

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

May 7, 1991Hearing Room D 8:00 a.m.Tape 84 - 87

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: HB 3034 (PUB) HB 3416 (PAW) HB 2968  
(PUB) HB 3073 (WRK) HB 3075 (WRK) HB 3405 (WRK) HB 3201 (WRK) HB 2463  
(WRK)

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TAPE 84, SIDE A

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

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

010 MOTION: REP. SUNSERI moves the rules be suspended for the purposes of reconsidering the vote on HB 3073.

REP. SHIBLEY arrives.

015 VOTE: In a roll call vote the motion carries. Members excused:  
Bauman Members absent: McTeague

WORK SESSION ON HB 3073

MOTION: REP. SUNSERI moves that the committee reconsider the vote by which

HB 3073 was forwarded to the Committee on Revenue and School Finance by prior referral with a do pass recommendation.

REP. SUNSERI: After we changed "mobile home" to "manufactured housing", Legislative Council advised that this couldn't be done within the relating to clause; amendments have been provided to correct this

technicality, (EXHIBIT A).

030 VOTE: In a roll call vote the motion carries unanimously. Members excused: Bauman Members absent: McTeague

035 MOTION: REP. SUNSERI moves the (-3) amendments to HB 3073.

050 VOTE: Hearing no objection the motion carries.

052 MOTION: REP. SUNSERI moves that HB 3073 as amended be sent to the House

Committee on Revenue and School Finance with a do pass recommendation.

060 VOTE: Hearing no objection the motion carries.

WORK SESSION ON HB 3075

058 MOTION: REP. SUNSERI moves that the rules be suspended for the purpose of reconsidering the vote on HB 3075.

062 VOTE: In a roll call vote the motion carries unanimously. Members excused: Bauman Members absent: McTeague

065 MOTION: REP. SUNSERI moves that the vote by which HB 3075 was referred to the Committee on Revenue and School Finance be reconsidered.

REP. SUNSERI: The committee replaced the words "mobile home" with "manufactured housing" and that can't be done within the existing relating to clause and amendments have been provided to correct this technicality, (EXHIBIT B).

076 VOTE: In a roll call vote the motion carries unanimously. Members excused: Bauman Members absent: McTeague

080 MOTION: REP. SUNSERI moves the (-2) amendments to HB 3075.

VOTE: Hearing no objection the motion carries.

085 MOTION: REP. SUNSERI moves that HB 3075 as amended be referred to the Committee on Revenue and School Finance with a do pass recommendation.

090 VOTE: In a roll call vote the motion carries unanimously. Members excused: Bauman Members absent: McTeague

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

Staff submits work plan, (EXHIBIT C).

WORK SESSION ON HB 3201

115 JANET MCCOMB, COMMITTEE ADMINISTRATOR: The (-2) amendments, (EXHIBIT D), increase the amount from \$10,000 to \$25,000 and make the bill only refer to owners rather than subcontractors.

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

REP. SHIBLEY: Raising this increases the amount of oversight and the number of claims the Construction Contractors Board, (CCB), would have.

MCCOMB: The concern was that \$10,000 may be too low and there has been no testimony in opposition to the \$25,000; we've had comments from the CCB and the Association of General Contractors and none have opposed the increase.

REP. JOHNSON: At this time there is no monetary limit to the claims that the CCB handles if it is residential property.

There may be an implied monetary limit when you talk about residential structures only, but it would certainly be above \$10,000.

CHAIR REPINE: The CCB has a threshold that says that if the work exceeds \$2500 then there must be a contract.

207 MOTION: REP. SHIBLEY moves the (-2) amendments to HB 3201.

VOTE: Hearing no objection the motion carries.

212 MOTION: REP. BAUMAN moves HB 3201 as amended be referred to the Committee on Ways and Means with a do pass recommendation.

MCCOMB: This is going to increase the work load of the CCB and Ways and Means would like to see this in context of their budget.

