

ANNOTATED MINUTES

*Thursday, July 7, 1994 - 9:00 AM
Multnomah County Courthouse, Room 602*

BOARD BRIEFINGS

- B-1 Briefing on Mixed Income Housing. Presented by Peter Grundfossen, Association of Oregon Housing Authorities and Denny West, Housing Authority of Portland.*

DENNY WEST AND PETER GRUNDFOSSEN PRESENTATIONS AND RESPONSE TO BOARD QUESTIONS AND DISCUSSION.

*Thursday, July 7, 1994 - 9:30 AM
Multnomah County Courthouse, Room 602*

REGULAR MEETING

Chair Beverly Stein convened the meeting at 9:35 a.m., with Vice-Chair Tanya Collier, Commissioners Sharron Kelley and Gary Hansen present, and Commissioner Dan Saltzman excused.

CONSENT CALENDAR

**UPON MOTION OF COMMISSIONER HANSEN, SECONDED
BY COMMISSIONER HANSEN, THE CONSENT CALENDAR
(ITEMS C-1 THROUGH C-8) WAS UNANIMOUSLY
APPROVED.**

NON-DEPARTMENTAL

- C-1 In the Matter of the Reappointment of Jim Regan for a second term on the Citizen Involvement Committee for a two-year term ending July 7, 1996*
- C-2 In the Matter of the Appointments of Rhybon C. Mayfield, Kim Burgess, Victor Leo, Larry Kochever, Gary Smith, Laura Chenet Leonard and Roseanne Costanzo to the Multnomah Council on Chemical Dependency for two year terms ending July 1, 1996*

SHERIFF'S OFFICE

- C-3 Ratification of an Intergovernmental Agreement, Contract #800784, between the City of Gresham and the Sheriff's Office to Administer Gresham Revised Code Article 10.20 and Provide Payment as Outlined within the Contract, Effective Upon Completion*
- C-4 Ratification of an Intergovernmental Agreement, Contract #800794, between the City*

of Portland and the Sheriff's Office to Administer City Code Chapter 14.74 and Provide Payment as Outlined within the Contract, Effective July 1, 1993

DEPARTMENT OF ENVIRONMENTAL SERVICES

- C-5 *ORDER in the Matter of Designation of Newspaper for Publication of Notice of Foreclosure of Tax Liens as Shown on the Multnomah County 1994 Foreclosure List*

ORDER 94-127.

- C-6 *ORDER in the Matter of the Execution of Deed D941018 Upon Complete Performance of a Contract to BRUCE J. ROTHMAN*

ORDER 94-128.

DEPARTMENT OF COMMUNITY CORRECTIONS

- C-7 *Ratification of an Intergovernmental Agreement, Contract #900085, between the City of Portland Parks Bureau and the Department of Community Corrections to Compensate Multnomah County for Providing Two Trained Crew Leaders and Alternative Community Service Crews to Work in Areas Maintained by the Bureau of Parks and Recreation, Effective July 1, 1994 through June 30, 1995*

- C-8 *Ratification of an Intergovernmental Agreement, Contract #900245, between the Department of Community Corrections and Portland Community College to Provide Instructional Support for the Department's Donald H. Londer Center for Learning, Effective July 1, 1994 through June 30, 1995*

NON-DEPARTMENTAL

- R-1 *PROCLAMATION in the Matter of Multnomah County's Support of Portland's 1994 Gay and Lesbian Pride Parade and Festival*

COMMISSIONER KELLEY MOVED AND COMMISSIONER COLLIER SECONDED, APPROVAL OF R-1. KATHY MILLARD REPRESENTING GAY/LESBIANS EMPLOYEES EVERYWHERE (GLEE) READ THE PROCLAMATION FOR THE RECORD, AND THANKED THE BOARD FOR THEIR SUPPORT. PROCLAMATION 94-129 WAS UNANIMOUSLY APPROVED.

SHERIFF'S OFFICE

- R-2 *Ratification of an Intergovernmental Agreement, Contract #800265, between Sauvie Island Fire District #30 and the Sheriff's Office to Pay District #30 the Cost of Fire Dispatch for Fiscal Year 1993-94 and Fiscal Year 1994-95, Effective Upon Completion*

COMMISSIONER KELLEY MOVED AND COMMISSIONER HANSEN SECONDED, APPROVAL OF R-2. SHARON OWEN

PRESENTED EXPLANATION AND RESPONSE TO BOARD QUESTIONS. INTERGOVERNMENTAL AGREEMENT WAS UNANIMOUSLY APPROVED.

