

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 26, 1991 Hearing Room D 8:00 a.m. Tape 49 - 51

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

VISITING MEMBERS: Sen. Jim Hill Sen. Joyce Cohen Sen. Peg Jolin Rep. Vera
Katz Sen. Bill Kennemer

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

MEASURES CONSIDERED: HB 2779 (WRK)

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TAPE 44, SIDE A

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

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

WORK SESSION ON HB 2779 Witnesses: Frank Brawner, Oregon Bankers
Association Adriana Cardenas, Program Manager, Governor's Agricultural
Labor Commission Rey Ramsey, Administrator, Oregon Housing Agency, (OHA)
Peter Grundfossen, Oregon Housing Coalition

011 JANET MCCOMB, COMMITTEE ADMINISTRATOR: The (-6) amendments,
(EXHIBIT A) are the (-2) & (-4) amendments combined.

(-7) amendments, (EXHIBIT B); Mr. Brawner would like to talk to us about
those.

MCTEAGUE arrives. (8:03 a.m.)

040 FRANK BRAWNER, OREGON BANKERS ASSOCIATION: We have a problem with
the first sentence in the (-7); they are technical concerns and we do
understand the concept.

If the intent is to target at the 5% level, we should say that; a loan
guarantee is a loan guarantee.

060 BRAUNER: We would suggest that the committee move forward with the bill and we will try to come up with language as it moves through the process.

REP. SHIBLEY: What do you think about just deleting the first sentence?

BRAUNER: I think that would accomplish the same thing.

065 CHAIR REPINE: Do you have amendments that would "fix" the language?

BRAUNER: Only incorporate the second sentence; that takes away the doubt.

It is my hope that we never draw on the fund, but a guarantee is a guarantee.

085 MOTION: REP. JOHNSON moves the (-7) amendments with the deletion of the first sentence.

090 VOTE: Hearing no objection the motion carries.

105 ADRIANA CARDENAS, GOVERNORS COMMISSION, AGRICULTURAL LABOR: The amendments we suggested have been taken care of.

MCCOMB: In section 7 we added language in the (-6) amendments.

CHAIR REPINE: You are comfortable with that language?

CARDENAS: Yes.

113 REP. SHIBLEY: You don't see any need to insert "language barriers"?

CARDENAS: No I don't.

120 REP. JOHNSON: People have contacted me about dedicating a percentage of the dollars to farm worker housing, is that what we are talking about?

CHAIR REPINE: That was part of the original proposal.

REP. JOHNSON: Should we have stronger language regarding children or families with children?

CHAIR REPINE: REP. BELL had that concern at the last hearing and language has been added to address those concerns.

141 MOTION: REP. JOHNSON moves that on line 21 of page two, add "and with substantial interest emphasis on providing housing for minors or families with minor children".

REP. BELL: The very first statement is "very low income families".

REP. BAUMAN arrives. (8:15 a.m.)

175 REY RAMSEY, ADMINISTRATOR, OREGON HOUSING AGENCY, (OHA): We don't have a set aside for children.

If it would comfort you to do so, we wouldn't have a problem; we are trying to get the money around the state dealing with the urban areas as

well as the rural, dealing with the special needs populations.

REP. SUNSERI: I would think that your concerns would be covered by "families".

REP. BELL: The real goal is low and very low income families.

REP. JOHNSON: I will withdraw my motion.

230 REP. BAUMAN: I would like to include numbers in the blanks before sending this to Ways and Means.

CHAIR REPINE: Would you like to give the numbers?

REP. BAUMAN: I asked OHA to come up with a preliminary needs analysis; the numbers we have are based on where housing authorities are and these numbers are an estimate.

280 RAMSEY: We took three sets of numbers, 5, 10 & 15; Rep. Bauman wanted to see what each amount would do and we assumed that we would have a leverage ratio of 5 -1 based on our survey of other states.

We based these numbers on unit costs of about \$35,000, so there are some basic assumptions here.

REP. BELL: Are we assuming that we would use all the money, not that we invest it and use the principal?

RAMSEY: This was a request from Rep. Bauman to show how much we could get for each dollar, (EXHIBIT C).

310 REP. BAUMAN: Page 2, line 13, \$43 million, on line 14 insert \$8 million and that leaves \$35 million for the other account.

330 PETER GRUNDFOSSEN, OREGON HOUSING COALITION: The coalition is recommending \$43 million dollars on line 13 of page 2, \$8 million on line 14 of page 2, \$29 million on line 16 of page 2 and there would be new language under section 4, creating a sub 4 and so it doesn't show as a line in the bill.

In subsection 4 it relates to immediate or start up dollars in the first biennium and that figure would be \$6 million.

The needs out run the figures; we started with a \$30 million base and then negotiated.

CHAIR REPINE: There have been other numbers proposed to tap the \$95 million dollars, which was the old formula of the veterans dollars and another \$15 million.

