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REPORT III

A
HOUSING PLAN AND ACTION PROGRAM
FOR LANE COUNTY

Lane County, Oregon
October, 1977

MEMORANDUM

lane county



TO Interested Groups and Individuals

FROM Jim Johnson, Lane County Planning Division

SUBJECT Report III - A Housing Plan & Action
Program for Lane County.

DATE October 26, 1977

Attached is a copy of Report III -- A Housing Plan and Action Program for Lane County.

The report includes recommendations on a Housing Plan (goals and policies) and an Action Program. The Action Program discusses steps that Lane County government should take to help solve identified housing problems. The recommendations were formulated as a result of citizen input on proposed goals and policies and from citizen input on a number of housing program alternatives. The proposed goals, policies, and alternatives were presented in a previous report (Report II).

In reviewing the report, please keep the following points in mind:

1. The Housing Plan and Action Program will have the largest impact on unincorporated Lane County -- that area not within city limits.
2. There is a summary of the report presented in the first six pages.
3. There are two public hearings now scheduled:
 - a. Before the Lane County Planning Commission on November 22, 1977, 7:00 P.M., at Harris Hall, 125 East 8th Avenue, Eugene and
 - b. Before the West Lane Planning Commission on December 14, 1977, 7:30 P.M., at the Florence Courthouse Annex Building.
4. If you belong to a group and would like more copies of the report, feel free to ask. Also, if you want me to meet with your group to discuss the report, please call me at 687-4186.
5. The staff, Planning Commissions, and the Board of County Commissioners all desire opinion and comment on the recommendations. You may make your comments known through the public hearing process or by writing your comments to Lane County Planning Division, 125 East 8th Avenue, Eugene, Oregon 97401.

/jt
Attachment

LANE COUNTY BOARD OF COMMISSIONERS

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LANE COUNTY DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

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PUBLISHED OCTOBER, 1977

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SUMMARY

I. Chapter I.

- A. The document presents recommendations on a Housing Plan (goals and policies) and a Housing Action Program for Lane County. (See page 6)
- B. Two previous housing reports have been completed. The first report consisted of technical information on housing in Lane County, including housing problems. The second report presented proposed housing goals and policies and alternate ways that Lane County could become involved in helping to solve housing problems. (See page 6)
- C. There are three major reasons why a Housing Plan and Action Program are necessary: 1) the need to begin solving housing problems in a planned, comprehensive manner; 2) adoption and implementation would assist in reaching economic, energy, social service, and housing goals; and 3) there is a need to comply with state and federal housing planning requirements. (See pages 7-12)
- D. The Plan and Action Program directly affect unincorporated Lane County. (See page 13)

II. Chapter II.

Chapter II presents the Housing Plan for Lane County. Goals and policies are presented, which are general guidelines for county decisions in regard to housing. (See page 15)

Recommendation: The Housing Plan should be adopted and followed by staff the two Planning Commissions, and the Board of County Commissioners.

III. Chapter III.

- A. Chapter III presents a Housing Action Program for Lane County. It consists of specific statements directing Lane County to take action. (See page 23)
- B. Fifty-five individuals and thirteen interested groups provided response to the housing alternatives survey presented in Report II. A majority of respondents did feel that Lane County should be involved in helping to solve housing problems. (See pages 23-27)
- C. Recommendations for increasing the supply of low cost housing.
 1. Begin a new program of landbanking sites for lower-income housing. (See pages 28-29)

2. Consider using currently owned county land for new construction of subsidized housing. (See page 30)
 3. Apply to FmHA to begin a self-help housing program in rural Lane County. (See page 30)
 4. Consider using currently owned county dwelling units for lower-income housing. (See page 30)
 5. Begin a new program of distributing information on new construction programs to developers, builders, and citizens. (See page 31)
 6. Continue to assist builders and developers in providing need and demand for more lower-income housing. (See page 31)
 7. Review the consultant study now being done (to determine the impact of our land development regulations on the cost of land and housing) and take necessary action. (See page 31)
 8. Continue to meet with local labor unions and community college staff to begin a pre-apprenticeship program that would result in "no labor cost" lower-income housing. (see page 31)
 9. Continue to increase the supply of low-cost emergency housing in Lane County. (See page 31)
 10. Conduct research into other ways that Lane County can become involved in increasing the supply of low-cost housing. (See page 32)
- D. Recommendations for the rehabilitation and conservation of existing housing.
1. Begin a new program that establishes a revolving fund for rehabilitation loans. (See page 33)
 2. Continue the existing minor home repair grant program. (See page 33)
 3. Continue the existing program that helps consumers package FmHA loans and grants. When CETA funds are no longer available, continue the program with a permanent source of money. (See page 33)
 4. Continue the existing architectural barrier removal grant program. (See page 34)
 5. Continue the existing weatherization grant program. (See page 34)
 6. Begin a new program that provides a small grant for exterior painting of houses owned or rented by lower-income households.

Pay for materials only. (See page 34)

7. Begin a new program of distributing information on rehabilitation assistance programs to lower-income households. (See page 34)
8. Conduct research into other ways that Lane County can become involved in the conservation and rehabilitation of our existing housing supply. (See page 34)

E. Recommendations for Other Action Program Activities.

1. Expand and strengthen the existing housing referral and client counseling programs. (See page 35)
2. Continue the existing housing planning program. (See page 36)
3. The Lane County Affirmative Action Advisory Committee should investigate the desirability and feasibility of an equal opportunity ordinance that would include a fair housing provision. (See page 36)

F. Recommendations for financing the Housing Action Program.

1. Establish an ad-hoc citizen/staff committee to find ways of raising a continuing and sufficient supply of money to help solve housing problems in Lane County. (See page 37)
2. Establish a revolving loan fund of \$200,000 for landbanking sites for lower-income housing. Additional dollars should be added yearly. (See page 38)
3. Allocate \$1,000 yearly for distributing information on new lower-income housing construction programs to developers, builders, and potential sponsors. (See page 38)
4. No new source of financing is required, at this time, for the following programs: Self-Help, Use of County-Owned Land; Assistance to Developers, Review of County Land Development Regulations; "No Labor Cost" Low-Income Housing; Emergency Housing; and future study. (See page 38)
5. Establish a revolving loan fund of \$300,000 for deferred payment rehabilitation loans to lower-income owner households. (See page 39)
6. Establish a yearly allocation of \$10,000 for the paint program grants. (See page 40)
7. Allocate a \$1,000 yearly allocation for distributing information on rehabilitation assistance programs for lower-income households. (See page 40)

8. No new source of financing is required, at this time, for the following programs: Rehabilitation Grants; People for FmHA Packaging; Architectural Barrier Removal; Weatherization, and future study.

G. Numerical Goals for Housing Assistance. (See pages 41-44)

Recommendation: The following goals are established for Lane County in helping to solve housing problems. Assistance from all available programs is used to set goals and they cover all of Lane County, excluding Eugene and Springfield, for a one year period beginning July 1, 1978.

| <u>Area of Assistance</u> | <u>Units/Households Assisted</u> |
|--|----------------------------------|
| 1. Rehabilitation Assistance to Homeowners | 150-200 |
| 2. Rehabilitation of Rental Units | 0- 25 |
| 3. Homeownership Assistance | 100-200 |
| 4. New Subsidized Rental Units | 30-125 |
| 5. Existing Rental Units | 25- 75 |
| 6. Other Assistance | 300-400 |
| (a. Weatherization | - 250 to 300) |
| (b. Architectural Barrier Removal | - 25 to 50) |
| (c. Lane County Paint Program | - 25 to 50) |
| | ----- |
| TOTAL ALL ASSISTANCE | 605 to 1,025 |

H. Allocation of Housing Assistance Resources. (See pages 44-49)

Recommendation: Housing assistance resources should be distributed in a manner that is proportionate to need by household type as enumerated in the most recent Housing Assistance Plan. For fiscal year 1977-78, the figures are: Elderly and Handicapped - 28 percent; Families - 57 percent; and Large Families - 15 percent.

Recommendation: Newly constructed subsidized lower-income housing is encouraged to occur in and around existing growth areas following the guidelines of the county's coordinated growth concept. Generally, all census tracts are suitable for new construction.

Recommendation: Census tracts 2, 4, 6, 11, 12, 13, and 14 should get 50 percent of all housing rehabilitation resources available. Census tracts 5, 9, 7, 15, and 16 should get 25 percent of

resources. All remaining unincorporated Lane County census tracts should get the remaining 25 percent of rehabilitation resources.

I. Coordination with other plans and other jurisdictions.

Recommendation: Coordination of the Housing Plan and Action Program should be accomplished by: 1) widely distributing the report to economic development people, land use planning people, human services delivery people and all interested people; 2) following the adopted policies which say coordination will occur; and 3) by adopting the area-wide housing plan now being written by the Lane Council of Governments. (see page 50)

J. Evaluation.

Recommendation: An annual housing evaluation report should be written and presented to citizens, the Planning Commissions, and the Board of County Commissioners. The number of households potentially in need of housing assistance should be updated, with new data, at least every five years. (see page 51)

CHAPTER I

Introduction

A. Purpose and Description of Document

This document presents recommendations on a Housing Plan for Lane County (housing goals, housing policies, and other written objectives). The Housing Plan is presented in Chapter II.

Another purpose is to present recommendations on a Housing Action Program for County government. Chapter III presents the action program. It proposes ways in which the County can become involved in helping to solve identified housing problems; it describes actions to be taken to implement the Plan. The Housing Plan and the Housing Action Program are separate but interrelated items.

B. Previous Housing Reports

Two housing reports have preceded the recommendations presented in this document:

1. A report was published in September, 1976 which was titled Housing Market Analysis. Called Report I, it consists of technical data and information on the dwellings and people in unincorporated (outside of cities) Lane County. It contains a description of the supply of housing (number existing, new growth, age, costs, condition, value) and a description of the people who live in the dwellings (total population, age of household head, income, characteristics of elderly, large families, owners, renters, etc.). It also deals with housing problems in unincorporated Lane County such as substandard dwellings, crowding, and paying an excessive amount of income for housing. Finally, it makes projections of these problems and also projects how many dwellings are likely to be built in the next three years.
2. Report II is called Proposed Housing Plan for Lane County With Alternatives for a Housing Action Program. This report was done primarily for citizen involvement purposes. It presented a proposed Housing Plan -- a goal and a set of housing policies to guide decisions -- and also listed alternative ways in which Lane County can become involved in helping solve housing problems.