NON-DEPARTMENTAL

R-3 Consideration in the Matter of the Appeal of the Revocation of an Adult Home Care License for Charla Dinnocenzo

PETE KASTING, DEPUTY CITY ATTORNEY FOR THE CITY OF PORTLAND, REPRESENTING THE BOARD OF COUNTY COMMISSIONERS ON THIS ITEM, PRESENTED EXPLANATION AND RESPONSE TO BOARD QUESTIONS REGARDING THIS ITEM.

COMMISSIONER HANSEN MOVED AND COMMISSIONER KELLEY SECONDED, MOTION TO CONTINUE THIS ITEM UNTIL JULY 28, 1994, AT 9:30 AM TIME CERTAIN, TO ALLOW FOR FULL BOARD PARTICIPATION.

MARTIN REEVES, ATTORNEY FOR THE APPELLANT, EXPLAINED THAT THIS REQUEST WAS ACCEPTABLE AND PREFERRED BY HIS CLIENT TO HAVE ALL COUNTY COMMISSIONERS PRESENT.

MOTION WAS UNANIMOUSLY APPROVED.

DEPARTMENT OF HEALTH

R-4 Request for Approval of a Notice of Intent to Apply for a Grant from the Division of Special Populations of the Bureau of Primary Health Care to Fund the Creation of School Based Health Services and Health Education/Promotion Program for Children at Risk of Homelessness

COMMISSIONER KELLEY MOVED AND COMMISSIONER COLLIER SECONDED, APPROVAL OF R-4. JAN SINCLAIR PRESENTED EXPLANATION AND RESPONSE TO BOARD QUESTIONS. R-4 WAS UNANIMOUSLY APPROVED.

NON-DEPARTMENTAL

R-6 Second Reading and Possible Adoption of a Proposed ORDINANCE Amending Ordinance No. 792, in Order to Add and Revise Exempt Pay Ranges

PROPOSED ORDINANCE READ BY TITLE ONLY. COPIES AVAILABLE. COMMISSIONER KELLEY MOVED AND COMMISSIONER COLLIER SECONDED, APPROVAL OF THE SECOND READING. NO TESTIMONY RECEIVED. ORDINANCE NO. 793 WAS UNANIMOUSLY APPROVED.

DEPARTMENT OF HEALTH

R-7 *Ratification of Intergovernmental Agreement Contract #200125 Between Multnomah County and Oregon Health Sciences University, Providing On-Line Medical Direction, Data Collection and Research to the County's Emergency Medical Services Pursuant to County Code, for the Period July 1, 1994 through June 30, 1995 (Continued from June 30, 1994)*

COMMISSIONER COLLIER MOVED AND COMMISSIONER KELLEY SECONDED, APPROVAL OR R-7. BILL COLLINS PRESENTED EXPLANATION AND RESPONSE TO BOARD QUESTIONS. INTERGOVERNMENTAL AGREEMENT WAS UNANIMOUSLY APPROVED.

PUBLIC COMMENT

R-5 *Opportunity for Public Comment on Non-Agenda Matters. Testimony Limited to Three Minutes Per Person.*

JEAN RIDINGS PRESENTED HANDOUTS AND TESTIMONY REGARDING COMMUNITY CONCERNS ON THE SAFETY OF THE RESIDENTS OF INTERLACHEN LANE & BLUE LAKE ROAD. MS. RIDINGS REQUESTED INFORMATION FROM THE BOARD AS TO WHERE TO GO NEXT FOR HELP IN REGARDS TO INSTALLATION OF SPEED HUMPS IN THIS AREA.

MEGANNE BURNS, REPRESENTING THE CHILDREN OF INTERLACHEN LANE & BLUE LAKE ROAD PRESENTED TESTIMONY REQUESTING HELP REGARDING THIS SAFETY PROBLEM.

COMMISSIONER SHARRON KELLEY WILL WORK WITH THIS COMMUNITY ALONG WITH THE DEPARTMENT OF TRANSPORTATION.

There being no further business, the meeting was adjourned at 10:00 a.m.