390 MOTION: REP. BAUMAN moves that on line 13 insert \$43 million, on line 14 insert \$8 million and on line 16 insert \$35 million.

REP. BAUMAN: Without the additional language of the sub 4, the Housing Development and Guarantee Account monies would be appropriated to the State Housing Council to carry out the provisions of the act.

If they couldn't build to the need the money would stay in the Housing Trust Account until it could be spent; the concern and the provision that would be sub 4 is taken care of by appropriating the money to the

State Housing Council which already has limits on it's capacity to spend.

450 CHAIR REPINE: I am not going to entertain the motion at this time; I will close the work session.

Calls a five minute recess. (8:28 a.m.)

INFORMATIONAL HEARING ON URBAN PLANNING

Members of Senate Business Housing and Finance join the committee.

455 CHAIR SHIBLEY: Calls the hearing back to order. (8:39 a.m.)

Peter Calthorpe is our presenter this morning; gives background on Mr. Calthorpe, see (EXHIBIT D).

TAPE 50, SIDE A

037 PETER CALTHORPE, URBAN PLANNER: The time has come for us to reconsider the fundamental structure and the way we build our cities, towns and suburbs; we have reached a crisis point and there are good alternatives close at hand and by beginning to see some of the problems we begin to see them as comprehensive rather than private.

Uses slide projector to show communities where automobiles must be used to interact in the community.

090 CALTHORPE: In terms of household formation, about 73% are non-traditional households that have special needs in terms of housing.

On an average a household spends approximately 20% of their income on automobiles; we should look to communities where people can walk and children have mobility.

The relationship between transit and housing is there.

145 CALTHORPE: The foundation of any good neighborhood is walking environment; we need to understand that walkable communities are what we need to build a viable transit solution.

We looked at housing density and mixed use within a 1/4 mile walking area; this could be incorporated into existing towns.

The core area should have parks, services, retail centers and transit stops while maintaining a street system connecting lower density areas to these core areas.

The strategy is to keep people from using major arterials and freeways.

CALTHORPE: By re-connecting the fundamental pieces that already exist into a frame work that is both accessible to the car and the pedestrian, we get an environment that will receive and support transit.

Prior to World War II neighborhoods were set up this way; public space and parks get put in the center.

300 We don't see eliminating the car, but we do see civilizing it, it doesn't need to dominate; from a contractor's point of view the cost is

the same for developing.

Housing is a key point; we need density and in-fill, but on the other hand there is extreme reticence for that.

Small lot single family homes increase density; adding rental units over garages helps as there is still a detached single family neighborhood, but there is a mix of renters and owners creating a mix of incomes that is desirable.

466 CALTHORPE: Streets should lead somewhere and we should be able to see where; currently most streets lead to arterials.

TAPE 49, SIDE B

065 CALTHORPE: The small towns of America are set up to do this, with simple street systems and direct routes.

Where there is existing housing, second units in single family areas will help with density; by allowing that in-fill you can increase density.

115 CALTHORPE: Direct routes to town squares allow choices, pathways and bike paths allow for other forms of transit than the automobile.

Public space should be the focus, not residual.

In-fill often times adds things communities need such as retail and recreational activities.

200 CALTHORPE: Oregon has led the country in terms of environmental and land use legislation; it is important that regional land use entities such as Metro be re-enforced and extended.

There needs to be state level organization that begins to look at the coordination between transit, affordable housing and public services, creating direction and criteria for the individual comprehensive plans so that they do coordinate and address these issues in a progressive manner.

235 CHAIR SHIBLEY: What kind of acceptance are you getting from bankers and realtors and others; is there understanding that a lot of the infrastructure cost has been socialized?

CALTHORPE: The private sector always sees everything in terms of marketing; the more progressive ones understand that this makes clear sense as people need more convenient lifestyles.

There is a convergence of social, quantitative and qualitative needs.

290 SEN. HILL: What kind of response do you get when you mix races and economic levels?

CALTHORPE: We have mixed low rent levels and higher home prices in the same area and have had no problems.

We have had a fair amount of racial integration; land use patterns alone can't deal with some of the more compound social problems we have.

345 REP. REPINE: How do we de-program our planning philosophy to become

part of the 20th century?

CALTHORPE: We need to re-work the comprehensive plans on the law books.
The next step is revising the ordinances.

REP. REPINE: How do we encourage cities to become creative?

CALTHORPE: There is a new generation of planners coming out; we have frustration with not in my back yard, (NIMBY), situations.

Neighborhood groups need to understand that in-fill isn't going to hurt their quality of life.

450 REP. KATZ: How do we deal with the resistance of in-fill as it relates to the automobiles on those streets?

CALTHORPE: If you are going to add density there should be transit systems available; growth should be focused around transit systems.