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

McTeague

WORK SESSION ON HB 2463 Witnesses: Kim Mingo, Associated General Contractors Susan Schneider, City of Portland

240 CHAIR REPINE: REP. BAUMAN prepared the (-6) amendments, (EXHIBIT E).

REP. BAUMAN: Describes (-6) amendments.

298 MOTION: REP. SUNSERI moves that the vote by which HB 2463 was passed be

reconsidered.

VOTE: In a roll call vote the motion carries. Members voting no: Johnson Members absent: McTeague

315 REP. SHIBLEY: Section 8; can you describe why an LID was specified as the only area for known and un-known environmental risks?

REP. BAUMAN: The only example that was specifically brought up to justify the permissive allocation of environmental risks through the bid document was of a local improvement district where the public entity has issued a bond or told members of the public that their portion of the cost would be, being drastically impacted by a previously un-known environmental risk.

357 KIM MINGO, ASSOCIATED GENERAL CONTRACTORS, (AGC): That was the only example given for wanting to allocated unknown risks in the bid documents and that is why we added that.

REP. SHIBLEY: Do LID's only pertain to something other than never developed land?

MINGO: I don't know.

REP. BELL: Why are we adding part (a)?

REP. BAUMAN: We added the word "known" in the middle of line 7 because we are trying to allocate to the public agency specifically.

The real issue isn't how a contractor handles a known risk, but how the contractor and the public entity handle the occurrence of a risk that was un-known at the time of the bid.

442 MINGO: Our intent is to request that the public agencies, if they know that there are conditions, put them in the bid documents so that contractors bidding on the jobs know that there is something out there and can bid appropriately.

475 MOTION: REP. BAUMAN moves section 8 of the (-6) amendments to HB 2463.

TAPE 85, SIDE A

040 REP. JOHNSON: The affect of this would be that to allocate the known environmental risks to a contractor the public agency must identify those risks with precision.

070 VOTE: In a roll call vote the motion carries. Members voting no: Sunseri & Johnson

REP. JOHNSON: Restates earlier motion.

076 REP. BELL: Isn't your concern covered by "known" environmental risks?

REP. JOHNSON: What is wrong with having the public agency state the risks?

REP. BELL: I'd like to avoid having both the agency and the contractor pay to have extensive studies.

MINGO: We believe that the public agency is in the best position to make the determination as to the environmental risks present on their job sites.

The intent of the bill is to try to get them to do some type of investigation to discover the known conditions, making them known to the contractor prior to bid.

REP. BELL: Would the contractor do it again?

MINGO: They would do an visual on site inspection.

123 REP. SUNSERI: Isn't it true that often this is boiler plate language and agencies rely on a change order and if something comes up?

MINGO: Yes; we would like this to be specific as possible.

135 REP. JOHNSON: You had specific identification in mind?

MINGO: We were considering that if the public agency knew that there was an underground storage tank, then they should specifically list "underground storage tank" within the bid document.

REP. BAUMAN: The words "specific" and "precise" could give lawyers a field day and that becomes a known risk.

By requiring a public entity to allocate known environmental natural risks, there is no way to allocate those risks without stating the known environmental risks; the boiler plate language would be meaningless in a contract.

173 MINGO: It was my understanding that known would mean that the public agency would specifically list the particular known environmental conditions within their bid documents.

I agree that "precise" may cause problems and perhaps we could say "specifically identify the environmental risk allocated to the contractor".

REP. BAUMAN: We could use "listing known environmental natural resource risks".

MINGO: We would be agreeable to that.

CHAIR REPINE: We will make that a friendly amendment.

230 MOTION: REP. BAUMAN moves HB 2463 as amended to the floor with a do pass recommendation.

REP. JOHNSON: Section B is in the bill for LID's as they have to send things to a vote of the people before a project can be approved; are there other contracts that aren't required to be approved by the public?

REP. BAUMAN: Local improvement districts are defined in statute and the procedures of a local improvement district are statutory procedures.

265 SUSAN SCHNEIDER, CITY OF PORTLAND: The real concern is that when they approve a local improvement district there is an estimate of what it will cost and if it is going to cost more, they need to know.

REP. JOHNSON: An LID is formed to do a specific project?