**OFFICE OF THE BOARD CLERK
for MULTNOMAH COUNTY, OREGON**


Carrie A. Parkerson

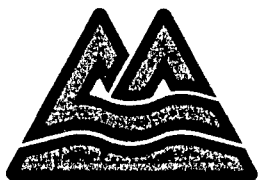
*Thursday, July 7, 1994
Multnomah County Courthouse, Room 602*

EXECUTIVE SESSION

E-1 *The Multnomah County Board of Commissioners Will Meet in Executive Session*

Pursuant to ORS 192.660 (1)(d), for Deliberations with Labor Relations Staff Regarding Labor Negotiations.

EXECUTIVE SESSION HELD. FOLLOW UP SESSION SCHEDULED FOR JULY 14, 1994, TIME TO BE ANNOUNCED. CHAIR STEIN STATED FOR THE RECORD "THAT THE MEDIA IS DIRECTED NOT TO DISCLOSE THE WRITTEN OR ORAL COMMENTS MADE DURING THIS SESSION REGARDING: 1) THE BARGAINING PROCESS; AND 2) THE ECONOMIC ISSUES AND BARGAINING PARAMETERS LISTED IN THE STAFF OUTLINE. THIS ORDER ALSO COVERS THE DISCLOSURE OF THE FACT THAT THE ABOVE ITEMS WERE DISCUSSED IN EXECUTIVE SESSION."



MULTNOMAH COUNTY OREGON

OFFICE OF THE BOARD CLERK
SUITE 1510, PORTLAND BUILDING
1120 S.W. FIFTH AVENUE
PORTLAND, OREGON 97204

BOARD OF COUNTY COMMISSIONERS		
BEVERLY STEIN •	CHAIR •	248-3308
DAN SALTZMAN •	DISTRICT 1 •	248-5220
GARY HANSEN •	DISTRICT 2 •	248-5219
TANYA COLLIER •	DISTRICT 3 •	248-5217
SHARRON KELLEY •	DISTRICT 4 •	248-5213
CLERK'S OFFICE •	248-3277 •	248-5222

AGENDA

MEETINGS OF THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS

FOR THE WEEK OF

JULY 4, 1994 - JULY 8, 1994

Monday, July 4, 1994 - HOLIDAY - OFFICES CLOSED

Thursday, July 7, 1994 - 9:00 AM - Board Briefing Page 2

Thursday, July 7, 1994 - 9:30 AM - Regular Meeting Page 2

Thursday, July 7, 1994 - 10:30 AM - Executive Session Page 4*
**(OR IMMEDIATELY FOLLOWING REGULAR MEETING)*

*Thursday Meetings of the Multnomah County Board of Commissioners are
taped and can be seen by Paragon Cable subscribers at the following times:*

*Thursday, 6:00 PM, Channel 30
Friday, 10:00 PM, Channel 30
Saturday, 12:30 PM, Channel 30
Sunday, 1:00 PM, Channel 30*

**INDIVIDUALS WITH DISABILITIES MAY CALL THE OFFICE OF THE BOARD
CLERK AT 248-3277 OR 248-5222, OR MULTNOMAH COUNTY TDD PHONE 248-
5040, FOR INFORMATION ON AVAILABLE SERVICES AND ACCESSIBILITY.**

Thursday, July 7, 1994 - 9:00 AM

Multnomah County Courthouse, Room 602

BOARD BRIEFINGS

- B-1 Briefing on Mixed Income Housing. Presented by Peter Grundfossen, Association of Oregon Housing Authorities and Denny West, Housing Authority of Portland. 9:00 AM TIME CERTAIN, 30 MINUTES REQUESTED.*
-

Thursday, July 7, 1994 - 9:30 AM

Multnomah County Courthouse, Room 602

REGULAR MEETING

CONSENT CALENDAR

NON-DEPARTMENTAL

- C-1 In the Matter of the Reappointment of Jim Regan for a second term on the Citizen Involvement Committee for a two-year term ending July 7, 1996*
- C-2 In the Matter of the Appointments of Rhybon C. Mayfield, Kim Burgess, Victor Leo, Larry Kochever, Gary Smith, Laura Chenet Leonard and Roseanne Costanzo to the Multnomah Council on Chemical Dependency for two year terms ending July 1, 1996*