Services need to be added and the nature of streets must be changed; there is a matrix of things that need to be done together.

TAPE 50, SIDE B

060 REP. SHIBLEY: Northeast Portland seems to have used many of the situations proposed but still has terrible congestion on local streets.

The cars parked on the local streets are residents cars.

CALTHORPE: I don't advocate reducing parking ratios.

085 REP. BAUMAN: Did the law in California that requires 20% of all money coming to a tax increment financed re-development district go to low income housing have impact on your ability to plan and do re-development?

CALTHORPE: That is an important component, and I think it is necessary; I personally believe in inclusive zoning across the board.

REP. BAUMAN: I'm interested in programs that give incentives to families who give up a car; I am also interested in the transit finance link.

155 REP. BELL: Given that it will take a long time to make change, we have an opportunity to offer expertise; what small steps can we take to encourage individual projects?

CALTHORPE: Whenever there is a retail center it should be allowed to be used for mix use; if you give the retailer the option they may add office space or housing and that creates housing and jobs within walking distance.

REP. BELL: If we were to have funding, should part of that go toward projects that encourage walking and other suggestions you have?

CALTHORPE: We do have some guidelines we produced for the County of Sacramento that summarizes the general approach I've presented here today.

190 REP. REPINE: The bottom line is that if this doesn't help the bankers, reserving the clarity of their loans, it has no value; how have other lenders bridged that gap?

CALTHORPE: Many things could be credited towards mortgage capacity qualifying people.

REP. REPINE: Will we ever be able to subdue the cautions?

CALTHORPE: The S & L scandal is a tragedy; I can't predict what will happen, they are extremely conservative at this point.

Impact fees and assessments can be high and that destroys the opportunity for affordable housing and creates a displacement of obligation.

275 REP. BAUMAN: I am fascinated by the link between housing and transit; have you seen rentals with conditions such as not being allowed to own a car?

CALTHORPE: I haven't seen anything like that here, but in Manhattan they have done that.

CALTHORPE: In SanFrancisco they started building office buildings with no parking and that should probably be the case in Portland.

360 REP. BAUMAN: Small downtown merchants that don't have parking available fail.

CALTHORPE: Small towns many times don't have viable strategies; Portland is larger.

375 REP. KATZ: What drives the ugly development patterns?

CALTHORPE: Part of our scope is to review ordinances and let the city know where the road blocks are; we find the majority of the flaws in the comprehensive plans.

415 REP. SHIBLEY: What kind of planning can we encourage localities to do knowing that we will have more transit friendly link-ups in the future?

CALTHORPE: At a minimum the areas around the station points should be re-zoned in advance of the system arriving so that there may be higher density.

The new growth should be focused on transit oriented environments.

TAPE 51, SIDE A

065 REP. REPINE: Should we have no parking in Portland, forcing people to use the transit?

CALTHORPE: You can't cut off automobiles before you have the transit in place; it is comprehensive planning.

Retail and employment are different; retail is important and shouldn't be threatened.

You can have parking available for two to three hours; you need to

balance how much employment parking capacity you have against the transit capacity.

090 CHAIR SHIBLEY: It isn't just high density areas that have these problems; there are places where the base population won't allow for light rail and other forms of transportation, but it is still doable to reconstruct what is currently there?

CALTHORPE: One strategy is to mandate retail with housing; you can handle a lot of local problems by looking at the kinds of trips taken.

People don't have to give up their cars, but alternatives should be provided.

135 SEN. JOLIN: Your pedestrian concept is advanced; I like the words "mixed use" and that can apply to rural areas as well as metropolitan areas.

REP. REPINE: There is an area outside of Eugene that tried to develop along these lines and the response from the city was that zoning was wrong; how do we get past de-programming of communities?

215 CALTHORPE: It is going to be a long hard change, but it is inevitable and you will have to work at this over time.

REP. KATZ: There is a periodic review of comprehensive plans; we are going to be funding the light rail project for years to come and we should deal with the issue of re-zoning of those areas.

We need to find out if we have the authority for financing of transit districts.

260 REP. BELL: Now more than ever we need state wide guidelines and some legislative intent to guide the implementation of these things.

CALTHORPE: The minimum is to capture all new growth so as not to repeat the past mistakes made.

Part of doing that is clarifying a vision.

290 CHAIR SHIBLEY: The hearing is adjourned. (10:30 a.m.)

Submitted by: Reviewed by:

Kimberly Burt Janet McComb Assistant Administrator

EXHIBIT SUMMARY:

A - HB 2779-6 amendments submitted by STAFF, pp 3 B - HB 2779-1 amendments submitted by STAFF, pp 1 C - Informative material submitted by BAUMAN, pp 1 D - Background on Peter CALTHORPE submitted by STAFF, pp 14 E - Informative material submitted by CALTHORPE, pp 82