SCHNEIDER: Yes.

285 VOTE: In a roll call vote the motion carries unanimously. CARRIER: SUNSERI

PUBLIC HEARING ON HB 3416 Witnesses:Rep. Marie Bell, House District 41  
Richard Weinman, City of Eugene Peter Grundfosson, Association of Oregon  
Housing Authorities

Staff submits fiscal impact statement, (EXHIBIT F).

310 REP. MARIE BELL, HOUSE DISTRICT 41: This tries to make sure that low income housing is addressed.

Our community is solidly behind this measure.

325 RICHARD WEINMAN, HOUSING AND COMMUNITY DEVELOPMENT MANAGER, CITY OF EUGENE: Submits written testimony in support of HB 3416, (EXHIBIT G).

405 REP. SHIBLEY: The City of Eugene doesn't have rent control.

WEINMAN: It wouldn't be rent control, but a contract could be worked under state law that says that if you get these benefits from the city, you must comply with certain rules and one of those is regulating rents to reflect the full value of the property tax exemption.

REP. SHIBLEY: Would Section 8 be acceptable to qualify for low income housing thus receiving the exemption?

WEINMAN: Yes, in theory; project based Section 8 isn't likely as those days are gone and Section 8 certificates go with the tenant.

432 REP. SHIBLEY: What is the median income for Eugene?

WEINMAN: I think it is \$22,000; I'm not certain.

REP. SHIBLEY: What is the vacancy rate?

WEINMAN: It depends; it is basically about 2% currently; for low income housing it is effectively zero.

445 REP. SHIBLEY: What rent threshold is considered low income housing for Eugene?

WEINMAN: We are planning to do a project now that is using about 8 different funding sources including property tax exemptions and tax credits.

We are targeting that to the very low income; a two bedroom unit is renting for \$250 per month which is 30% of a minimum wage salary or someone with 2 children on welfare.

465 REP. JOHNSON: This exemption only applies to new property?

WEINMAN: Yes.

REP. JOHNSON: This allows profit companies to build housing units?

490 WEINMAN: Yes; in reality it would be rare that a profit company would offer these kinds of rents.

TAPE 84, SIDE B

REP. JOHNSON: There is a statute that allows charitable organizations to have tax exemptions; why doesn't this cover that?

WEINMAN: Housing isn't a charitable purpose.

050 REP. BELL: I hope that we have another bill that is more specific on the exemption; I would encourage you to allow the local government to have the flexibility rather than putting in a date as it is part of their negotiating power.

REP. SUNSERI: Can profit companies withdraw?

WEINMAN: Probably not; there probably would be severe penalties on the

local level, but local rules haven't been adopted yet.

090 PETER GRUNDFOSSON, ASSOCIATION OF OREGON HOUSING AUTHORITIES: The median income in Eugene is around \$28,000 to \$30,000 for a family of 4.

We are in support of HB 3416; the housing authorities have no particular responsibility, this is done by local governments.

WORK SESSION ON HB 3416

110 MOTION: REP. BAUMAN moves HB 3416 to the Committee on Revenue and School Finance with a do pass recommendation.

120 VOTE: In a roll call vote the motion carries unanimously. Members excused: Rep. McTeague

PUBLIC HEARING ON HB 3034 Witnesses:Lynn Schoessler, Oregon Housing Agency Bud Norte, Chairman, Mobile Home Owners Association

CHAIR REPINE: This deals with the way we fund the mobile home buy out portion of the account set up for buy outs of mobile home parks.

140 LYNN SCHOESSLER, OREGON HOUSING AGENCY: Submits informative material, (EXHIBIT H).

SCHOESSLER: Describes program, see (Exhibit H).

210 REP. JOHNSON: This proposal is here because of the experiment of letting park tenants become owners of their park failing?

SCHOESSLER: No, the failing hasn't been in the area of the tenants having interest or being willing to create the ownership entity, but from trying to pursue conventional financing and the traditional or normal 30% down payment requirement that manufactured dwelling parks require.