SHERIFF'S OFFICE

- C-3 Ratification of an Intergovernmental Agreement, Contract #800784, between the City of Gresham and the Sheriff's Office to Administer Gresham Revised Code Article 10.20 and Provide Payment as Outlined within the Contract, Effective Upon Completion*
- C-4 Ratification of an Intergovernmental Agreement, Contract #800794, between the City of Portland and the Sheriff's Office to Administer City Code Chapter 14.74 and Provide Payment as Outlined within the Contract, Effective July 1, 1993*

DEPARTMENT OF ENVIRONMENTAL SERVICES

- C-5 ORDER in the Matter of Designation of Newspaper for Publication of Notice of Foreclosure of Tax Liens as Shown on the Multnomah County 1994 Foreclosure List*

- C-6 *ORDER in the Matter of the Execution of Deed D941018 Upon Complete Performance of a Contract to **BRUCE J. ROTHMAN***

DEPARTMENT OF COMMUNITY CORRECTIONS

- C-7 *Ratification of an Intergovernmental Agreement, Contract #900085, between the City of Portland Parks Bureau and the Department of Community Corrections to Compensate Multnomah County for Providing Two Trained Crew Leaders and Alternative Community Service Crews to Work in Areas Maintained by the Bureau of Parks and Recreation, Effective July 1, 1994 through June 30, 1995*
- C-8 *Ratification of an Intergovernmental Agreement, Contract #900245, between the Department of Community Corrections and Portland Community College to Provide Instructional Support for the Department's Donald H. Londer Center for Learning, Effective July 1, 1994 through June 30, 1995*

NON-DEPARTMENTAL

- R-1 *PROCLAMATION in the Matter of Multnomah County's Support of Portland's 1994 Gay and Lesbian Pride Parade and Festival*

SHERIFF'S OFFICE

- R-2 *Ratification of an Intergovernmental Agreement, Contract #800265, between Sauvie Island Fire District #30 and the Sheriff's Office to Pay District #30 the Cost of Fire Dispatch for Fiscal Year 1993-94 and Fiscal Year 1994-95, Effective Upon Completion*

NON-DEPARTMENTAL

- R-3 *Consideration in the Matter of the Appeal of the Revocation of an Adult Home Care License for Charla Dinnocenzo*

DEPARTMENT OF HEALTH

- R-4 *Request for Approval of a Notice of Intent to Apply for a Grant from the Division of Special Populations of the Bureau of Primary Health Care to Fund the Creation of School Based Health Services and Health Education/Promotion Program for Children at Risk of Homelessness*

PUBLIC COMMENT

- R-5 *Opportunity for Public Comment on Non-Agenda Matters. Testimony Limited to Three Minutes Per Person.*

*Thursday, July 7, 1994 - 10:30 AM**
****(OR IMMEDIATELY FOLLOWING REGULAR MEETING)***
Multnomah County Courthouse, Room 602

EXECUTIVE SESSION

E-1 The Multnomah County Board of Commissioners Will Meet in Executive Session Pursuant to ORS 192.660 (1)(d), for Deliberations with Labor Relations Staff Regarding Labor Negotiations. ONE HOUR REQUESTED.

Meeting Date: JUL 07 1994

Agenda No.: B-1

(Above Space for Board Clerk's Use *ONLY*)

AGENDA PLACEMENT FORM

SUBJECT: Briefing

BOARD BRIEFING: Date Requested:
 Amount of Time Needed:

REGULAR MEETING: Date Requested: Thursday July 7, 1994
 Amount of Time Needed: 1/2 Hour Requested

DEPARTMENT: Nondepartmental

DIVISION: Commissioner Collier's Office

CONTACT: Commissioner Tanya Collier

TELEPHONE: 248-5217

BLDG/ROOM: 106/1500

PERSON(S) MAKING PRESENTATION: Peter Grundfossen, Association of Oregon Housing Authorities; Denny West, Housing Authority of Portland

ACTION REQUESTED:

☒ INFORMATIONAL ONLY ☐ POLICY DIRECTION ☐ APPROVAL ☐ OTHER

SUMMARY (Statement of rationale for action requested, personnel and fiscal/budgetary impacts, if available):

Briefing on Mixed Income Housing

SIGNATURES REQUIRED:

ELECTED OFFICIAL: _____

OR

DEPARTMENT MANAGER: _____

Beverly Stein

1994 JUN 28 PM 3:52
MULTNOMAH COUNTY
OREGON
CLERK OF BOARD OF COMMISSIONERS

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions? Call the Office of the Board Clerk at 248-3277 or 248-5222.

