

TC: Claudia Johnston

October 5, 1976

FROM: Joan Johnson

RE: 7th Annual Governor's Conference on Housing  
Sheraton Hotel, Portland, Oregon  
September 30, 1976

I attended the conference as a representative of WCCAO.

The following is a summary of the information I considered to be of interest to Community Action.

The theme of the conference: "Can we provide shelter at reasonable cost?" The "we" refers to both private industry and the state as the conference is sponsored jointly by the Oregon State Home Builders Assn. and the State of Oregon Division of Housing.

Betty Niven, chairperson, State Housing Council, spoke of the need to work and plan together to avert the situation now going on in Southern California where there is "panic buying" of "low-cost housing" (not defined)--resulting in escalation of prices, decreasing availability, etc. She said it has reached the point where there are "drawings" for who will get the chance to buy a new home.

Governor Bob Straub addressed the conference, citing the need for decent housing and the lack of low-income housing:

65,000 Oregonians pay too much of their income in rent;

80,000 live in sub-standard accommodations;

\$40,000.00 is the cost of the "average" new house in Oregon, pricing those who earn less than \$17,000.00 annually out of the new housing market.

In an attempt to alleviate this situation, Straub cited the following efforts on the part of the state:

\* He said the State Housing Division was now accepting proposals to build 740 "Section 8" units.

\* He also pointed out that in 1975, \$77 million in property tax relief was refunded to low-income homeowners and renters.

In the spring, according to Straub, the state will launch a "single-family mortgage finance program--at less than 8% interest--for low-income people." (he did not specify how low.)

\* He also stated that the state was going to begin a program to finance "group care" homes.

further, that he was going to ask the State Housing Council to begin immediately:

1. to investigate housing production processes with a view to finding ways to cut costs;
2. to identify irrelevant local codes, etc., with a view to cutting costs, saving time, efficiency, etc.
3. to suggest bold legislation to work for low-cost housing.

Gregg Smith, administrator, State Housing Division, reported on legislative proposals for the 1977 Legislature:

Housing for below-median-income families--approximately \$125 million budgeted: four different bills dealing with this issue.

Homeowner Property Tax Refund Law and Elderly Rental Assistance Law --

Because of confusion and complications between the two laws, Bill LC 603 proposes:

1. \$67 - 90 million to expand refunds;
2. Merge property tax refund with elderly assistance-- could apply for either or both simultaneously, using only one form;
3. Inflation increase in refund--up to 40% on scale;
4. Change elderly eligibility formula from minimum age 65, income under \$3,000, spending more than 60% for rent, to minimum age 58, income under \$3,500, spending more than 40% for rent;
5. in addition, provide utility relief for persons over 60, with incomes under \$5,000.

(Comment: I was particularly concerned with this last recommendation. What about very low-income persons under 60? Surely, they also need relief.)

State Weatherization Bill LC 412-- \$17 million to be administered by State Housing Division to give grants, not to exceed \$300, for upgrading homes for energy efficiency. Eligibility: over 60, with income less than \$3,000.

State Home Repair Program - LC 616--Still in committee. Proposes \$2 million to Housing Division for grants to local governments to administer home repair programs for those with incomes of \$3,400 - \$4,400. Estimate 8 to 10,000 owners could be assisted.

Governor's Housing Conference

State Housing Rehabilitation Loans and Grant Program--  
Governor will introduce. \$15.6 million for low-income families for rehabilitation loans at reduced interest (1% to 7%) or outright grants for very low-income persons.

Smith said the above bills may well be consolidated into one or two bills.

\* Mike Peet, director, Office of Weatherization, said, spoke about the PEA Weatherization Program. He said the energy crunch has hit the low-income people, some spending up to 5% of their income on energy.

He said in the next three years \$200 million will be distributed on a grant basis to the states for insulating homes. 90% of the money is to be used for materials (not labor). Labor could be supplied through CETA, volunteers, other programs. Emphasis would be on help for the low-income elderly and handicapped.

He said money will probably not be available until March, April and May, 1977.

Larry Tuttle, finance manager, State Housing Division:

(I had difficulty hearing him--some of my figures may not be quite accurate--unable to verify at conference.)

He said there are no affordable homes for the low-income person who wishes to buy a home on the open market.

In 1977 HUD will provide 600 units in Oregon through use of Section 8. (Some question as to whether these will all be additional units or will some replace units being phased out in other programs?)

\* FmHA (for rural areas only) will provide funding in Oregon in 1977 for 1,700 (Not sure if I heard that figure right!) new single-family homes for families earning less than \$12,000.

\* FmHA Program 515 will provide 650 multi-family units.

\* FmHA now helps with migrant and farm-labor housing--both new housing and rehabilitation. (He mentioned that Malheur County has done rehabilitation of existing housing under this program.)

SUMMATION: Although I was unable to attend the evening banquet to hear the speaker from HUD, my overall impression is that the band-aid approach continues--with totally inadequate help for low and very low-income people.

For those who earn "too much" to ever qualify for housing subsidies but do not earn \$17,000, their possibilities of buying a house (with its tax advantages) are getting slimmer, while the costs of rentals continue to rise.

Speakers estimated that only about 45% of Oregonians could actually afford to buy a home today (the American dream!) and, as Governor Straub pointed out, many pay far too much for shelter and/or are inadequately housed.

What can WCCAO do? I have asterisked those parts which I felt were of particular interest. I would suggest that you consider the following:

1. Support legislation efforts to improve housing for the low-income people. (This would be more effective if done in conjunction with other CAO's in an organized manner.)
2. Suggest that CAO's state-wide may wish to send their comments and concerns to State Housing Council (Betty Niven, chairperson) since Governor has charged them with coming up with "bold legislation" for low-income persons.
3. Look into specific programs mentioned--could WCCAO sponsor or spearhead any? Put the spurs in WCHA or FmHA?
4. Develop informational program to alert low-income and elderly people in area of property tax relief and/or elderly assistance possibilities. It was mentioned that many people do not take advantage of these programs because they do not know about them.