This is 100% financing with the bonds, through the non-profit corporation so there wouldn't need to be a down payment.

250 REP. SUNSERI: What will become of the money raised for down payment purposes?

SCHOESSLER: That money wasn't raised necessarily for down payment purposes, but for the staffing and front end expenses to determine the feasibility of the park purchase by the tenants; appraisals, engineering studies and environmental considerations are a big issue.

REP. SUNSERI: There won't be individual ownership, but the tenants will have control through a board?

SCHOESSLER: That is correct.

275 REP. BELL: Is there one corporation that oversees parks?

SCHOESSLER: I would envision one corporation for each park.

REP. BELL: What if a park is dissolved?

SCHOESSLER: The current statute reads that the non-profit corporation funds must be given to another non-profit entity if that happens.

300 REP. BELL: Could we get the rent lower if this kind of corporation built a new park from scratch?

SCHOESSLER: It would cost more to develop a new park then to purchase an existing facility.

305 REP. JOHNSON: Does the Housing Agency have a limited bonding authority?

SCHOESSLER: Yes, but if we do taxable bonds they don't count.

REP. JOHNSON: Will you be using taxable or non-taxable bonds in this effort?

SCHOESSLER: We would like to use tax exempt bonds to get the first park off to the best start.

379 BUD NORTE, CHAIRMAN, MOBILE HOME OWNERS ASSOCIATION, (MHOA): Submits and reads written testimony in support of HB 3034, (EXHIBIT I).

450 CHAIR REPINE: This bill brings us closer to our intent in 1989; we now have an opportunity to up dollars up that will make those parks obtainable to the tenants.

WORK SESSION ON HB 3034 Witnesses: Bud Norte, Chairman, Mobile Home Owners Association

475 REP. SUNSERI: If these parks become tax exempt and compete in the market place while being tax exempt, will there be problems?

TAPE 85, SIDE B

045 NORTE: I am a resident of one of the largest parks in the state and a few years ago we had a method of financing that wasn't successful and the park sold.

At no time did we anticipate a tax exempt situation; we were replacing ownership with all it's ramifications with ownership by the park residents.

070 REP. JOHNSON: Does the tenant have power to force a purchase on an owner under current law?

CHAIR REPINE: There is no power to enforce the sale, but the tenants will be notified for their consideration of purchase.

NORTE: This does require to have the park to have a park purchase association established.

088 MOTION: REP. BAUMAN moves the (-1) amendments to HB 3034.

091 VOTE: Hearing no objection the motion carries.

093 MOTION: REP. BAUMAN moves HB 3034 as amended to the Committee on Ways and Means with a do pass recommendation.

REP. SUNSERI: If these organizations aren't intending to be tax exempt, we should put that in the bill.



110 REP. BAUMAN: Since the property tax exemption process is capable of being more sensitive than we are and also since they are capable of mandating conditions which maintain rent affordability in keeping with the purpose of the tax exemption, I would rather not take away the flexibility of the local government entity.

140 VOTE: In a roll call vote the motion carries. Members voting no: Johnson

CHAIR REPINE: Calls a recess.

150 CHAIR REPINE: Calls the hearing back to order.

WORK SESSION ON HB 3405 Witnesses:Rep. Marie Bell, House District 41

165 REP. MARIE BELL, HOUSE DISTRICT 41: Testifies in support of HB 3405.

There are many benefits of this as we are talking about not only housing that would be available at a lower cost, but also adding value to our timber products.

This center was initially started to deal with energy conservation; it is an already established center with grant funding that we can enhance to use our funds more wisely.

Lane County was the only community college in the state to pass their budget measure and I believe that has to do with the fact that when our timber workers were displaced, immediately there was a program to bring the dislocated workers back into the work force.

If the University of Oregon can show through their innovative research and development that they are also responding to the critical needs that Oregonians have, then we will be able to make the bond between people and higher education.

200 BELL: This program is set up at the University of Oregon and it doesn't make sense to move it now.

REP. MCTEAGUE returns. (9:50 a.m.)