MIXED INCOME HOUSING LEGISLATION CONCEPT

This is enabling legislation. It doesn't require anyone to do anything.

1. Amends existing housing authorities law (ORS 456.055 to 456.230) to allow housing authorities to rent housing units at market rate rents to persons above 80% of median income level as well as to persons below 80% of median income (the current limitation under Oregon law as interpreted by bond counsel).

2. Requires that excess revenue from the market rate units be used to subsidize housing units for lower income households or for costs of management.

3. There are two methods for developing Mixed Income Housing, either one useable based on local conditions and interests.

A. Housing authorities may develop, acquire, own, and manage (or lease to a manager) housing developments for a mixed income population.

B. Housing authorities may sell their bonds and loan the proceeds to private developers who develop or acquire, own and manage (or lease to a manager) the mixed income developments under agreements with the housing authorities. The agreements would contain a "right of first refusal" allowing the housing authorities to buy the facilities at the end of the agreement period, thereby maintaining the housing for low-income housing purposes.

4. In order to develop Mixed Income Housing an authority must first determine that a substantial number of very low-income households in the area cannot obtain housing for 30% or less of their income. This won't be a problem for the foreseeable future, since 85,000 households in Oregon earn less than 30% of median income and pay more than 50% of it for housing.

MIXED INCOME HOUSING TESTIMONY TO LEGISLATURE

(From Howard Shapiro's testimony before the House Task Force on Low-Income Affordable Housing on May 11, 1994.)

As you have heard at your first hearing on this subject and again today, the need for additional low-income affordable housing is great and the resources with which to meet the demand are scarce. The community-based housing authorities take their responsibility to their various communities' low-income populations seriously, yet they are unable to obtain the resources necessary to fully carry out that responsibility.

We bring to you, today, an idea which, if implemented, will help provide low-income affordable housing at no cost to the State of Oregon. The concept is simple. We call it "Mixed Income Housing".

Under the Mixed Income Housing concept the locally based housing authorities would be given the legal authority to rent some of their apartment units to moderate income households -- at market rates. The revenue from the market rate apartments would subsidize units for very low-income households. This concept, while new to Oregon, has been in use in other states for some time. Washington, Idaho and California housing authorities all have the authority to manage mixed income housing.

The reason we haven't implemented this concept already is that we don't have the authority under state statute. Our empowering statute limits us -- effectively -- to building facilities for those that earn 80% or less of area median income. No other group of housing providers is limited in this way -- not the non-profits, not the CDCs, certainly not the for-profit providers.

Mixed Income Housing can operate in two different ways. The first is where a housing authority develops, owns and manages its own apartment facility. The second is where a housing authority sells its bonds and loans the revenue to a private developer who then develops, owns and manages the apartment facility.

The first method -- where the housing authority maintains ownership -- will provide more net units per development for very low-income households than will the second method, but the second method -- where the housing authority loans the proceeds of its bonds to a private developer -- will also be very productive. Local conditions will determine which of the two methods is put to use by each housing authority.

Implementing the Mixed Income Housing concept would not entail evicting low-income households. In the case of newly developed housing, a lease-up plan would be adopted

which would include a mix of households at various income levels. As to acquired facilities, very low-income households would be introduced as vacancies occurred.

There have been some reservations expressed about the Mixed Income Housing concept. Some counties will be concerned about the loss of tax revenues from the market rate apartments. Housing authorities are property tax exempt, but they make payments to local governments in lieu of taxes. Other local governments will hail the development of new, low-income housing that Mixed Income Housing makes possible. Many local governments will properly point out that local government has a responsibility to help develop housing for low-income people. The property tax exemption is a local government contribution.

This legislation is not mandatory for local governments. To the contrary, it is only enabling legislation, operable only at local option. Housing authorities are an integral part of local government. All of the boards of commissioners of housing authorities are either appointed by county commissions or city councils or they are the county commission or city council. Neither the Mixed Income Housing program nor any other housing authority program will be put in place against the will of the local government concerned.

Some -- not all, but some -- private sector apartment owners will be concerned about housing authorities entering the market rate apartment sector. We have two responses to this concern. First, as a state, we have to get low-income housing from somewhere. There are over 85,000 households in Oregon which earn less than 30% of median income and pay more than 50% of that income for housing. Most of them pay more than 70%. This is a crushing burden on the poor. It is this way because the private sector cannot build and maintain housing at affordable rates for very low-income people. Second, we are talking about very few market rate apartments. In the next few years, if housing authorities built or acquired 1000 units of Mixed Income Housing, fewer than 1/3 of them would be rented to households earning more than 80% of median income. The number wouldn't be noticeable on the market.

