

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 12, 1991Hearing Room D 8:00 a.m.Tape 38 - 39

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

MEASURES CONSIDERED: SB 105A (WRK) SB 108 (WRK) HB 2183
(PUB)

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TAPE 38, SIDE A

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

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

WORK SESSION ON SB 105

011 MOTION: REP. SHIBLEY moves that SB 105A be sent to the house floor
with a do pass recommendation.

VOTE: In a roll call vote the motion carries. Members Excused:
MCTEAGUE & BAUMAN CARRIER: REP. SHIBLEY

WORK SESSION ON SB 108

023 MOTION: REP. SHIBLEY moves that SB 108 be sent to the house floor
with a do pass recommendation.

VOTE: In a roll call vote the motion carries. Members Excused:
MCTEAGUE &

BAUMAN CARRIER: REP. BELL

PUBLIC HEARING ON HB 2183 Witnesses:Steve Peterson, Director, Oregon
Economic Development Department (OEDD) Rey Ramsey, Director, Oregon
Housing Agency (OHA)

052 STEVE PETERSON, DIRECTOR, ECONOMIC DEVELOPMENT DEPARTMENT: I will discuss our coordination with housing and then offer proposed changes for the bill.

080 PETERSON: Submits written testimony and summarizes programs, (EXHIBIT A).

REP. BAUMAN arrives. (8:10 a.m.)

115 PETERSON: Reviews revenue bonds, see Exhibit A.

We provide for the bonds to be tax exempt; this process is an application process and this is where I think we could plug in the Housing Agency and where we can improve the application process, getting the issue reviewed early in the process.

Under (c), local government review and approval, see (Exhibit A), there is another opportunity to put review of the housing situation into the process.

145 PETERSON: Reviews "inducement resolution", see (Exhibit A) and continues going over approval process.

REP. JOHNSON: The Treasurer issued moratoriums; does that affect you?

PETERSON: No, the moratorium is for GO bonds and we are still issuing revenue bonds.

We have several suggestions dealing with improved coordination, which I think is the intent of the bill:

Notification is important; we would propose that as part of both the Oregon Business Development Fund and Industrial Revenue Bonds, that when we had preliminary information we would notify the Housing Agency of the project, the number of employees and they type of jobs so that the Housing Agency could go in and work with the city and the county.

193 REP. SUNSERI: Is this for people using bonds or for anyone?

PETERSON: Using bonds or our loan programs.

REP. SUNSERI: The private sector wouldn't be required to follow these suggestions?

PETERSON: No, they wouldn't be required to.

205 PETERSON: The commission considers housing in it's review process, looking at a variety of things and housing availability should be added to the list.

A housing analysis should be required of the cities and counties, not the Economic Development Department or the applicant.

PETERSON: Most of the Oregon Business Development Loan Fund projects are small and don't have a big impact on the overall labor force or on the community.

252 REP. JOHNSON: Are there many communities in Oregon that can't absorb twenty new families, in a housing sense?

PETERSON: Notification is important no matter how many employees; we are willing to do this.

Our goal isn't to create paper work; Industrial Revenue Bond projects are normally larger and create more of an impact in a community and those are the ones we need to have notification, work and review on.

REP. JOHNSON: Would this prevent development in small communities?

PETERSON: I'm not comfortable with the word "requiring"; perhaps we could use "considering", but it is something that we are comfortable having in the review process.

REP. MCTEAGUE arrives. (8:22 a.m.)

310 REP. BAUMAN: Do you have a definition of "family wage jobs"?

PETERSON: That depends on the county and community you are looking at; we do have figures we use and I could provide those.

REP. BAUMAN: In any definition housing should be included, especially if the market is so limited that prices have gone up.

353 PETERSON: We would want that spelled out if it was something the commission should take into consideration; the cost of living in a community is considered.

REP. BELL: People seem to think that a total analysis must be done, but I would think that one analysis would do, we wouldn't need a lot of research.

We have already heard that we will have to do that to make the best use of federal funds.

PETERSON: There does need to be planning for housing as well as industrial and commercial property; there will be cases where large projects will go into small communities that will impact the area.

STAFF submits fiscal impact statement on HB 2183, (EXHIBIT B).

TAPE 39, SIDE A

045 REP. SHIBLEY: Is there ever an appropriate role for the money or leverage that you have in the creation of housing?

PETERSON: These two programs are for business; we have included funds in our regional strategy program and are starting to include housing in our community block program.

The Housing Agency and Economic Development Department are working together; there are ways we can coordinate and leverage our resources.

088 PETERSON: I have only been in my job for 8 weeks and we are working together and have made progress; I am asking for more time.

REP. BELL: Would you consider including child care facilities in entities applying for loans?

PETERSON: For most small projects that isn't appropriate, it may be for

some larger projects.

I don't think that should be required, but considered.

REP. MCTEAGUE leaves. (8:40 a.m.)

135 REP. BAUMAN: Should we add language to the definition of family wage jobs to provide assistance in interpreting the federal standards and other state standards that already exist?