220 MOTION: REP. SUNSERI moves HB 3405 to the Committee on Ways and Means with a do pass recommendation.

225 VOTE: In a roll call vote the motion carries unanimously. Members excused: Johnson and Bauman

PUBLIC HEARING ON HB 2968 Witnesses:Emily Cedarleaf, Multi-Family Housing Council Chuck Corrigan, Legal Council, Multi-Family Mike Fingerut, Manufactured Housing Communities Charles W. Johnson, Manufactured Homeowners of Oregon Inc. Brad Wilder, Mobile Home Ombudsman, Oregon Housing Agency Jerry Bieberle, Jantzen Beach Floating Home Association David Nebel, Oregon Legal Services

240 JANET MCCOMB, COMMITTEE ADMINISTRATOR: Submits hand engrossed copy of the (-3) amendments, (EXHIBIT J).

250 EMILY CEDARLEAF, MULTI-FAMILY HOUSING COUNCIL: Testifies in support of HB 296 8 -3; submits summary of (-3) amendments, (EXHIBIT K).

300 CEDARLEAF: Summarizes summary of (-3) amendments, see (Exhibit K).

CEDARLEAF: Submits amendment to the (-3), see (Exhibit K).

Summarizes section 6.

410 CEDARLEAF: Summarizes section 7.

REP. JOHNSON returns. (10:03 a.m.)

CEDARLEAF: Continues with summary.

490 REP. MCTEAGUE: What prompts this to be something of state wide significance and what is the state policy we are laying down with this?

TAPE 86, SIDE A

038 CEDARLEAF: As parks close people are displaced and we want it clear that this is of state wide concern.

This is important to the owners and the tenants.

045 CHUCK CORRIGAN, LEGAL COUNCIL, MULTI-FAMILY HOUSING: In response to Rep. McTeague; the purpose of that was to ensure that it is this body who looks on a state wide basis at the provisions for this kind of housing.

REP. MCTEAGUE: This would preempt a city or county from taking a more pro-active or stronger position on the issue of relocation; have there been situations where a city or county has said they wanted to do something in the area of facility closures that people feel uncomfortable with?

CORRIGAN: I am not aware of that.

REP. MCTEAGUE: That is state policy now; what does this do?

CORRIGAN: It makes it clear that there won't be a variety of park closure requirements statewide.

100 CEDARLEAF: Continues with summary; section 13.

125 CEDARLEAF: It has been the goal of the associations that met to have open communication both now and in the future between the Oregon State Tenants Association and/or any other tenants association available.

144 MIKE FINGERUT, MANUFACTURED HOUSING COMMUNITIES: Submits letter in support of HB 2968-3, (EXHIBIT L).

For the first time there is a joint manufactured housing community association; we have approached the concerns brought out and formed a committee that came up with the disclosure concept.

We feel that the bill is concise and pertinent to the time.

The intent of the bill is information, not to preclude the mobile home park owners from the ability to increase rent; this is not a rent bill, but a disclosure bill.

200 REP. JOHNSON: 51% of the tenants can veto a proposed rule change?

CORRIGAN: Rule changes, but not rent levels.

CEDARLEAF: The statute spells out that a landlord can adopt rules and regulations from time to time.

REP. JOHNSON: What is the 50% veto power over?

CEDARLEAF: Any proposal a landlord makes on changing rules and regulations requires a 30 day notice in writing with the tenants having 10 days to respond and if they do so, vetoing the change, the rule wouldn't go into effect.

REP. JOHNSON: Is everything a landlord wants to do dealing with the park, except rent increases, is considered rules or regulations?

242 CORRIGAN: If you look at the required provisions in a rental agreement those are the things that each tenant has individually agreed to with the landlord; the speed people can drive in the park or the hours people can swim in the pool are the kinds of things considered rules and regulations.

257 FINGERUT: This package is a workable and far reaching compromise between OSTA and the manufactured communities in Oregon.

I believe that this bill will solve concerns in making sure that tenants have their rights.