One could ask, why bother if that is all that will be built. Our answer is, the state needs to do everything possible to help solve this problem: the state needs the housing trust fund, the Oregon Low-Income Housing Tax Credits, the Farmworkers Housing Tax Credits, the Federal Low-Income Tax Credits, the non-profit providers property tax exemption, and the private participation bonds -- all programs currently in place -- and the state needs Mixed Income Housing as an additional tool. End.

Mixed Income Housing

May, 1994

Page 2

which would include a mix of households at various income levels. As to acquired facilities, very low-income households would be introduced as vacancies occurred.

There have been some reservations expressed about the Mixed Income Housing concept. Some counties will be concerned about the loss of tax revenues from the market rate apartments. Housing authorities are property tax exempt, but they make payments to local governments in lieu of taxes. Other local governments will hail the development of new, low-income housing that Mixed Income Housing makes possible. Many local governments will properly point out that local government has a responsibility to help develop housing for low-income people. The property tax exemption is a local government contribution.

This legislation is not mandatory for local governments. To the contrary, it is only enabling legislation, operable only at local option. Housing authorities are an integral part of local government. All of the boards of commissioners of housing authorities are either appointed by county commissions or city councils or they are the county commission or city council. Neither the Mixed Income Housing program nor any other housing authority program will be put in place against the will of the local government concerned.

Some -- not all, but some -- private sector apartment owners will be concerned about housing authorities entering the market rate apartment sector. We have two responses to this concern. First, as a state, we have to get low-income housing from somewhere. There are over 85,000 households in Oregon which earn less than 30% of median income and pay more than 50% of that income for housing. Most of them pay more than 70%. This is a crushing burden on the poor. It is this way because the private sector cannot build and maintain housing at affordable rates for very low-income people. Second, we are talking about very few market rate apartments. In the next few years, if housing authorities built or acquired 1000 units of Mixed Income Housing, fewer than 1/3 of them would be rented to households earning more than 80% of median income. The number wouldn't be noticeable on the market.

One could ask, why bother if that is all that will be built. Our answer is, the state needs to do everything possible to help solve this problem: the state needs the housing trust fund, the Oregon Low-Income Housing Tax Credits, the Farmworkers Housing Tax Credits, the Federal Low-Income Tax Credits, the non-profit providers property tax exemption, and the private participation bonds -- all programs currently in place -- and the state needs Mixed Income Housing as an additional tool. End.

SOLVING OREGON'S HOUSING PROBLEM SUMMARY

The Problem: Over 5200 Oregonians are homeless every night.¹ Over 85,000 households earning less than 30% of median income² pay more than 50% of that income for housing and utilities³. All these households are at risk of homelessness and have little money for food, clothing, transportation, child care, education, health care, etc. This is the result of 1) people being unable to earn enough money, 2) housing costs rising faster than wages for 15 years, 3) low ADC and Social Security grants, 4) low rental vacancy rates, and 5) private sector builders being unable to make a profit from low-income affordable housing without subsidies.

It is probable that it would take 25,000 new housing units to improve the situation substantially. This would help get the working poor -- including the farmworkers -- off the streets and out of the shelters. However, at \$40,000 to \$50,000 per unit this can't be done in a year.

In addition many of those who need housing also need services such as mental health treatment, case management, alcohol and drug abuse treatment, child care, education, job training, etc.

Housing Production Today: All very low-income housing⁴ must be subsidized. The federal and state governments financed about 1000 new units each in Oregon in 1993. State financing of very low-income housing began in 1992 with the implementation of the Oregon Housing Fund (trust fund) and the OR Low Income Hsg. Tax Credit program.

Future Production Required: The State must continue financing housing at about 1000 units per year and provide emergency and supportive services to the very low-income population. This will require about \$12 million per year, forever. An alternative is the **Ten Year Plan** which will fully fund the housing trust fund in ten years. All housing development and supportive services will be financed, thereafter, from the interest on the trust fund.

Revenue Requirements: 1) \$19 million per biennium for five biennia to the trust fund. Compounded, this will produce \$175 million at the end of ten years. 2) \$24 million per biennium for five biennia to keep up housing production and supportive services.

