

City of Sherwood, Oregon

RESOLUTION NO. 91-486

A RESOLUTION ENDORSING THE ESTABLISHMENT OF THE OREGON HOUSING FUND.

WHEREAS, there is a critical need for affordable housing in Oregon, and

WHEREAS, this need includes first time homebuyers with moderate incomes, elderly persons on fixed income, single parent heads of households, and many service workers in the local economy; and

WHEREAS, the need for affordable housing is especially critical to low-income families, many of whom pay as much as 50% to 70% of their income for housing; and

WHEREAS, Washington County's housing costs are among the highest in the state; and

WHEREAS, 34,000 of Washington County residents have incomes lower than the federal poverty level; and

WHEREAS, many of these low income families are at risk of becoming homeless; and

WHEREAS, the demand for emergency shelter in Washington County has risen by 106% over the last 3 years; and

WHEREAS, the Washington County Community Development Plan has identified the need for affordable housing and homeless services and pointed to a lack of available resources; and

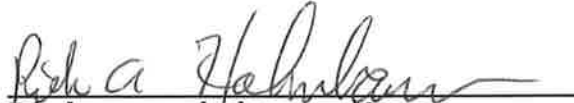
WHEREAS, federal assistance for public housing has been cut by 77% since 1980; and

WHEREAS, state support is needed to fill the gap in affordable housing by developing new housing resources; and


WHEREAS, the Oregon Housing Fund legislation is being introduced, which would appropriate funds to develop affordable housing through construction and rehabilitation, and provide emergency housing services to prevent homelessness and assist the homeless; and

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY OF SHERWOOD, OREGON supports the Oregon Housing Fund and urges the State Legislature to establish and provide appropriations for this Fund.

Duly passed by the City Council on February 27, 1991.


Rick A. Hohnbaum, Mayor

Attest:


Polly Blankenbaker
City Recorder

Consent
2/21

Rich
want this
on agenda
for 2/27?
JF

CONCERNED CITIZENS FOR AFFORDABLE HOUSING
Route 1, Box 220W
Forest Grove, Oregon 97116

February 8, 1991

Mayor Rick Hohnbaum
City of Sherwood
90 N.W. Park
Sherwood, Or 97140

Dear Mayor Hohnbaum:

We are writing to you today on behalf of Concerned Citizens for Affordable Housing to request your support for proposed state legislation which would create and provide appropriations for the Oregon Housing Fund.

The lack of affordable housing is a growing problem in every city in Washington County. First-time homebuyers face difficulty entering the homeownership market since average home sales prices range from \$76,000 in the west county to over \$100,000 in the east county. For low income families the affordability problem is particularly severe. Rents in excess of \$500 a month for two bedroom apartments are common place. Rents for new apartments have increased 35% during the past three years. At any point in time 1,000 families are on the County Housing Authority's waiting list for rental assistance. Requests for assistance by homeless families have increased by 106% over the last three years. For every family served by local homeless shelters, three go unserved due to lack of space.

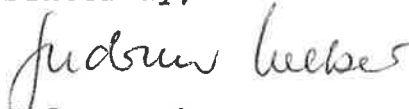
Many states, including Washington, Alaska, and California, have developed housing trust funds to provide state support for building affordable housing in light of the dramatic decrease in federal funding during the 1980's. Several attachments are enclosed which describe the proposed Oregon Housing Fund. The fund is included in the governor's proposed budget. The Fund would be a new tool that local non-profit and for-profit developers could use to create affordable housing. The Fund is a good investment. Every dollar spent will be matched by five dollars in private equity, commercial loans, and other forms of public funding.

We believe that the Oregon Housing Fund will be of great benefit to the cities of Washington County. There is a growing interest in the fund by the governor and among legislators. We request that you take action to express your support for the fund. A sample resolution is attached for your convince.

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Thank you for taking the time to consider this matter and please feel free to contact either Leon Laptok (642-3236) or Gudrun Weber (357-3416) if you require any additional information.

Sincerely,



Gudrun Weber
Chairperson,
Concerned Citizens for
Affordable Housing



Leon Laptok
Steering Committee Member,
Concerned Citizens for
Affordable Housing

Attachment

OREGON HOUSING FUND

BILL SUMMARY

1. Establishes the Oregon Housing Fund and appropriates \$95,000,000 to it.
2. The Fund is comprised of two accounts.
 - A. The Emergency Account
 - B. The Housing Development and Guarantee Account
3. \$15,000,000 is appropriated to the Emergency Account.
 - A. It is managed by the Department of Human Resources.
 - B. The \$15,000,000 is used for a number of purposes.
 - (1) Transitional housing services
 - (2) State shelter assistance program
 - (3) In-home disabled and elderly services
 - (4) Emergency rent and mortgage assistance
4. \$80,000,000 is appropriated to the Housing Development and Guarantee Account.
 - A. Only the revenue earned from Development Account investments can be spent.
 - B. The revenue is managed by the Oregon Housing Council.
 - C. The revenue must be used to construct low-income housing, either new construction or rehabilitation.
 - D. Grants would be given to developers -- for-profits, non-profits (community development corporations) or government entities such as housing authorities or development commissions -- on the basis of cost effectiveness and general effectiveness in housing low-income households.
 - E. At least 75% of the revenue must be spent for households earning less than 50% of area median income.
 - F. No more than 25% of the revenue may be spent for households earning 50% to 80% of area median income.
 - G. Funds can also be used by the Council for technical assistance by the Council to developers and for Council administrative costs.
 - H. The Development Account shall be used as a loan guarantee account for guaranteeing commercial mortgages to low-income households.
5. The Bill also dedicates 5% of lottery revenues to the Development Account. Other sources of dedicated revenue are being sought.

10/19/90

HOUSING AND HOMELESSNESS

The Problem

- * The cost of housing has risen faster than wages during the past ten years: 47% for housing rentals to 34% for wages.
- * Vacancy rates are less than 3% in Portland; less than 1% in Salem, Eugene, Hood River, La Grande, Madras and other areas.
- * Most below-middle income households cannot pay rent and utilities for less than 30% of their income.
- * 50,000 poverty-level households pay more than 30% of their income for rent and utilities; 25,000 of those pay more than 50% of their income; 12,500 pay more than 70%. All are at risk of homelessness.
- * 4000 to 5000 people are homeless in Oregon every night.
- * Housing problems for the poor are made worse by the costs of home heating fuels, transportation, food, education, health care, plus lack of education and job training, mental and physical disabilities, emotional instability, and alcohol and drug abuse.

Necessary Legislation: "The Oregon Housing Fund"

- * The Oregon Housing Fund would provide for two accounts.
- * The Housing Development and Guarantee Account would provide matching money for developers of low income housing, for both new construction and rehabilitation.
- * The Emergency Account would help communities provide emergency rent and mortgage assistance for those who would otherwise become homeless, in-home care to the disabled and elderly not falling under existing programs, shelters and basic assistance to homeless individuals and families, and transitional housing services to those who are escaping from homelessness.
- * The appropriation for the Development Account would be a one-time expenditure, necessary in this biennium only. This money would remain in trust and generate an annual income for matching grants.
- * The grants would be managed by the State Housing Council.
- * Additional, dedicated sources of funds would continue to build the Development Account.
- * The Emergency Account would require a biennial appropriation and would be managed by the Department of Human Resources.

Requested Appropriation

- * \$80,000,000 for Housing Development and Guarantee Account.
- * \$15,000,000 for Emergency Account.

For Further Information Contact Peter Grundfossen, 273-4506

Source: Human Services Coalition of Oregon White Paper, 1990-91