Both of these reports are available from the Lane County Planning Division.

C. Major Reasons Why a Housing Plan and Housing Action Program are Necessary and Desirable

1. The most important reason a Housing Plan and Housing Action Program are necessary is the need to begin solving housing problems and to do so in a planned, comprehensive manner.

Part I of Housing Element, Housing Market Analysis reported in depth on three major categories of housing problems: substandard dwellings; crowding; and paying an excessive amount of income for shelter. It describes both the size and the location of these problems in unincorporated Lane County. The paragraphs below summarize what was found. Keep in mind that the data reflect unincorporated Lane County -- all that area that is not within city boundaries.

- a. Substandard Dwellings. Using data from appraisals by the Department of Assessment and Taxation, it was found that about 4,700 one-to-four-unit structures are in substandard structural condition. This estimate amounts to over 16 percent of all units appraised and it does not include mobile homes.

Rural Lane County alone (not including the nine incorporated cities) accounts for approximately 4,000 of the substandard dwellings. This is about 26.0 percent of all rural units appraised. In some rural census tracts as many as 40 and 50 percent of all dwellings are considered deteriorated. Almost 46 percent of all substandard dwellings were built before 1940.

These facts indicate that unincorporated Lane County is following a trend that is common throughout the nation. Communities go through a process of growth, maturity, decline, and finally decay. It appears that some parts of Lane County are now in the third stage of the process -- one of decline or deterioration.

The Housing Market Analysis also indicated that 678 dwellings lack some or all plumbing facilities and that over 2,500 dwellings lack a central heating system.

The 4,700 units found to be in substandard structural condition is a large amount. To put it into perspective, if the dwellings were located at urban densities on regular city blocks they would comprise about 237 blocks, or a two square mile area. An area of this size could be easily considered a deteriorated, blighted neighborhood or even perhaps a slum. The fact that these units are spread throughout the County softens the impact somewhat.

- b. Crowding. Crowding is a problem that relates to a poor fit between the family and the dwelling. It is usually assumed that crowding occurs when there are more people than rooms.

About 2.7 percent of all households in unincorporated Lane County are crowded; this is 838 households. About 1.3 percent of all households are both low-income and crowded. Available data seem to indicate that crowding has decreased since 1970.

- c. Paying an Excessive Amount of Income for Housing. Unusually high housing costs are a problem when low-income households* are paying more than 25 percent of their income for housing.

Available data indicate that:

- i. Proportionately, low income households pay a greater percentage of their income for housing than middle/high income households.
- ii. Of all low income households: 33.6 percent are paying between 25 and 34 percent of income for housing; 11.2 percent are paying between 35 and 44 percent of income for housing; and 32.4 percent are paying 45 percent or more of income for housing.
- iii. Of all households paying more than 45 percent of income for housing: 64.5 percent are low income; 13.2 percent are low income elderly-headed households; 20.9 percent are low income female-headed households; 38.4 percent are low income family households; and 16.5 percent are low income large family households.

The three major problems above can be summarized. If the number of low income households with at least one housing problem are counted (low income and substandard; low income and crowded; low income and paying an excessive amount of income for shelter) then about 9,686 households are potentially in need of housing assistance. This estimate does not include those households which have two or all three of the housing problems.

"Potentially in need of assistance" does not necessarily mean that these households want or need housing assistance. It merely indicates the number of households who could, under State and Federal standards, apply for housing assistance.

- d. Other Housing Problems. Report II, Proposed Housing Plan for Lane County With Alternatives for a Housing Action Program, discussed other problems, also. A short discussion was included on:

* low-income is defined as 80 percent of the median income for the County as a whole, adjusted for family size. Low-income for a family of four persons is \$11,300 or lower.

a shortage of low-cost housing units; the high cost of housing in Lane County; low household incomes; the lack of essential services in some communities; discrimination in the sale or rental of housing; problems in achieving energy efficient housing; and problems in integrating social services and housing assistance services.

The final part of this section discussed problems with existing State and Federal housing programs. These problems are as follows:

- i. There is a lack of employees in the Farmers Home Administration (FmHA) office in Lane County to process loan applications. The office cannot process a larger amount of applications without additional people. Requests for more assistance from the State and Federal FmHA have been denied. This problem is especially frustrating because money does exist to finance additional units of low and moderate income housing.
- ii. Legislation that would allow mobile homes to be financed through FmHA is not being implemented.
- iii. The Department of Housing and Urban Development (HUD) does not provide a financing mechanism to go with the Section 8 New Construction or Substantial Rehabilitation program. The developer must secure financing from another source and usually at a market rate of interest. This makes it difficult to make the costs low enough so that the HUD fair market rent can be used.
- iv. Under the HUD Section 8 Substantial Rehabilitation program, the units to be rehabilitated should be under one ownership. In many cases, this means that a fairly large number of deteriorated units (perhaps at least 10 to 20) must be purchased and under one ownership before application is made to HUD.
- v. All HUD new construction must conform to various and numerous Federal rules and regulations. These rules and regulations include such items as environmental assessments (and, perhaps, environmental impact statements), labor standards and equal employment opportunity rules, Davis-Bacon wage act, etc. There are definite purposes for these regulations which can be justified; however, adding together all of the different rules and regulations results in large costs for the developer. The cost of federally subsidized new construction is higher than non-subsidized new construction because of the various "social goals" that are required through HUD programs.

- vi. The HUD Section 8 Existing Housing Program relies on a fair market rent that is established by HUD. The fair market rent cannot be exceeded when renting a dwelling from a landlord. If the fair market rent offered by HUD is lower than can be gotten from any other "regular" renter, the landlord will not participate in the program. This has been the case in Lane County -- the fair market rents are too low (not competitive) to attract landlords.
- vii. Mortgage limits under the Revised Section 235 Program are too low and the downpayment requirements are too high. The Section 235 program offers homeownership possibilities to moderate-income households. Lower-income households cannot participate because of the high downpayment requirements.
- viii. The HUD Traditional Public Housing program was just recently funded again after four years of no funding. Under one phase of this program existing rental units (apartment buildings) can be purchased and converted for use as lower-income housing. However, the rules require that the buildings not need rehabilitation. No money is allocated for rehab. It is somewhat difficult to find an apartment building which is for sale, does not need repair, and meets all of the Federal requirements for minimum property standards. Furthermore, there is an indication that the Lane County Housing Authority will be given an allocation that requires a certain number of three and four bedroom units be provided. Thus, the building must be for sale, not need major repairs, must meet minimum property standards, be for sale at a cost that is not excessive, and must have a number of four bedroom units in it. It will be difficult to find such a package.
- ix. The allocation of Federal money available to solve lower income housing problems is too low to have a large impact on improving the situation. Households potentially in need of housing assistance is increasing at a greater rate than are appropriations.
- x. The HUD Section 312 rehabilitation loan program requires a large administrative budget to operate. The rules and regulations require a lot of people to implement the program and a lot of paperwork is generated. Many cities and counties have found better ways to provide rehabilitation assistance than can be done through the 312 loan program. However, rehab money allocated under Section 312 must follow the established rules and regulations.

Another problem with the 312 program has been the tendency to fund existing 312 programs. New programs in additional cities and counties are difficult to begin.

xi. There is a general problem with the large amount of paperwork (red-tape) required when using Federal programs. In many cases developers will avoid subsidized housing programs because of the paperwork which adds costs to the developer. The current housing market in Lane County is such that developers/builders can sell or rent whatever they can build. Why should they bother to participate in Federal housing programs -- with all that is required -- when they have an excellent market for non-subsidized, conventional housing? One developer said that when the new Federal Section 8 subsidized housing program replaced previous programs, red-tape was definitely cut, but it was cut lengthwise.

xii. The Federal Housing and Community Development Act (HCDA) was passed in 1974. It was meant to provide money to cities and counties for solving housing and community development related problems. However, local areas cannot use these funds to finance the construction of subsidized housing. The law does allow purchase and leasing of land, but not the actual construction.

The law also allows HCDA funds to be used for rehabilitation loans and grants. It also requires that all houses that receive rehab assistance with these funds be near areas where other physical development activities (new roads, sewer and water projects, sidewalks, etc.) are being done. This severely limits the areas that Lane County can serve. If a house needs repair, the family is eligible, and all other requirements are met, the loan or grant still cannot be made unless the house is near one of the above listed activities. Many areas of rural Lane County cannot be served.

xiii. Under one phase of the Section 8 New Construction program HUD gives an allocation of units to the State of Oregon. The State then couples this allocation of Section 8 with a low interest loan and advertises for projects. This has worked very well in Oregon. One problem does exist, however. The State requires a 20 percent investment in the property by the developer. This causes problems for developers such as housing authorities because it is difficult for them to raise the necessary 20 percent.

2. A second reason a Housing Plan and Action Program is important is that adoption and implementation would assist in reaching various goals established by Lane County Government.

Adoption and implementation of the Housing Plan and Action Program will have an impact in the following ways:

- a. The economy of Lane County will be assisted. Encouraging or facilitating new construction or rehabilitation will have an impact on Lane County's economy. Construction or rehabilitation involves the purchase of materials, paying for labor, etc. All of these actions put additional, new dollars into our economy. The multiplier effect on local economies is fairly large. Lane County would be encouraging or facilitating the construction or repair of dwellings which would not have otherwise been built or rehabilitated.
- b. Energy-efficient and energy conservation will be improved. Lane County currently operates a program that provides financial assistance (with Federal dollars) to lower-income persons in weatherizing their dwellings. In addition, a proposed housing policy says that all dwellings built or rehabilitated with funds provided by or through Lane County government will, to the extent of available resources, be made energy and water efficient.
- c. The coordination of social services delivery and housing services delivery will be improved. Lane County's social services program is large and provides many valuable services to lower-income households, especially elderly. The Social Services Division and other human service agencies will do a better job of solving these problems when housing problems are addressed at the same time. The Housing Action Program will add a new dimension to assist in solving social problems.