Revenue Sources: General Fund, Lottery Fund, or a dedicated tax or fee.

¹ Oregon Housing and Community Services "One Night Count", November 17, 1993 and November 18, 1992.

² 30% of median ranges from \$8940 in Medford to \$12,210 in Washington County.

³ State and local Comprehensive Housing Affordability Strategy documents.

⁴ HUD defines very low-income households as those earning less than 50% of local area median income.

SOLVING OREGON'S HOUSING PROBLEM

The Low-Income Affordable Housing Problem

* As in most of the nation, low-income Oregonians are experiencing an affordable housing crisis. The cost of housing has been rising significantly faster than wages in the mid to lower economic strata since 1980. Housing for most very low-income people is substandard and/or too costly for their means. Too many families live on the streets, in shelters, or doubled and tripled in overcrowded conditions, or they pay too much of their limited incomes for housing. These conditions make it virtually impossible for people to find and keep jobs, stay in school, or be successfully treated for alcohol or drug abuse or mental illness.

* Historically, economists, bankers and the federal government have advised householders to pay no more than 30% of their income for housing, including taxes and utilities. However, for the past ten years it has been difficult for those earning less than median income to hold their housing costs to that level, thus putting a squeeze on family budgets for food, clothing, health care, transportation, education, etc.

* It is estimated that some 100,000¹ households in Oregon with incomes of 50% or less of median² pay more than 30% of their income for rent and utilities.

Housing Crisis Indicators

1. 5200 people seek shelter or other homeless assistance in Oregon every night. 1700+ (34%) are children, alone or in families.³ Unknown additional numbers live in cars, on public land, in campgrounds, and with begrudging friends.

2. Most very low-income households earn less than 30% of area median income and pay more than 50% of their income for rent and utilities. These people are all at risk of homelessness. In selected areas the numbers are:⁴

Multnomah County	18,412
Washington County	5,137

¹ The U.S. Dept. of Housing and Urban Development (HUD) reports there are 108,000 in this category after the assistance given by all housing authorities and the Farmers Home Administration (FmHA). However, those that are assisted by various non-profit organizations, an unknown number, must be subtracted.

² HUD defines this group as "very low-income".

³ Oregon Dept. of Housing and Community Services (HCS) One Night Count, November 17, 1993, November 18, 1992.

⁴ All figures are from local or State Comprehensive Housing Affordability Strategy (CHAS) documents.

Solving Oregon's Housing Problem

Page 2

Clackamas County	4,434
Eugene-Springfield	5,485
Salem-Keizer	3,323
Medford	1,375
The rest of the state	<u>47,200</u>
Total	85,366

Additional Problems

* Emergency shelter for families, women, children and youth is insufficient. Typically around the state, there is less space available for these groups than for single men, who until the early Eighties were the greatest users of emergency shelters.

* Rents are high. In the Portland metropolitan area in 1993 two-bedroom apartments built before 1980 averaged \$490; \$544 if built between 1980 and 1988⁵. In Deschuttes County two-bedroom units built before 1980 cost \$465 per month; after 1980, \$500⁶. In Lane County two-bedroom units average \$422 to \$501 depending on zip code area⁷. No one earning \$6 an hour, or who is dependent on an Aid to Dependent Children or a Social Security grant can afford these rates and food, clothing, transportation, education costs and health care.

Additional Causes of Inadequate Housing

- 1) Oregon's low-income population is growing faster than affordable housing is being constructed.
- 2) Many people are incapable of earning enough to afford decent housing, and ADC and Social Security grants are inadequate.
- 3) Without social services some people aren't stable enough to remain housed.
- 4) Housing stock is lost due to redevelopment or deterioration.

Low-income And Homeless People Are Of Many Types

- 1) families (frequently large and/or single-parent families),
- 2) single men and women working for low wages,

⁵ McGregor Millette Report, fall/winter, 1993.

⁶ Housing authority survey.

⁷ Housing authority survey.

Solving Oregon's Housing Problem
Page 3

- 3) people needing group homes or congregate care (chronically mentally ill, developmentally disabled, frail elderly, people with AIDS, children and youth, and teen parents),
- 4) physically disabled,
- 5) victims of domestic violence,
- 6) people recovering from alcohol and drug abuse,
- 7) farm workers,
- 8) persons being released from prison and jail.