155 REY RAMSEY, DIRECTOR, OREGON HOUSING AGENCY: 30% is the limit of what housing should take from a family income.

CHAIR REPINE: What role do you believe the two agencies should play?

170 RAMSEY: The linkage is obvious; you can't have economic development in an area without adequate housing.

This bill points out that notice is important to us; we don't want to turn over the planning aspect to Economic Development as we do that best.

We are asking that planning be formalized so that we can have early notice to start planning.

230 RAMSEY: I wouldn't shift responsibility to the applicant for notification, that should be an agency responsibility, so that language should be changed.

REP. MCTEAGUE returns. (8:47 a.m.)

245 REP. SUNSERI: I'm concerned about the potential for limiting development and the potential for people not being allowed to start businesses at a time when Oregon is in need of jobs.

This is limited to economic development, but I fear this could spread to the private sector.

RAMSEY: The bill does need to be amended; I want notice out of this bill and we also need to change the responsibility for that notice from the applicant to Economic Development.

REP. SHIBLEY: Where does it fit in to notify OHA and does it make sense for OEDD to notify the local housing agency?

RAMSEY: It would be easier to notify us and we would be willing to take on the burden of notifying the local agency.

There should be ongoing communication and I think that we should be notified of any application going into OEDD.

323 REP. SHIBLEY: Do you think if you had 30 - 45 days it would be sufficient?

RAMSEY: We couldn't develop units in that time, but we would have a chance to do planning; it would enable me to set aside bonding for the projects.

343 PETERSON: I do have one amendment in writing, (EXHIBIT C).

We are trying to get notification to the OHA in sufficient time to deal with the issue, expressing concerns to the commission; it could go in lines 22 & 23 or it could be separate.

390 PETERSON: The second change, on page 3 of the bill, would replace lines 16 - 18 and it again is a notification process.

CHAIR REPINE: You aren't asking that we delete section 3?

PETERSON: No, that is a mistake.

441 PETERSON: Section 2 deals with county powers; in section 8 we could say "the commission considering", which would mean that the city and county would have to work with us in considering the availability of housing.

REP. BAUMAN: Section 2 items are discretionary?

PETERSON: Yes and they deal with counties.

REP. SUNSERI: Would you mind putting a number of days in as opposed to "a sufficient amount of time"?

PETERSON: We will try to narrow that down.

We do have an issue of confidentiality to look at.

TAPE 38, SIDE B

035 REP. BAUMAN: What does SRF stands for?

PETERSON: The Governor's Strategic Reserve Fund.

REP. BAUMAN: The notification process may assist the state in developing it's housing program.

PETERSON: RSF is the Regional Strategy Fund; SPWF is the Special Public Works Fund.

070 RAMSEY: There are a number of OEDD programs that could have impact on a community and their housing, so you may want a "catch all" phrase to take care of those situations.

PETERSON: I would have concern if we were placed to do a analysis as the OHA should do that.

REP. BAUMAN: There have been concerns about small applicants being discouraged; we want to make it clear that housing needs to be an explicit criteria in the determination of these economic development qualifiers and I would ask that we add language to lend guidance.

The real purpose is to make sure that housing has a consideration.

130 PETERSON: I agree with the intent; there are areas in this state that really need economic development activity and I don't want to put something in the way of that.

REP. BAUMAN: I'd rather have housing be part of a family wage job as opposed to factoring in costs of commuting and that is where the committee will have to make a decision.

REP. BELL: This could be a wonderful benefit for industry or small business coming into the state; this doesn't need to be a burden.

WORK SESSION ON HB 2183 Witnesses: Rey Ramsey, Administrator, Oregon Housing Agency (OHA) Steve Peterson, Director, Oregon Economic Development Department (OEDD) Arnie Braafladt, Legislative Council (LC)

210 MOTION: REP. BAUMAN moves that on page 1, lines 22 & 23 be deleted, inserting Sub H of OEDD's language and also delete the proposed change that would delete section 3, going with the language following the word "or", deleting lines 16 - 18, inserting the language recommended by OEDD.

CHAIR REPINE: The proposed amendment deals with the aspect of "sufficient time".

RAMSEY: I believe that timing would be at the point the application is received by the OEDD and as the process goes forward, we would have time.

REP. BAUMAN: Delete lines 22 & 23 and insert "notifying the Oregon Housing Agency of proposed projects and related work force increases at the time the application is received by the commission."; we will leave the response to the Oregon Housing Agency.

280 REP. BAUMAN: The same change on page 3; insert "the Oregon Housing Agency has received notification of the proposed project and related work force increases at the time the application was received.".

REP. JOHNSON: Who develops information on the related work force increases?

RAMSEY: That would be an ongoing process.

PETERSON: That would come in with the application.

320 REP. JOHNSON: On page 3, perhaps we could insert "for projects that create more than 50 new full time jobs".

REP. BAUMAN: Depending on the size of the community, 50 may or may not be a significant number; we are trying to create the framework to be evaluated.

I'd prefer a vote on the amendment without a number.