In summary, adoption and implementation of the Housing Plan and Housing Action Program will not only help solve housing problems and reach housing goals, it will also help reach the goals of economic improvement, energy-efficiency, and social services delivery improvement.

3. A third reason the Plan and Action Program are necessary is the need to comply with State and Federal requirements for housing planning.

The State's housing planning requirements are mandatory; Lane County must address housing concerns in its total comprehensive plan. Federal housing planning requirements are not mandatory; instead, they are a "carrot". If Lane County meets Federal guidelines, we are then eligible for planning assistance grants. Fulfilling the Federal requirements also makes it easier to obtain Federal dollars to help solve housing problems.

D. Relationship to Other Lane County Plan Parts

The Comprehensive Plan for Lane County is made up of various documents that are adopted by the Board of County Commissioners. The general purpose of the Comprehensive Plan is the guiding of social, economic, and physical development of Lane County.

It consists of various "elements" such as land use, transportation, recreation, etc. Some elements deal with specific geographical areas of Lane County -- the subarea land use plans, for example. All of the Comprehensive Plan documents have one thing in common -- they

consist of goals, policies, programs, and standards to guide decisions by the Board of County Commissioners, other agencies, and the private sector in the development of the County.

Housing is a special, functional element of the Comprehensive Plan. The basic objective of this element is to identify housing problems and plan for the solution of these problems. It does not discuss residential land use questions or problems to any large extent because land use plans adequately cover this subject. Most of the housing problems discussed are "shelter" problems -- deteriorating dwellings, crowding, and the lack of housing for lower-income households.

The Housing Plan is an integral part of the Comprehensive Plan for Lane County. The Housing Action Program is a primary means for making the Plan work. The program may be revised periodically without requiring change in the overall Housing Plan. Helping to solve housing problems will improve the social, economic, and physical environment of Lane County.

E. Process for Adopting the Housing Plan and Housing Action Program for Lane County

The adoption process is discussed in this section. The process includes:

- Step 1: Preparation of Report III -- Preliminary Housing Plan and Housing Action Program for Lane County.
- Step 2: Distribution of Report III to Citizens and Groups.
- Step 3: Public Hearings by Lane County and West Lane Planning Commissions.
- Step 4: Changes are Suggested by Citizens, Groups, and the Planning Commissions and Changes Made Where Appropriate.
- Step 5: Public Hearing by Board of County Commissioners and Finally, Adoption.

When the Housing Plan and Action Program come before the Planning Commission and the Board of County Commissioners for public hearings, these two parts will be separated into two documents for final adoption. This is necessary because a "Plan" has a different legal meaning and importance than does an action program.

F. Area of Lane County Affected by the Housing Plan and Action Program.

The area of Lane County most affected by the Housing Plan (the goals and policies) is unincorporated Lane County -- all that area which is not within the boundaries of the eleven cities.

While the report deals primarily with unincorporated Lane County, the Housing Plan will have a direct impact on the cities in Lane County. As one Lane County Housing Policy states: "The County will seek to cooperate in every way, to the extent of it's available housing resources, with local governments in all eleven cities. The County will encourage joint programs between the cities and County."

The Housing Action Program does affect the nine small cities of Lane County. Programs now being implemented by Lane County Government (home repair, for example) include work in small cities.

CHAPTER II

Preliminary Housing Plan

A. Description of What It Is

The Housing Plan for Lane County consists of housing goals and housing policies. The goals and policies are general guidelines for County decisions in regard to housing. As an analogy, think of a trip. The goals are the destinations to be reached, while policies indicate the route to be taken to reach the destination. The goals and policies are used to give direction to the administrative staff, the West Lane and Lane County Planning Commissions, other advisory groups, and the Board of County Commissioners. The goals and policies also indicate the County's intentions to its citizens. They provide the framework for development and adoption of a housing action program.

B. Difference Between the Housing Plan and the Housing Action Program

The Preliminary Housing Action Program is discussed and described more fully in Chapter III. The action program consists of specific statements directing Lane County government to take action. It describes how the goals and policies will be implemented. The goals describe the destination; the policies the route to be taken; and the action program describes the mode or type of transportation taken to reach the goals.

The Housing Plan has more permanence than the Housing Action Program. The Action Program will likely change more frequently than the Plan, perhaps as often as annually. This is necessary because of possible changes in funding levels, a change in emphasis of state and federal housing programs, new grant sources, changes in local needs and priorities, etc.

All substantial changes in the Housing Action Program will be guided by the housing goals and policies and will be subject to Board of County Commissioner approval.

Some of the housing policies have been adopted by the two Planning Commissions and the Board of County Commissioners.* They will be readopted following public hearings.

C. Citizen and Group Comments on Goal and Policies

In the report titled Proposed Housing Plan for Lane County with Alternatives for a Housing Action Program, the proposed housing goal and policies were listed and citizens and groups were asked to make comments on them. There were relatively few comments directed expressly toward changes in the existing goal or policies. Almost all comments requested additions to be made; most comments were made by groups, not individuals.

* Lane County General Plan, Goals and Policies, adopted in December, 1976, and "Interim Lane County Policy Statement on Providing Housing Assistance Services to Lower-Income Families within Lane County", adopted in March, 1977.

The list below contains all comments submitted that directly relate to the goal and policies. General comments are included in Appendix III-2.

1. "I am concerned that a stated policy is not to serve social service functions. I would rather like to see a policy of working in cooperation with social service professionals in joint planning, as housing affects the need for and provision of social services. Especially in relation to those low income with special needs. I feel joint planning is necessary to the social needs will be met; otherwise the housing efforts may fail due to lack of considering special problems. I am not therefore asking social services to be provided, but that the housing planners make it a policy to include social planners in early stages."
2. "I hope to see special plans for special groups included in the overall plan. For example, the handicapped, even though representing a small percentage of the total population, have great problems finding appropriate housing."
3. "I feel that the major goal should be to increase the supply of housing available, and make it affordable, for the lowest income groups."
4. "Housing conservation should be a key part of any housing program."
5. "Housing plan should have a stated objective of providing 'quality'/amenity standards in housing and 'liveable' units--with ample useable open space and other amenities."
6. "Attention should be given to identifying 'buildable' and 'suitable for residential use' land!!"
7. "Mobile homes provide a type of housing opportunity, but need considerable attention in regulating site and other standards."
8. "It is recommended that the study of specific housing problems of handicapped persons be made a housing goal, and that policies to assist this citizen group be proposed. It is also recommended that a policy of coordinating social service needs and functions with housing programs be adopted."
9. "That a primary concern of a Housing Action Plan for the County be a continuing, well-funded housing rehabilitation program aimed at conserving as much of the County's existing housing stock as possible."
10. "That an equally strong emphasis be placed on weatherizing both existing housing and all newly constructed units to assure the highest possible residential conservation of energy."
11. "That any methods for developing low income housing provide the possibility of ownership by the occupants."

12. "That low income residents be as fully involved as possible in the process of planning, designing, actual construction or rehabilitation, and management of housing units intended for their use."
13. "Encourage County housing needs to be met by the private sector of the economy, and engage in actual housing development only to fulfill an identified public need which is not being fulfilled by the private sector."
14. "Implement only the most cost effective programs."
15. "Promote policies which will encourage self-help."
16. "Concentrate available resources on a few priority programs."
17. "Complement rather than supplement housing assistance programs by other public agencies."
18. "Operate within the existing bureaucratic framework and minimize additional staff requirements to implement the program."
19. "'What is a house?' needs to be reappraised in terms of size, accessories and location. Single family housing is expensive partially because FHA, bank loans, public expectations, code requirements, etc., make it so."
20. "Self-help housing should be encouraged and an owner-built code should be developed."
21. "Housing policy and implementation programs cannot properly reflect the needs of residents as long as the citizen participation process is inadequate. People in the rural subarea and communities of the County should be assisted to form local citizen groups and secondly, to implement their chosen plans."
22. "Housing programs should be administered directly through the local people. Planning advocates should reside in the subarea and be hired by its residents in cooperation with the County."
23. "Speculative development and attendant inflation is the primary cause of the lack of low-income housing. The County should limit development of land by speculators and corporate agri-business interests."
24. "The County should clearly present to citizen groups the potential of Community Development Corporations, housing cooperatives and land trusts for locally directed development. The County should provide all assistance necessary to citizens forming such structures."
25. "The County should support local projects that have a potential for creating economic, ecological and social balance. Specifically, cooperatively controlled Planned Unit Developments aiming for economic and energy self-reliance should be encouraged as new development centers. The following features might be included:

- a. Housing that is built in close proximity to an indigenous employment resource, e.g., clay deposits (brickmaking), agricultural land (small villages doing truck farming, orchards, intensive organic cultivation), timberlands (villages to intensively do thinning, planting, nurseries, harvesting, milling).
- b. Urban housing developed around production facilities utilizing local raw materials (furniture plants, canneries, fish culture, greenhouses).

The County should make financial and technical assistance available to encourage the economic development on which such PUD's would be based."

- 26. "Construction and rehabilitation of housing by local people on a cooperative basis should be encouraged so as to provide jobs and to retain money in the subarea. Training programs should be available to each subarea to ensure the ability of local people to meet their own housing and employment needs."
- 27. "Lane County should establish a rehabilitation and development bank, along the lines of the North Dakota Bank model."

D. Recommendations for a Housing Plan for Lane County

The comments made by citizens and groups have been reviewed and some changes in the previously published goal and policies should be made. The suggested changes are in *italics* type.

- * It is recommended that the housing goals and policies listed below become the Housing Plan for Lane County.

Goal 1

IDENTIFY THE HOUSING NEEDS OF LANE COUNTY CITIZENS AND PLAN FOR THE FULFILLMENT OF THESE NEEDS.

Policies

- A. Plan for appropriate types and quantities of land within areas designated as development or service centers to meet the needs for housing of all income levels.
- B. Plan for the coordination of public facilities, services and utilities necessary to support housing development in areas so designated.
- C. Consider areawide land, water and air resource capacity in the planning of housing development.
- D. Encourage the availability of adequate numbers of housing units at price ranges and rent levels commensurate with the financial capabilities of Lane County citizens.
- E. Recognize the future needs and provisions necessary for flexibility of housing location, type and density.
- F. Encourage the development of public and private housing supplies sufficient to meet needs of all income groups, without creating mass dislocations.

