Attorney General relationship where they should be represented at all legal action, but have used some method similar to this to take them through

the first step so they don't incur additional costs?

295 JOE MCNAUGHT, ASSISTANT ATTORNEY GENERAL, CREDIT AND BANKRUPTCY SECTION, DEPARTMENT OF JUSTICE (DOJ): We do support this amendment; basically the lay representative provision says that in certain types of cases the Attorney General can consent to lay representation by an agency in contested case proceedings held under the APA.

The agency must go ahead and adopt an administrative rule authorizing agency representatives to appear.

Lay representation has begun to occur in a number of instances; Oregon law says that the state of Oregon can only appear through an attorney in a legal action, unless there is specific exception in a statute and there are some exceptions, one of which is in the district court for small claims proceedings, where the agency can appear without the Attorney General.

We do support this amendment because the first appearance in an FED proceeding is a mere formality and it is costly.

355 REP. SHIBLEY: Under section 1(5)(a) why is that language used?

MCNAUGHT: That is taken from the lay representative provisions of the Oregon Administrative Procedures Act; the idea behind it is that the legal policy of Oregon is stated by one voice, the Attorney Generals Office.

430 REP. SHIBLEY: What happened in the senate that caused improvements to this bill?

MCNAUGHT: They came about because the initial proposal didn't address all the problems that ODVA was trying to cure.

ODVA's need for lay representation aren't specifically situations where ORS 105.130(4) authorized lay representation so we wanted to give ODVA more flexibility.

TAPE 36, SIDE A

033 CHAIR REPINE: Closes public hearing on SB 82A.

We will anticipate holding a work session on these bills at the next hearing.

040 REP. BELL: HB 2704 went to the State and Federal Affairs committee; perhaps we should have the building code folks in to talk about the recent code changes that could impact the cost of housing.

CHAIR REPINE: We introduced the bill and it may come to our committee although it is now in the State and Federal Affairs Committee.

070 REP. BELL: Being on both committees I feel it is more appropriate for this committee as we have heard the background testimony and I didn't feel that the State and Federal Affairs committee understood why this bill was so important.

CHAIR REPINE: We have gone through a lengthy process of learning the background on the issues that deal with the housing situation in Oregon and to have bills go to other committees is somewhat frustrating.

I will try to bring that bill back to our committee.

REP. BAUMAN: Perhaps the committee needs to send a letter to the Chair of State and Federal Affairs and to the Speaker of the House requesting that we get the bill?

CHAIR REPINE: This bill is part of the component of laying the ground work for dealing with the housing issues.

097 JANET MCCOMB, COMMITTEE ADMINISTRATOR: Would we borrow that bill or have it re-referred?

CHAIR REPINE: Borrowing would be appropriate.

REP. BELL: Not only would it make more sense for it to be here, but it appears to me that there is further investigation that needs to be done.

137 CHAIR REPINE: We are adjourned. (8:40 a.m.)

Submitted by: Reviewed by:

Kimberly Burt Janet McComb Assistant Administrator

EXHIBIT SUMMARY:

A - Staff Measure Summary, Revenue Impact & Fiscal Impact statement submitted by staff, pp 2 B - Written testimony submitted by MANGIS, pp 2
C - Staff Measure Summary, Revenue Impact & Fiscal Impact statement submitted by staff, pp 3 D - Written testimony submitted by MANGIS, pp 2