365 REP. SUNSERI: We haven't heard from builders, developers or the communities; I think that we may create something here that could slow down economic development.

RAMSEY: This is a notification to OHA; it will be our responsibility to utilize tools we have to develop housing if necessary.

Nothing in this bill says that loans won't be granted because of a lack of housing.

CHAIR REPINE: For the sake of clarity we will take the amendments a page at a time.

REP. BAUMAN: Withdraws first motion and restates changes to be made

page at a time.

435 MOTION: REP. BAUMAN moves that on page 1, the motion is taken from the OEDD's proposed changes, deleting lines 22 & 23 and insert sub H, "notifying the Oregon Housing Agency of proposed projects and related work force increases at the time the application is received by the commission".

453 VOTE: Hearing no objection the motion carries.

MOTION: REP. BAUMAN moves that on page 3 delete lines 16 - 18 and insert "the Oregon Housing Agency has received notification of the proposed project and related work force increases at the time the application was received by the commission".

TAPE 39, SIDE B

050 RAMSEY: We are discussing what form the notification should come in.

The notification will consist of factual data on the numbers of jobs, expected wage level and the location.

065 REP. JOHNSON: Can we add that you have no authority to halt a project?

RAMSEY: There is an area we miss in this bill and that is what the commission would consider as criteria; we need to add a line saying that the commission, when looking into this, should consider this criteria.

REP. JOHNSON: Would you agree, that for small projects, adding a requirement that you be notified of the number of potential jobs doesn't give you any implied authority to stop a project?

RAMSEY: In my opinion we shouldn't have the authority to stop jobs for housing reasons.

095 REP. SUNSERI: I see this as something that could be catastrophic to the state as far as development of business is concerned.

REP. BELL: I think that there should be some authority to stop projects or there is no reason for planning.

120 REP. BAUMAN: Restates motion.

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

131 MOTION: REP. JOHNSON moves that line 16 of section 3 on page 3, we insert "for projects which create more than 50 new full time jobs,"

140 VOTE: In a roll call vote the motion fails. Members Voting no: BELL, MCTEAGUE, SHIBLEY, BAUMAN & REPINE.

144 MOTION: REP. SHIBLEY moves that on page 1, section 1, insert a subsection that would state "considering housing needs based on the projected workforce increase in the developing area".

156 REP. JOHNSON: Change the word "requiring" to "considering"?

REP. SHIBLEY: Yes, and "planning for adequate" is deleted.

REP. SHIBLEY: "Considering" would come about as a result of their continued communication and coordination with the Oregon Housing Agency, that they include in their factors, what impact there will be on housing based on the projected increases because of the issuance of the bonds.

REP. BELL: Should there be response from OHA?

REP. BAUMAN: The interpretation of the word "considering" would be the common usage of the word; we shouldn't increase the OHA work load.

217 ARNIE BRAAFLADT, LEGISLATIVE COUNCIL: In the absence of a definition applicable, we do refer to Webster's.

RAMSEY: I was looking for notice that would trigger a decision on my part as to whether or not a housing plan was needed; I didn't see a formal report after each notification.

REP. SHIBLEY: Restates motion.

255 VOTE: In a roll call vote the motion carries 5 - 2. Members Voting no:

JOHNSON & SUNSERI

REP. SHIBLEY: In section 1, sub 5, page 2, line 13, I want to insert that the report shall include information from OHA regarding any housing impacts.

REP. SHIBLEY: My concern is that the members of the Trade & Economic Development Committee aren't getting the complete picture; I'm trying to get T&E to receive information on housing in their report.

CHAIR REPINE: We will ask Legislative Council to work on that language.

360 MOTION: REP. BAUMAN moves to include all of the OEDD projects that might impact housing into the reach of this bill.

The relating to clause is broad enough to include coordination of state services with housing needs; I'd like Legislative Council to try.

373 VOTE: Hearing no objection the motion carries.

385 MOTION: REP. BAUMAN moves that on page one insert LC draft language stating "any definition of a family wage job shall take into account the standard that housing costs not exceed 30% of the families disposable income".

407 VOTE: Hearing no objection the motion carries.

MOTION: REP. SHIBLEY moves that the work session on SB 105 & 108 be reopened to allow Representatives Bauman and Mcteague to vote.

VOTE: Hearing no objection the motion carries.

WORK SESSION ON SB 105 & 108

425 CHAIR REPINE: REP. MCTEAGUE, how do you vote on SB 105 & SB 108?

REP. MCTEAGUE: Aye & aye.

CHAIR REPINE: REP. BAUMAN, how do you vote on SB 105 & SB 108?

REP. BAUMAN: Aye & aye.

440 CHAIR REPINE: The committee is adjourned. (10:05 a.m.)

Submitted by: Reviewed by:

Kimberly Burt Janet McComb Assistant Administrator

EXHIBIT SUMMARY:

A - Written testimony submitted by PETERSON, pp 2 B - Fiscal impact statement on HB 2183, pp 1 C - Amendment to HB 2183 submitted by PETERSON, pp 1