- G. The emphasis of County government in housing assistance programs will be directed toward the use, conservation, and rehabilitation of the existing housing supply. Although the emphasis will be on the use and rehabilitation of existing housing, this does not preclude County activity in other forms of housing assistance such as expediting new housing construction under programs available through such agencies as the Department of Housing and Urban Development (HUD) and the Farmers Home Administration (FmHA).
- H. In supporting or creating housing programs, certain priorities should be recognized:
1. The primary purpose of the program should be housing assistance rather than serving social service functions which have no direct relationship to housing (these other functions may be encouraged, but should be financed with social service funds, not housing funds, to avoid unfair comparisons between the cost of housing produced by the private sector for the open market and housing produced under subsidy programs).
 2. *Recipients of housing assistance services should also receive other social and human services as appropriate. The planning and implementation of lower-income housing should include social service agencies at an early stage.*
 3. Cost effectiveness is a critical issue. In comparing housing assistance programs, a major objective is to produce or to assist the maximum number of dwelling units for each dollar spent, or to assist the maximum number of households.
 4. Programs should generally not be initiated unless their continued funding is assured or they can be phased out of attrition. Lower-income households should lose subsidies only because they no longer need them.
 5. Programs will be preferred which can be leveraged with other programs to get maximum benefits from the money being spent.
 6. *Where possible and desirable, use a revolving fund so that the initial investment is recaptured and reused.*
 7. *Housing programs created by Lane County should:*
 - a. *Not duplicate or compete with private lending institutions or with the private housing construction industry.*
 - b. *Involve, to the extent possible, local neighborhood and community organizations in the planning and execution of housing assistance programs.*
 - c. *Involve, to the extent possible, lower-income persons who may be eventual residents or users of the housing assistance program.*
- I. Home ownership should be encouraged as a means of increasing individual responsibility for maintenance and also for enabling lower-income families to build an equity.

- J. *Lane County periodically receives ownership of existing dwelling units or land. It shall be a County policy that the first choice for use of these dwellings or land, if feasible, will be for lower-income housing during the period of County ownership.*
- K. *Lane County must periodically sell dwelling units or land it acquires to reimburse a designated source of County funds (such as the Transportation Fund). It shall be a County policy that the County will first seek to sell these dwelling units or land to groups and agencies interested in providing lower-income housing before selling the dwelling units or land at public bid.*
- L. *Lane County should encourage the State of Oregon to make available dwelling units under its ownership for lower-income housing.*
- M. *Lane County should aggressively pursue an economic development program which maximizes employment opportunities for lower-income persons. (The long-term solution to housing problems rests in finding ways to raise incomes.)*
- N. Intergovernmental action is necessary.
1. The County will cooperate with the State Division of Housing, created by the 1971 Legislature, to help increase the State's supply of housing for lower-income families.
 2. The County will cooperate with and encourage the Lane County Housing Authority to increase the supply of housing under its management (through new construction and use of the existing housing supply) and to maximize the role of the private sector in doing so.
 3. The County will cooperate with the local office of Farmers Home Administration, a major provider of lower-income housing in non-metropolitan Lane County.
 4. The County has primary responsibility for housing programs within the unincorporated areas of the County and cities have primary responsibilities for housing programs within their respective jurisdictions. This statement is made with the following conditions:
 - a. The County will seek to cooperate in every way, to the extent of its available housing resources, with local governments in all eleven cities. The County will encourage joint programs between the cities and the County.
 - b. To the extent possible, all revenues collected by the County and applied to housing programs will be used to benefit both the cities and the unincorporated County.
 - c. Revenues made available through Federal and/or State housing programs for which the County can compete with other area local governments (such as Housing and Community Development Act funds) will be applied to housing programs in the following priority order:

- i. Funding joint City-County housing programs which will be of general benefit to County residents.
 - ii. Funding housing programs in the unincorporated areas where County housing resources are the sole source of program support.
 - iii. Funding city housing programs or projects when local resources are not available.
- O. The County encourages private developers to meet the need for lower-income housing. Lane County will assist them in coping with Federal and State required paperwork which justifies the need and demand for lower-income, subsidized housing. The County will support tax policies which provide incentives for developers which can be justified when cost and benefit are compared.
- P. The County will consider adoption of an ordinance which allows County cooperation with local, State, or Federally-subsidized housing sponsors as provided by ORS 456.355 to 456.370. This law allows cities and counties to subsidize land and public improvements to assist such sponsors in meeting housing needs. Such assistance may be based on the financial advantage to the County of encouraging housing projects which pay property taxes and thus help support County services for occupants.
- Q. Lane County will critically review its own locally established standards, codes, policies and land-use regulations to assure that the requirements are not impeding housing construction or putting excessive housing costs on housing consumers and thereby preempting their options for such other critical needs as food and medical care. The County will encourage the State and Federal government to review regulations under their control.
- R. The County will continue to press for more adequate appropriations of State and Federal housing funds and for program changes consistent with the purposes of this resolution.
- S. The home building industry will be encouraged to develop new construction design, methods, and materials to enable housing to be built at less cost.
- T. The County will recognize and support only those sponsors of housing that willingly comply with Equal Opportunity Regulations as specified by Title VI of the Civil Rights Act of 1964 and Executive Order 11063, Executive Order 11246, and Title VIII of the Civil Rights Act of 1968 (Fair Housing Law).

Goal 2

ENCOURAGE THE CREATION AND/OR CONSERVATION OF SOUND, VIABLE COMMUNITIES AND NEIGHBORHOODS, AND REVITALIZATION OF THOSE THAT ARE DECLINING.

Policies

- A. *The conservation and rehabilitation of existing housing will be encouraged.*

- B. The County will investigate ways it can provide incentives for property rehabilitation and deterrents to property deterioration.
- C. *Attempt to coordinate, to the extent possible, housing assistance programs with community development and economic development projects.*

Goal 3

HOUSING THAT MINIMIZES ENERGY AND WATER CONSUMPTION WILL BE ENCOURAGED.

Policies

To the extent of available resources, all dwelling units built or rehabilitated with funds provided by or through Lane County government will efficiently use energy and water.

CHAPTER III

Preliminary Housing Action Program

A. Introduction

This chapter contains a discussion of a Housing Action Program for Lane County. The Action Program consists of specific statements directing Lane County Government to take action. It describes how the goals and policies will be implemented.

The Housing Action Program is not permanent. It will change, perhaps as often as annually due to changes in Federal and State funding levels, new grant sources, etc. All changes will be guided by and be in conformance with the Housing Plan (the goals and policies) for Lane County.

B. Results of the Housing Alternatives Survey

Report II (Proposed Housing Plan for Lane County With Alternative for a Housing Action Program) contained a discussion of thirty-one alternative ways in which Lane County could become involved in helping to solve housing problems. A survey was attached which asked people to indicate how they felt about each of the alternatives (definitely like, like, neutral, or dislike). It also asked people to indicate, for those alternatives they liked, the level of involvement (minimal, moderate, or substantial) they thought was most appropriate for County government.

Efforts were made to develop a large amount of citizen involvement in choosing alternatives. The report and survey were mailed to about twenty community organizations, three Boards' of Realtors, the Home Builders Association, Mayors in all eleven cities, the League of Women Voters, all libraries, a number of individuals known to be interested in housing and housing problems, the Executive Committee of the County grange system, and State and Federal housing people. In addition to direct mail, press releases were sent to all print and broadcast media. Over 350 copies of Report II were distributed.

The results of the survey are discussed below. Also, the narrative description of all thirty-one alternatives presented in Report II is included as Appendix III-3.

1. Response from Individual Citizens. Fifty-five (55) individuals provided response to the survey. Below are those alternatives they like and those they dislike.

Alternatives "liked" By 41 or More Respondents

| <u>Alternative #</u> | <u>Description</u> |
|----------------------|-------------------------------|
| 3 | - Reduce Downpayments |
| 27 | - Distribution of Information |
| 31 | - Use of County-Owned Land |

Note: 41 respondents of 55 total equals 75 percent. "Definitely like" and "like" are added together.

Alternatives "Liked" By 28 to 40 Respondents

| <u>Alternative #</u> | <u>Description</u> |
|----------------------|-------------------------------------|
| 7 | - Reduce Interest Rate on Mortgages |
| 9 | - People for FmHA Office |
| 10 | - Package FmHA Loans for Consumers |
| 12 | - Rehab Loans - Full Program |
| 13 | - Deferred Payment Rehab Loan |
| 14 | - Reduce Rate on Bank Rehab Loan |
| 15 | - Rehab Grant Program |
| 16 | - Rehab Incentive Grant |
| 19 | - Buy, Rehab, Rent with Option |
| 21 | - New or Better Heat Source |
| 22 | - Paint Program |
| 23 | - Relocating Salvageable Houses |
| 26 | - Review of Development Regulations |
| 28 | - Implement HB 2342 |
| 30 | - Support Property Tax Legislation |

Note: 28 to 40 respondents of 55 total equals 51 to 74 percent.

Alternatives "Disliked" By 14 to 25 Respondents

| <u>Alternative #</u> | <u>Description</u> |
|----------------------|-------------------------------------|
| 1 | - Public Housing |
| 2 | - Grants to Developers |
| 4 | - Rent Supplement Payments |
| 5 | - Housing Allowance |
| 6 | - Landbanking |
| 17 | - Buy, Rehab, Sell |
| 18 | - Buy, Rehab, Rent |
| 24 | - Housing Code Enforcement |
| 25 | - Certificate of Occupancy |
| 29 | - Mobile Homes in Metro Lane County |

Note: 14 or more "Dislike" votes of 55 total respondents equals 25 percent or more. Twenty-five "Dislikes" was the highest number received.

Generally, a majority of respondents did feel that the County should be involved in helping to solve housing programs. It also appears that a majority of people feel that the emphasis of County government in providing housing assistance services should be towards rehabilitation and conservation of existing housing rather than getting deeply involved in new construction of subsidized housing.

The general comments made about lower-income housing and about the alternatives are included in Appendix III-4.