297 CHARLES W. JOHNSON, Manufactured Homeowners Of Oregon Inc., (OSTA): Testifies in support of HB 2968-3.

OSTA is the Manufactured Homeowners of Oregon Inc, but we retain the logo OSTA.

320 BRAD WILDER, MOBILE HOME OMBUDSMAN, OREGON HOUSING AGENCY: The bill does three important things:

1)it provides a policy for rent adjustments. 2)it expands park sales to include floating homes and adds response time from 7 - 14 days. 3)it allows a majority of tenants veto rights over rule changes in the park.

355 WILDER: This bill doesn't do it all, but we have consensus on the bill.

REP. MCTEAGUE: Adjustment of rent; the language isn't specific about what that will contain or how that will be laid out or what the policy statement will be; what have your discussions been regarding how clear that statement will be?

WILDER: The atmosphere to date has been one of cooperation, give and take and mutual attempt at understanding.

I have felt that if there was something that the tenants or owners objected to we could sit down and work it out.

445 REP. MCTEAGUE: I would like assurances that people will get a clear picture of what the rent prospects are.

CEDARLEAF: There is no common ground in what the owners could do or

what the tenants could understand or do.

The association is going to do education and the ombudsman office is charged with providing a sample rental agreement or lease.

TAPE 87, SIDE A

040 REP. MCTEAGUE: The space rents will go up as the cost of land cost and property taxes are factored in; what about telling new applicants the history of space rent increases?

CEDARLEAF: There is nothing to stop that but we have difficulty statutorily putting in requirements that are only used in isolated instances.

REP. MCTEAGUE: You need to be more specific on how the increases will be taken care of.

REP. JOHNSON: By what process does a landlord change their statement policy?

CEDARLEAF: That is part of the contract so it couldn't be changed for existing tenants, but could change it for future tenants.

097 JERRY BIEBERLE, JANTZEN BEACH FLOATING HOME ASSOCIATION: Submits written testimony in support of HB 2968, (EXHIBIT M).

121 DAVID NEBEL, OREGON LEGAL SERVICES: Submits written testimony, (EXHIBIT N).

We are concerned about the effect on people who live in residential vehicles and mobile homes that are located outside of facilities as they wouldn't enjoy the protections of the parts of the land lord/tenant act that apply specifically to movable residences.

Residential and recreational vehicles are critical housing in many areas of our state for low income people and we don't want to see the elimination of that kind of housing.

People who place their mobile homes outside of the facility are at great risk if the protections of the mobile home provisions of the land lord/tenant act don't apply since those people have usually located mobile homes on spaces for a long period of time and are difficult if not impossible to move.

160 NEBEL: I would urge you to look at the restrictions on the applicability of those provisions of the land lord/tenant act.

You could adopt a definition of "transient occupancy" specific to the recreational vehicle context and you may consider an increased notice period for those outside facilities.

193 REP. BAUMAN: We are adjourned. (10:45 a.m.)

Submitted by: Reviewed by:

Kimberly Burt Janet McComb Assistant Administrator

EXHIBIT SUMMARY:

A - HB 3073 (-3) amendments and fiscal impact statement submitted by staff, pp 2 B - HB 3075 (2) amendments submitted by staff, pp 1 C - Committee workplan submitted by staff, pp 3 D - HB 3201 (-2) amendments submitted by staff, pp 1 E - HB 2463 (-6) amendments submitted by BAUMAN, PP 4 F - HB 3416 Fiscal impact statement submitted by staff, pp 1 G - HB 3416 written testimony submitted by WEINMAN, pp 2 H - HB 3034 written testimony submitted by SCHOESSLER, pp 3 I - HB 3034 written testimony submitted by NORTE, pp 1 J - HB 2968 (-3) amendments & hand engrossed copy submitted by staff, pp 44 K - HB 2968 written testimony submitted by CEDARLEAF, pp 5 L - HB 2968 written testimony submitted by FINGERUT, pp 2 M - HB 2968 written testimony submitted by BIEBERLE, pp 1 N - HB 2968 written testimony submitted by NEBEL, pp 2 O - HB 2968 written testimony submitted by staff for the record, pp 1