New Housing Being Provided Today

* Historically, the federal government through HUD and FmHA has been the largest financer of low-income housing. However, federal dollars for housing construction have been drastically reduced since 1980. Today, there are only small construction finance programs being offered in Oregon by HUD (127 new units in FY 1993) and FmHA (399 new units in FY 1993) for households earning 50% or less of area median income. HUD does participate in funding some additional new housing through HOME and CDBG matching grants, and the federal government provides very low-income housing through the Low-Income Housing Tax Credit program, managed by the State Department of Housing and Community Services (509 units in 1993).

* State general fund money was not used for the construction of housing until 1991 when \$25 million was appropriated to the Oregon Housing Fund (OHF) for new construction, rehabilitation, emergency housing needs, and a housing development trust fund. In 1993 that figure dropped to \$11.5 million. In 1991 the state also established the tenant's tax credit program, making it possible for lenders on qualified low-income developments to reduce their interest rates by up to four percent, passing the savings on to renters.

* The OHF has become a key component in low-income housing finance, providing grants to builders of low-income affordable housing. Because of the relative flexibility of its funds the OHF attracts HUD and FmHA dollars, HUD HOME and CDBG dollars, federal and state housing tax credits, private mortgages and investments, and local government contributions to housing development. As a result, in 1992-93 -- the first year of operation -- the OHF development account leveraged other dollars at a rate of 13 to 1. During that time OHF helped finance more than 1900 units developed by the housing authorities and the non-profits for very low-income households and will contribute to slightly less than that during 1993-95.

Solving Oregon's Housing Problem

Page 4

* Summarizing very low-income housing production in 1993: ⁸	
Oregon Housing Fund =	1000 (approximate)
Federal Low Income Tax Credits =	509
FmHA =	399
HUD =	<u>127</u>
Total =	2035

Support Needed for Housing Development Organizations

* At the local level, financial institutions, private housing developers and community-based housing authorities, non-profit developers and community development corporations provide the development machinery necessary to put affordable housing on the ground. These organizations currently are supported with tax exemptions and tax credits which help them do their work. These supports must be continued and in some cases broadened in order for these local organizations to be as productive as possible in bridging the low-income affordable housing finance gap.

Any assistance should recognize the longstanding contributions of each segment of the provider's network in the provision and operation of affordable housing. A cornerstone of this approach should be that the state build upon existing organizations through partnerships rather than create a new delivery system. This approach is both practical and economical.

For more information contact Peter Grundfossen, 273-4506

Association of Oregon Housing Authorities

May 20, 1994

⁸ It is likely there is some undetected duplication in these numbers, since multiple sources of funding are frequently used in financing very low-income housing.

KEY HOUSING AUTHORITY INFORMATION

December 31, 1993

- ▶ There are 22 public housing authorities operating state-wide. Together they provide services to all of Oregon's counties. They house very low-income (50% or less of median family income) individuals and families, including single parents, the elderly, the disabled and the mentally ill.
- ▶ The housing authorities, by type of provider, are by far the largest provider of low-income affordable housing.
- ▶ Housing authorities provide housing through two types of programs:
 - 1) They own housing which is rented to low-income tenants (Low Rent Public Housing).
 - 2) They provide subsidies to tenants who live in approved, decent, safe housing owned by private landlords ("Section 8" housing).
- ▶ Unfortunately, there are nearly 38,000 households on housing authority wait lists. The list of federal preferences (elderly, disabled, terminal illness, homeless, or paying more than 50% of income for rent and utilities, etc.) is such that many applicants will never get assisted housing and many of those who do will wait more than a year.
- ▶ The smallest housing authority has annual revenue of \$500,000. The largest has revenue of \$37 million. This revenue subsidizes tenant rents and maintains rental housing.
- ▶ Most of the revenue comes from contracts with the federal government (Department of Housing and Urban Development) ; however, tenant rents contribute nearly 40% of the cost of their housing.
- ▶ Average household income for housing authority residents is around \$8000. Each household pays 30% of its income for rent and utilities.
- ▶ The state's housing authorities own 7591 units of housing, both single family detached homes and multi-family complexes. Another 21,658 households live in Section 8 subsidized housing. A total of nearly 30,000 units.

Housing Authorities Serve

65,170 people

33,351 children

5,612 elderly

5,897 disabled

37,963 hshlds on wait lists