2. Response From Groups

Thirteen groups responded by completing the alternatives survey. A complete listing of their responses is included in Table III-1. To summarize alternatives the groups liked, the following choices were listed by at least seven groups:

| <u>Alternative #</u> | | <u>Description</u> |
|----------------------|---|--|
| 6 | - | Landbanking |
| 9 | - | People to process FmHA loans and grants for consumers. |
| 15 | - | Rehabilitation Grant Program |
| 16 | - | Rehabilitation Incentive Grant |
| 21 | - | New or Better Heating Source |
| 26 | - | Review of County Land Development Regulations |
| 27 | - | Distribution of Information |
| 28 | - | Implement HB 2342 - Rental Rehabilitation |
| 30 | - | Support Property Tax Reduction Legislation |
| 31 | - | Review of County Owned Land |

No alternative was disliked by seven groups or more. The highest number of dislike "votes" was five. These alternatives received five dislikes:

| <u>Alternative #</u> | | <u>Description</u> |
|----------------------|---|-----------------------------|
| 5 | - | Housing Allowance |
| 18 | - | Buy, Rehabilitate, and Rent |
| 24 | - | Housing Code Enforcement |
| 25 | - | Certificate of Occupancy |

With the exception of landbanking, all the alternatives liked by groups are included in the list of alternatives liked by individual citizens.

No attempt is made in this analysis to place weight or emphasis on one group over another. The results are listed by group so that people can form their own opinions.

Other groups did respond to the report but did not use the survey format to structure their response. Four groups fit into this category: Lane Economic Development Council; Home Builders Association of Lane County, Inc.; McKenzie River Land Owner's Association, and the Oregon Mobile Home Dealers Association. The reader is encouraged to review their responses. See Appendix III-5.

One additional group, the Community Committee Council (Veneta, Elmira, Walton, Noti and Crow areas), had in the past, suggested a housing program alternative for Lane County. In January, 1977, in a letter to the County Commissioners the group stated that the County should begin a low-interest self-sustaining loan program. They further stated: *Through a low-interest loan program, it is*

TABLE III-1
 RESPONSE TO HOUSING ALTERNATIVE SURVEY,
 BY GROUPS, LANE COUNTY, 1977

| Alternative* | Cottage Grove Board of Realtors | League of Women Voters | Upper McKenzie Citizens Committee | Willamette Citizens Design Center | Citizens of Florence Area | Walton | Public Welfare - Eugene Branch - West | Lane County CHSS Ex-Hospital Program | City of Eugene Joint Housing Commission | Lane County Joint Authority | Lane County Housing Services Division | Lane County Social Government Staff | VA Mental Hygiene Clinic |
|--------------|---------------------------------|------------------------|-----------------------------------|-----------------------------------|---------------------------|--------|---------------------------------------|--------------------------------------|---|-----------------------------|---------------------------------------|-------------------------------------|--------------------------|
| 1 | D | | D | DEL SUB | | D | DEL SUB | N | | L | | N | DEL SUB |
| 2 | II | | D | L SUB | | D | DEL MO | L MO | | L | | II | D |
| 3 | DEL MO | | D | L MO | | D | N | DEL MO | | | | N | D |
| 4 | N | | D | L MO | | D | N | D | | | L MO | N | D |
| 5 | D | | D | L MO | | D | N | D | | | | N | D |
| 6 | D | L MI | D | DEL SUB | | D | L MO | DEL SUB | L | L | DEL SUB | L MI | D |
| 7 | L MO | | N | L MO | DEL MO | D | L SUB | DEL MI | | | | N | D |
| 8 | N | L MI | D | L MO | DEL SUB | N | L SUB | DEL SUB | | | DEL SUB | N | D |
| 9 | L MO | DEL MI | L MI | L MO | | D | N | DEL SUB | L | | DEL SUB | DEL SUB | D |
| 10 | D | DEL MO | L MI | L MO | | D | N | DEL SUB | L | | DEL SUB | DEL SUB | D |
| 11 | D | L MI | D | N | DEL SUB | D | N | L MO | L | | | L MI | D |
| 12 | D | | D | DEL SUB | DEL SUB | D | L MO | DEL SUB | | | | N | D |
| 13 | | | D | L SUB | | D | L MO | D | L | | DEL SUB | N | D |
| 14 | L MO | | D | DEL SUB | | D | N | L MO | | | | DEL MI | D |
| 15 | N | DEL MI | D | L MO | | D | DEL MO | DEL SUB | L | | DEL SUB | L MI | D |

*See Appendix III-3 for a description of each alternative.

NOTE: DEL = Definitely Like
 L = Like
 N = Neutral
 D = Dislike
 MI = Minimal Involvement
 MO = Moderate Involvement
 SUB = Substantial Involvement

Table III-1 (Continued)

| Alternative* | Cottage Grove Board of Realtors | League of Women Voters | Upper McKenzie Citizens Committee | Willamette Citizens Design Center | Citizens of Florence Area | Malton | Public Welfare - West Eugene Branch | Lane County CHSS Ex-Hospital Program | City of Eugene Joint Housing Commission | Lane County Housing Authority | Lane County Housing Services Division | Lane County Social Governments Division | VA Medical Staff Clinic |
|--------------|---------------------------------|------------------------|-----------------------------------|-----------------------------------|---------------------------|--------|-------------------------------------|--------------------------------------|---|-------------------------------|---------------------------------------|---|-------------------------|
| 16 | D | DEL MI | D | DEL SUB | L MO | D | L MO | DEL SUB | L | | DEL SUB | DEL MI | D |
| 17 | D | | D | DEL SUB | | D | L MI | DEL SUB | | | | N | D |
| 18 | D | | D | L MO | | D | DEL SUB | D | | | | N | D |
| 19 | D | | D | DEL SUB | | D | L MI | DEL SUB | | | | N | DEL SUB |
| 20 | L MI | N | L MI | DEL SUB | | D | N | DEL MO | | | DEL SUB | L MI | D |
| 21 | N | | L MI | DEL SUB | | D | DEL MO | DEL MO | L | | DEL SUB | L MI | D |
| 22 | D | | L MI | DEL SUB | | D | N | DEL MO | L | | DEL SUB | N | D |
| 23 | D | L MI | D | L SUB | | D | N | L MI | | | | N | D |
| 24 | D | N | D | N | DEL SUB | D | L | D | | | | DEL MI | D |
| 25 | D | N | D | D | DEL SUB | D | N | L SUB | | | | N | D |
| 26 | D | L | D | DEL SUB | | D | DEL | L SUB | L | | DEL SUB | DEL | DEL SUB |
| 27 | D | L | D | DEL SUB | | D | L | DEL SUB | L | | DEL SUB | DEL | D |
| 28 | L MO | L | DEL MI | DEL SUB | | | L | DEL SUB | | | | DEL | D |
| 29 | D | L | N | N | | N | N | D | L | | DEL SUB | L | D |
| 30 | DEL MO | D | D | L SUB | | N | L | DEL MI | L | | DEL SUB | DEL | D |
| 31 | N | DEL | L MI | L MO | | D | DEL | L MO | L | L | DEL SUB | DEL | D |

*See Appendix III-3 for a description of each alternative.

NOTE: DEL = Definitely Like
 L = Like
 N = Neutral
 D = Dislike
 MI = Minimal Involvement
 MO = Moderate Involvement
 SUB = Substantial Involvement

felt that opportunities would exist for low-income people to rejuvenate and/or build their own homes without County government infiltrating private business (real estate/construction) at the same time, such a program would become self-sustaining, not reliant on a continuing increasing amount of tax monies.

C. Recommendations for a Preliminary Housing Action Program
.....

This section includes recommendations for a Housing Action Program for Lane County. It is divided into three sections: 1) ways to increase the supply of low-cost housing; 2) ways to rehabilitate and conserve our existing housing supply; and 3) other actions that would help solve problems. There are also recommendations for further research within each of the sections. Funding levels for each of the new programs suggested are discussed in Section 5 of this chapter.

The alternatives chosen as recommendations for the Housing Action Program reflect the following concerns:

1. They are included in those alternatives "liked" by either the fifty-five citizens or by at least seven of the groups responding.
2. Some of the programs are currently being financed and implemented by Lane County government.
3. They are based upon the Housing Plan (the Goal and Policies) which has been adopted as an interim measure by the Planning Commissions and the Board of County Commissioners.
4. They are the easiest and least costly programs to administer.
5. They are programs which staff in Lane County has direct experience in operating.
6. They are programs which will have an impact on reducing housing need in Lane County.

1. Increasing the Supply of Low-Cost Housing
.....

* a. Recommendation: Landbanking

Lane County should begin a program that would buy land for low-income housing. Some of the land would be made available in the near future while other parcels would be "banked" for long-range use.

Discussion: There currently exist a number of Federal and State programs designed to increase the supply of subsidized housing. The Federal Department of Housing and Urban Development operates the Section 8 Existing Housing and New Construction Programs; the Revised 235 Program; and the Public Housing Program. The Federal Farmers Home Administration (FmHA) operates the Section 515 Program and the Section 502 Program. The State of Oregon also operates programs to increase the supply. Some of these programs are for single-family construction and ownership while others are for multi-family (renter) buildings.

The Planning Staff believes that the County should not begin a new program that would duplicate or replace those which currently exist. The County's role should be to improve upon what already exists or to utilize programs which, for some reason, are not being used by the private sector or other possible sponsors.

The program would operate in the following basic way. Lane County would buy the land in accordance with specified site selection criteria and with the knowledge of one or two appraisals. The County would then accept proposals for the use of the land. The person or group making the proposal would present a case for their lower-income housing proposal and how it would meet the established criteria, goals and policies. A choice would be made, and the person or group would enter into a contract with the County for the use of the land. A revolving fund would be created so that some or all of the County's money would be returned when the developer's mortgage is secured from a bank or a government source. The land would then revert back to private ownership and go back on the tax roles. The County should be involved in purchasing sites for both single-family dwellings and for multi-family buildings.

The advantages of and reasons for a landbanking program are as follows:

- i. Some Federal programs are not working in Lane County because of high and continually escalating land costs combined with program requirements that depend upon a fairly low land cost. If desirable -- if benefits outweigh costs -- the County could take a loss on its land purchase to make the program work.
- ii. Through a landbanking program the County would have direct control over the location of new, subsidized lower-income housing. The landbanking program could be used to help put housing where the need is greater, for those groups (elderly, families, large families) most in need.
- iii. Because there would be competition, those projects which best fit the Housing Plan could be encouraged and assisted.
- iv. For a relatively small amount of money the County will play a direct role in increasing the supply. The County would be "leveraging" its dollars, using them in combination with other money to reach the goal of more lower-income housing.
- v. There would not be a need for a large, continuing amount of dollars by Lane County such as is required when providing funds for a long-term mortgage or a continuing subsidy to a family.
- vi. Some of the County dollars would be recaptured and reused in a revolving loan pool arrangement. The staff is not intending that all of the land costs be granted to a developer (for-profit or non-for-profit). Most would be returned when the final mortgage is approved.

- vii. The program would be fairly easy to administer. The County now buys land for various purposes and the County does have personnel with land buying expertise in the Real Estate Division.
- viii. Buying land for lower-income housing is an eligible use of the Federal Housing and Community Development Block Grant program. Thus, a small amount of funding per year is possible to help off-set the costs of the program.

* b. Recommendation: Use of County Owned Land

The County should conduct research into all land it now owns to determine its desirability and feasibility for lower-income housing. This would include sites for single-family dwellings and for multi-family construction. Road right-of-ways owned by the County should be reviewed to see if excess land was acquired that could be available for use. If available, the land should become part of the landbank program discussed in recommendation "a" program above.

* c. Recommendation: Self-Help Housing

Lane County should apply for a technical assistance grant under the Section 523, Farmers Home Administration (FmHA) to sponsor a self-help housing program. Financial assistance is available through FmHA.

Discussion: Self-Help Housing is a program that can be used to lower the cost of new housing construction. When coupled with a less-than-market interest rate it would further lower costs to low or moderate income households. A Farmers Home Administration program currently exists to implement this recommendation. It is not now being used in Lane County. The program's costs would be provided by FmHA.

This Program is the only Federal or State subsidized housing program that is designed to directly involve lower-income people in the construction of their own housing.

* d. Recommendation: Use of County-Owned Dwellings

Lane County should, if desirable and feasible, use all dwelling units it now owns as lower-income housing. The County should decide whether the dwellings are suitable for use under the Federal HUD Section 8 Existing Housing Program.

Discussion: Two policies dealing with this topic are presented in Chapter II. This recommendation would direct implementation of these policies.

* e. Recommendation: Distribution of Information

Lane County should sponsor a program to provide information on subsidized housing programs to developers, builders, possible non-profit sponsors and lower-income people.

* f. Recommendation: Assistance to Developers

Lane County should continue the policy of assisting developers improving the need and demand for more lower-income housing to funding agencies.

* g. Recommendation: Review of County Land Development Regulations

When complete, review the consultant study now being done that will help determine the impact of Lane County's land development regulations on the cost of land and housing in Lane County, and take necessary action.

* h. Recommendation: "No Labor Cost" Low-Income Housing

The County staff should continue to meet with representatives of local labor unions and Lane Community College staff to see if a training program can be started that would result in the building of lower-income housing.

Discussion: County staff are now involved in preliminary discussions that will lead to an innovative way of increasing the supply of low-cost housing. The program would use CETA funds to pay for building skills trainers (provided through labor unions) who would train LCC students and other CETA approved people in a pre-apprenticeship program. The trainers and trainees, paid by CETA, would construct new single-family or multi-family housing that would then be sold or rented to lower-income households.

* i. Recommendation: Emergency Housing

Lane County should continue to increase the supply of low-cost emergency housing.

Discussion: There is a need for additional emergency housing that can be available for lower-income people on a short-term basis. Our Housing referral and counselling program receives around 200 calls per week from people looking for housing. Many calls are from people needing short-term (1-2 weeks) shelter.

A 21-unit motel was recently acquired from the State of Oregon and it will begin to be used as emergency housing in December, 1977. In addition, the County-owned apartment building at 556 Pearl Street (8 units) has been converted for emergency housing. These two buildings help the situation, but the problem is still large.

* j. Recommendation: Future Study

Lane County should sponsor the following research reports:

- i. Ways in which the County can become involved in reducing downpayment costs to lower-income housing consumers (#1 choice of survey respondents).
- ii. Ways in which the supply of housing designed for handicapped and disabled persons can be increased.
- iii. Investigate the desirability and feasibility of County involvement in building or assisting in the development of housing cooperatives in Lane County.
- iv. Investigate the desirability and feasibility of subsidized mobile home parks and subdivisions in Lane County.
- v. Investigate ways in which owner-builders can build homes suited to their individual needs and desires.

SUMMARY OF RECOMMENDATIONS

The recommendations for increasing the supply of low-cost housing can be summarized as follows:

1. Begin a new program of landbanking sites for lower-income housing.
2. Consider using currently owned County land for new construction of subsidized housing.
3. Apply to FmHA to begin a Self-Help housing program in rural Lane County.
4. Consider using currently owned County dwelling units for lower-income housing.
5. Begin a new program of distributing information on new construction programs to developers, builders, and citizens.
6. Continue to assist builders and developers in proving need and demand for more lower-income housing.
7. Review the consultant study now being done (to determine the impact of our land development regulations on the cost of land and housing) and take necessary action.
8. Continue to meet with local labor unions and community college staff to begin a pre-apprenticeship program that would result in "no labor cost" lower-income housing.
9. Continue to increase the supply of low-cost emergency housing in Lane County.

10. Conduct research into other ways that Lane County can become involved in increasing the supply of low-cost housing.

2. Rehabilitation and Conservation of Existing Housing
.....

This section includes recommendations on County involvement in helping to rehabilitate dwellings which are deteriorating and to conserve our existing housing supply. It is staff's opinion that the County must take affirmative and vigorous action to reduce the number of substandard dwellings.

* a. Recommendation: Rehabilitation Loan Program

Lane County should begin a new program that establishes a revolving loan fund for the rehabilitation of substandard dwellings owned by lower-income persons. This loan program should be a deferred payment loan (payback occurs when the property changes hands); a maximum loan amount of about \$5,000, and a simple interest rate of about 3 percent. The program should be voluntary for households and it should be designed to alleviate major health and safety problems.

Discussion: As stated in the Housing Plan, the emphasis of Lane County government in providing housing assistance services should be the rehabilitation and conservation of the existing housing supply. The loan fund will be the primary way of helping to rehabilitate dwellings.

The deferred payment loan offers the advantage of no monthly payments which means less administrative costs, including fewer employees hired by Lane County. As property changes hands, the loan fund, plus interest, will be replenished and reloaned to another household.

Lane County's \$5,000 rehab loan can be combined with other sources, such as FmHA, if the cost of repairs is high.

* b. Recommendation: Rehabilitation Grants

Lane County's existing minor home repair grant program should continue to operate. The program provides a maximum grant of \$500 to lower-income people living in low value (improved value of less than \$15,000) dwellings.

Discussion: A rehabilitation grant program is necessary to assist those households which either cannot repay a loan or do not want to obligate themselves with a large loan.

The \$500 maximum grant amount should be reviewed. There is some indication that this amount is too small to do even minor repairs. It may be necessary to look at \$750 or \$1,000 as a maximum. Staff would not recommend a grant higher than \$1,000.

* c. Recommendation: People for FmHA Packaging for Consumers

The County should continue to provide assistance to consumers in the packaging of applications for Farmers Home Administration loans and grants. The six people who are now employed under this program are on CETA funds. When CETA funds are expended, Lane County should continue their employment with a permanent source of money.

Discussion: As stated in Report II, CETA funds are being used to support six persons who are involved in packaging FmHA loan and grant applications for consumers. The program is successful and should be continued. The program is making it possible for more FmHA Federal dollars to be spent in Lane County for rehabilitation. Because of low funding for FmHA employees, this action is necessary.

* d. Recommendation: Architectural Barrier Removal

Lane County's existing architectural barrier removal program should continue to operate. The program provides a maximum grant of \$500 to lower-income elderly and handicapped persons to remove barriers which restrict their accessibility and mobility.

* e. Recommendation: Weatherization

Lane County should continue to provide weatherization services to lower-income households.

Discussion: Funded completely through State and Federal funds, the weatherization program provides many benefits to lower-income households and our community. The current budget is over \$200,000 for this fiscal year.

* f. Recommendation: Paint Program

Lane County should begin a program that provides a small grant, to a maximum of \$200, to lower-income households who want to paint the exterior of their houses. The program should pay for materials only.

Discussion: Our minor home repair program pays for exterior painting only when bare wood is showing or where it is readily apparent that damage would occur if painting was not completed. The program does not allow cosmetic improvements.

Staff feels that a Self-Help Paint Program would provide benefits that go beyond mere cosmetic improvements. The "psychological benefits" of a freshly painted house may result in other improvements and in a feeling of pride for the homeowner and the community or neighborhood.

* g. Recommendation: Distribution of Information

Lane County should sponsor a program to provide information on rehab loan and grant programs to lower-income households.

Discussion: Since the rehab programs are voluntary, it is important that all people eligible become informed of the available programs.

* h. Recommendation: Future Study

Lane County should sponsor the following research reports:

- i. Ways in which the Federal Section 312 rehabilitation loan program can be used in Lane County.

- ii. Ways in which either Federal Housing and Community Development block grant funds or County dollars can be leveraged with a bank loan to provide a loan pool to serve "upper level" lower-income persons.
- iii. Ways in which the Building Resource Center idea can be implemented. Citizen response to this alternative was not large; however, staff feels that there are advantages enough that it deserves more research.
- iv. Ways in which a self-help rehab program could be done in Lane County.
- v. Ways in which the existing rental housing code can be used to provide an incentive to rehabilitation of investor-owned dwellings.

SUMMARY OF RECOMMENDATIONS

- 1. Begin a new program that establishes a revolving fund for rehabilitation loans.
- 2. Continue the existing minor home repair grant program.
- 3. Continue the existing program that helps consumers package FmHA loans and grants. When CETA funds are no longer available, continue the program with a permanent source of money.
- 4. Continue the existing architectural barrier removal grant program.
- 5. Continue the existing weatherization grant program.
- 6. Begin a new program that provides a small grant for exterior painting of houses owned or rented by lower-income households. Pay for materials only.
- 7. Begin a new program of distributing information on rehabilitation assistance programs to lower-income households.
- 8. Conduct research into other ways that Lane County can become involved in the conservation and rehabilitation of our existing housing supply.

3. Other Action Program Activities

.....
 This section includes recommendations on County involvement in activities that are not directly involved with increasing the supply of lower-income housing or in rehabilitating existing housing.

* a. Recommendation: Housing Referral and Client Counseling Programs

Lane County should continue to operate the housing referral and client counseling programs. The programs should be strengthened and expanded.

Discussion: These two programs provide a valuable service to Lane County residents. Because of low vacancy rates and high housing costs it is difficult for lower-income households to find suitable housing at a price they can afford. These programs assist in helping

this problem. The client counseling program also provides information on landlord-tenant relations and rights, and any other housing related problems that a household may have. The program has been operating with one full-time position and numerous volunteers.

* b. Recommendation: Housing Planning

Lane County should continue its housing planning program.

Discussion: The research reports recommended need to be completed. In addition, the Housing Plan and Housing Action Program will need periodic updating.

* c. Recommendation: Housing Discrimination

The Lane County Affirmative Action Advisory Committee should investigate the feasibility and desirability of an equal opportunity ordinance for Lane County which would include a fair housing provision. This committee should play the major role in formulating equal opportunity policies and ordinances.

Discussion: Housing discrimination occurs when an owner refuses to rent or sell a dwelling unit based upon the race, color, religion, sex, or national origin of the prospective renter or buyer. No special study of housing discrimination has been done for just unincorporated Lane County. However, a general study, covering all of Lane County, has recently been completed by the Lane Council of Governments. A summary of their findings is listed below.

SUMMARY OF FINDINGS

Based on the research undertaken for the study, the following conclusions are made:

- *Housing discrimination does exist in parts of Lane County.*
- *Based on the number of incidents, the principal groups discriminated against appear to be single women and blacks.*
- *The number of cases reported to the Bureau of Labor and the Eugene Human Right's Office does not appear to be reflective of the number of cases that may actually occur in Lane County.*
- *The handicapped are sometimes discriminated against because landlords view them as fire hazards or insurance risks.*
- *Housing discrimination against the elderly does not seem to be as widespread as it is with some of the other groups studied.*
- *A significant deterrent to reporting discrimination is the time required for investigating and processing the complaints.*
- *The extent of discrimination is unknown because the reporting mechanisms that are used seemingly act as deterrents to filing complaints.*
- *An informal processing procedure, such as that utilized by the*

Eugene Human Rights Office appears to be successful in resolving incidents of housing discrimination.

- *The Eugene Human Rights Office appears to suffer from an image problem within sectors of the community, resulting in part from previous conflicts between the Office and the ethnic minority population.*
- *The lack of discrimination complaints investigated by the City of Springfield may primarily result from citizens being unaware of the existing reporting procedure."*

SUMMARY OF RECOMMENDATIONS

1. Expand and strengthen the existing housing referral and client counselling programs.
2. Continue the existing housing planning program.
3. The Lane County Affirmative Action Advisory Committee should investigate the desirability and feasibility of an equal opportunity ordinance that would include a fair housing provision.
4. Recommendations for Financing the Housing Action Program

A key factor in implementing the Housing Action Program is finding the funds necessary to finance the activities and programs recommended. The purpose of this section is to discuss ways in which financing is possible. Another purpose of this section is to make recommendations on the level of funding for the major program recommendations,

GENERAL RECOMMENDATION:

A broad-based staff and citizen ad hoc committee should be established to find ways of raising a continuing and sufficient supply of money to help solve housing problems in Lane County. The alternative methods of raising money for housing assistance programs, mentioned in Report II, should be investigated. Ways should be found to finance housing programs that do not rely on a year-by-year allocation of funds from the Lane County general fund.

In addition, there should be intergovernmental discussions between Lane County, the cities of Eugene and Springfield, the Lane County Housing Authority, and the Lane Council of Governments for the purpose of finding ways of raising funds to solve housing problems in metropolitan Lane County. Housing problems in the metropolitan portion of the County are somewhat different than in rural Lane County. They are also area-wide in nature and area-wide solutions are necessary.

INCREASING THE SUPPLY

* a. Recommendation: Landbanking

It is recommended that a revolving loan fund of \$200,000 be established for a landbanking program in Lane County. Additional dollars should be added to the loan pool every year.

Discussion:

The Lane County general fund is one appropriate source for funding this recommendation. Grant money from the Housing and Community Development block grant program and other Federal sources may also be possible. Landbanking is an eligible activity under the block grant program. It may be desirable to designate a portion of block grant funds for this purpose each year.

Lane County should have the capability of expediting or influencing the construction of at least 50 units of low-cost housing per year. This is in addition to whatever other sources can generate.

* b. Recommendation: Use of County-Owned Land

No new source of financing is required.

* c. Recommendation: Self-Help Housing

No County dollars are required. Grant sources from FmHA would provide the funding.

* d. Recommendation: Use of County-Owned Dwellings

No new source of financing is required.

* e. Recommendation: Distribution of Information

It is recommended that \$1,000 be allocated for developing and distributing information or increasing the supply of low-cost housing. The Lane County general fund is one appropriate source.

* f. Recommendation: Assistance to Developers

No new source of financing is required.

* g. Recommendation: Review of County Land Development Regulations

No new source of financing required.

* h. Recommendation: "No Labor Cost" Low-Income Housing

No new source of financing is required.

* i. Recommendation: Emergency Housing

The supply of emergency housing should be increased, but no recommendation on funding is made. The problem is an area-wide metropolitan problem and all metro jurisdictions should discuss implementation and funding.

* j. Recommendation: Future Study

No new source of financing is required. The existing general fund sponsored housing planner would conduct the research.

REHABILITATION AND CONSERVATION OF EXISTING HOUSING

* a. Recommendation: Rehabilitation Loan Program

It is recommended that a revolving loan fund of \$300,000 be established for a rehabilitation loan program in Lane County. This recommendation would fund the loan program outlined in the Housing Action Program recommendations.

Discussion: The Lane County general fund is one appropriate source for funding this recommendation. Grant money from the Housing and Community Development block grant program and other Federal sources may also be possible. Establishment of a rehab loan pool is an eligible use of block grant funds.

Lane County should have the capability of financing the rehabilitation of at least 50 substandard dwellings per year. This is in addition to whatever other rehab programs can generate.

The establishment of this loan pool would be a one-time expenditure that would be reloaned to Lane County residents in future years.

* b. Recommendation: Rehabilitation Grants

There is no need to generate more funds for this program at present. Federal dollars from the Housing and Community Development block grant program will support the program for the near future. About \$50,000 per year should be available, or enough funds to allow 100 minor home repairs per year.

* c. Recommendation: People for FmHA Packaging for Consumers

This program is presently being funded by Federal CETA dollars. When CETA funds are expended, the employees should be hired with a permanent source of funding.

* d. Recommendation: Architectural Barrier Removal

This program is presently being funded by Federal Housing and Community Development block grant funds. No new source of financing is necessary for this program year.

* e. Recommendation: Weatherization

This program is presently being funded by Federal dollars (Federal Energy Administration and Community Service Administration). No new source of financing is necessary for this program year.

* f. Recommendation: Paint Program

It is recommended that \$10,000 per year be allocated to the Paint Program.

Discussion:

The Lane County general fund is the appropriate source for funding this recommendation. It would provide the dollars necessary for painting 50 houses per year.

* g. Recommendation: Distribution of Information

It is recommended that \$1,000 be allocated for developing and distributing information on rehabilitation programs for lower-income households. The Lane County general fund is one appropriate source.

* h. Recommendation: Future Study

No new source of financing is required.

OTHER ACTION PROGRAM ACTIVITIES

* a. Recommendation: Housing Referral and Housing Client Counseling Program

No new source of financing is required. Through the regular Lane County budget-making process, a request should be made for additional people to help run this program.

* b. Recommendation: Housing Planning

No new source of financing is required.

5. Measurable (Numerical) Goals for Subsidized Housing and for Rehabilitation

The Housing Action Program indicates how Lane County intends to improve the housing situation - to help solve housing problems - in Lane County. The purpose of this section is to list some numerical goals or objectives for each program area. These objectives will be targets that we will strive to reach. The numerical objectives indicate how many households are expected to be assisted.

There are obvious problems in setting goals or in making any kind of projection or forecast. Just three examples include:

- a. It is difficult to anticipate funding levels for the various State and Federal housing assistance programs.
- b. During the forecast period, new programs may begin or old programs may change.
- c. Unforeseen administrative problems may develop which affect use of the program in Lane County.

Regardless of the problems associated with setting goals, the process still serves a useful purpose. Numerical goals allow a measurement of progress, which is the major purpose of setting goals. The yearly evaluation report (see #7 below) will indicate to citizens and the Board of County Commissioners the progress made toward reaching stated goals.

* Recommendation:

The following goals are established for Lane County in helping to solve housing problems. Assistance from all available programs is used to set goals.

| <u>Area of Assistance</u> | <u>Units/Households Assisted</u> |
|---|----------------------------------|
| A. Rehabilitation Assistance to Homeowners | 150-200 |
| B. Rehabilitation of Rental Units | 0-25 |
| C. Homeownership Assistance | 100-200 |
| D. New Subsidized Rental Units | 30-125 |
| E. Existing Rental Units | 25-75 |
| F. Other Assistance | 300-400 |
| 1) Weatherization - 250 to 300 | |
| 2) Architectural Barrier Removal - 25 to 50 | |
| 3) Lane County Paing Program - 25 to 50 | |
| TOTAL - ALL ASSISTANCE | <u>605-1,025</u> |

The above are goals for rather broad program areas: Table III-2 attempts to break down these major program areas into component programs from all sources - local, State and Federal.

When reading this section, keep in mind the following:

- a. A description of the individual programs is included in Appendix III-1 and III-2, with the exception of the new programs suggested (Lane County Rehab Loan Program, Landbanking, and the Paint Program).
- b. Many of the programs will provide the amount of assistance indicated without direct involvement by Lane County Government. The FmHA 502 Homeownership Program is a good example. The 75 to 125 homes likely to be built will be FmHA's contribution in helping reduce housing need in Lane County.
- c. The new Lane County program dealing with landbanking can work with any of the new construction programs outlined in sections c. and d. in the table. Since the landbanking program is so flexible it is difficult to estimate how many units it will assist in a given year. If existing Federal and State program are working well in a particular year, then it will not be built upon at all -- the land would be banked for future use.
- d. Because of problems in making forecasts, the goals are listed in a range format.
- e. The goals cover all of unincorporated Lane County plus the nine small cities (they exclude Eugene and Springfield).
- f. The goals are for a one-year period beginning July 1, 1978.

TABLE III - 2

Numerical Housing Assistance Goals
by Program, Unincorporated Lane County and
the Nine Small Cities, July, 1978 to June, 1979

| <u>Program</u> | <u>Units/Households Assisted</u> |
|--|----------------------------------|
| A. Rehabilitation Assistance to Homeowners | 150-200 |
| 1. FmHA 504 Rehab Grants | 20-30 |
| 2. FmHA 504 Rehab Loans | 20-30 |
| 3. Lane County Home Repair Grants | 75-100 |
| 4. Lane County Rehab Loans | 25-50 |
| B. Rehabilitation of Rental Units | 0-25 |
| 1. HUD Section 8 | 0-15 |
| 2. State Section 8 Set-Aside | 0-10 |
| C. Homeownership Assistance | 100-200 |
| 1. HUD Section 235 | 5-25 |
| 2. FmHA 502 | 75-125 |
| 3. Self-Help | 0-25 |
| 4. State Homeowners Program | 15-25 |
| D. New Subsidized Rental Units | 30-125 |
| 1. HUD Section 8 | 0-25 |
| 2. State Section 8 Set-Aside | 0-25 |
| 3. FmHA 515 | 30-50 |
| 4. HUD Public Housing | 0-25 |
| E. Existing Rental Units | 25-95 |
| 1. HUD Section 8 | 25-50 |
| 2. HUD Public Housing | 0-25 |
| F. Other Assistance | 300-400 |
| 1. Weatherization | 250-300 |
| 2. Architectural Barrier Removal | 25-50 |
| 3. Lane County Paint Program | 25-50 |

Note: Individual programs may not necessarily add to the totals established for the major goal categories.

- g. The goal figures are intended to be realistic and obtainable based upon past funding levels, future funding expectations and history of the program's use in Lane County.

For a complete understanding, it is beneficial to discuss how Lane County Government will be involved in the programs listed in the goal table.

A. Rehabilitation Assistance to Homeowners

- 1 & 2. FmHA 504 Rehab Grants & Loans - FmHA provides nearly all of this program to include financing and final loan approval. Lane County will help consumers package the loan or grant with the now funded CETA program listed in the Action Program Recommendations. Private contractors will do the rehab work.
3. Lane County Home Repair Grant - Using Federal Housing and Community Development block grant funds and other Federal dollars, this program will be implemented by Lane County Government. Most of the rehab work will be done by Lane County staff, but the labor can be done by people in the household. Private contractors will be hired when electrical, plumbing, or heating work is undertaken.
4. Lane County Rehab Loans - This is the new rehab program recommended. Lane County will design and implement the program and will provide financing from a variety of sources. Private contractors will do the actual rehab work.

B. Rehabilitation of Rental Units

No County Involvement.

C. New Construction Assistance to Homeowners

- 1 & 2. HUD Section 235 & FmHA 502 - There is a possibility of using the recommended County Landbanking Program. Most of the County dollars spent for the land would be reimbursed and reused. Federal dollars would provide the financing and subsidy. Private contractors would do the actual construction.
3. Self-Help - Lane County would write a grant proposal to FmHA to begin a Self-Help Housing Construction Program. If the grant is approved, FmHA will provide the funds for the County to hire the necessary employees. FmHA will also provide the mortgage for the houses. Lane County would provide office space for the construction supervisor and the program manager, would locate land, and would administer the grant. There is a possibility of using the recommended Landbanking Program. Future residents would provide a lot of the labor with private contractors also participating.

4. State Homeowners Program - No County Involvement.

D. New Subsidized Rental Units

All programs listed. There is a possibility of using the recommended County Landbanking Program. Most of the County dollars would be reimbursed and reused. Federal dollars would provide the financing and subsidy. Private contractors would do the actual construction.

E. Existing Rental Units

There is a possibility of using County owned dwelling units for a few units. At present, there are only two (2) units suitable. The Federal Section 8 Program, administered by the Lane County Housing Authority, will provide all of the assistance. Private landlords are used in the program.

F. Other Assistance

1. Weatherization - Using Federal dollars, this program will be implemented by Lane County Government. Supplies are purchased from the private sector but most of the labor is provided by Lane County staff plus some volunteers such as the Elderly Green Thumb Program. CETA provides assistance also.

2. Architectural Barrier Removal - Using Federal Housing and Community Development block grant funds, this program will be implemented by Lane County Government. Most of the labor is provided by Lane County staff.

3. Lane County Paint Program - Lane County will provide funds for the paint, while the labor would be provided by volunteers or the occupant.

6. Allocation of Housing Assistance Resources

A system for allocating housing resources is discussed in this section. The purpose of an allocation system is two-fold. First, the system can insure that all types of households (elderly, family, large family, etc.) and all areas of Lane County are allocated housing assistance in a manner that is somewhat proportionate to need. The second reason or purpose of an allocation system, if desired, is to control the location of newly constructed subsidized housing units. For example, a city may want to discourage the building of multi-family subsidized units in one area because there is already a large development in that location. The city would then be discouraging a concentration of lower-income families.

a. Allocation of Housing Resources by Household Type

The Housing Assistance Plan (HAP) is part of the application that HUD requires for participation in the Housing and Community Development Act block grant program. Table II of the HAP depicts Housing Assistance Needs of Lower-Income Households and describes the number of households potentially in need of housing assistance, by household type. Three household types are enumerated: (1) elderly or handicapped; (2) family (4 or less persons); and (3) large family (5 or more persons). Thus, a proportional allocation guideline currently exists. The proportions of households in need of housing assistance, by household type, on the most current HAP Table II are as follows:

- i. 28 percent of all housing resources be allocated to elderly and handicapped households.
- ii. 57 percent to family households; and
- iii. 15 percent to large family households.

These proportions are guidelines, not firm rules that must be followed. Variations are expected to occur. The main purpose of the percentages is to allocate housing resources in proportion to the number of households in need by household type. The percentage numbers outlined above will be used to measure how well the proportionality of resources is being met. For example, after the end of a one year period the number of households assisted by household type will be reviewed. If the proportions are far from the guidelines established, adjustments can be made in the coming year.

- * Recommendation: Housing assistance resources should be distributed in a manner that is proportionate to need by household type as enumerated by the most recent Housing Assistance Plan. For fiscal year 77-78', the figures are: Elderly and Handicapped - 28 percent; Families - 57 percent; and Large Families - 15 percent.

b. Allocation of Housing Resources by area of the County

The paragraphs below outline a simple allocation method for newly constructed subsidized housing rehabilitation housing resources in unincorporated Lane County. It follows statements made on Table IV of the Housing Assistance Plan, which like Table II, has been adopted by the Board of County Commissioners and approved by HUD.

- i. New Construction - A fairly general allocation system for newly constructed subsidized lower-income housing would seem to be desirable for unincorporated Lane County. Here are at least three reasons for this:

- ii. Rehabilitation of Existing Housing - The allocation of rehabilitation housing services is not quite as straight-forward as new construction. All areas in unincorporated Lane County need rehabilitation, to one degree or another. In addition, all areas include sufficient units suitable for rehabilitation to facilitate accomplishment of any goals set for units assisted.

There are three general directions that Lane County could take in the allocation of rehabilitation housing services.

1. Rehabilitation services will be offered to all households that qualify regardless of where the dwelling is located.
2. Limit rehabilitation services to certain census tracts -- those which have either a high percentage of deteriorated units or a large number of deteriorated units or a combination of number and percent. The purpose of limiting the location is to concentrate or focus Lane County's investment and thereby more fully improve the livability of the area. Focused investment also has a more visible impact and may encourage other homeowners to make repairs.
3. A combination of the above two approaches is the third alternative. For example, 75 percent of the housing rehabilitation resources could be allocated to certain target areas and 25 percent could be spread throughout the County, regardless of location.

A method of choosing action areas is presented below. It uses data on substandard dwellings from assessment and taxation files. The procedure uses both the total number of substandard dwellings in an area and the proportion (percentage) of substandard units. Both of these are important: the total number reflects the extent of the problem in one area compared to another; the percentage of substandard units reflects concentrations in an area.

Table III-3 depicts how rural census tracts compare to one another. The number of substandard dwellings is ranked first. Then the percent of substandards units is figured and ranked. These two ranks are then added for each rural tract and a new ranking is done based upon the sum.

The table indicates that:

1. The top ranking areas are tracts 12, 13, 14, 4, 2, 6 and 11.
2. The second ranking areas are tracts 15, 16, 7, 9 and 5.

These areas are mapped on figure III-1.

- * Recommendation: The third method of allocating housing rehabilitation resources is recommended. The top ranked areas (tracts 2,4,6,11,12,13 and 14) should be allocated 50 percent of rehab resources; the second ranking area, (tracts 5,9,7,15 and 16) 25 percent of resources; and all other census tracts in unincorporated Lane County the

1. No one area (census tract) of unincorporated Lane County has seen a disproportionately high incidence of lower-income families. If this were the case it would be beneficial to exclude such an area from receiving more lower-income families.
2. Unincorporated Lane County is large and existing lower-income persons are dispersed fairly evenly throughout each census tract.
3. An allocation system for new construction is generally designed to avoid a large concentration of lower-income households in one area. Usually a system is designed to control the location of multi-family subsidized housing, not single-family houses. Most new subsidized lower-income housing that will be built in unincorporated Lane County will be single-family dwellings.

Generally, all census tracts in unincorporated Lane County are either highly suitable or suitable for new construction of subsidized lower-income housing. This statement is made with the realization that any dwellings constructed will have to comply with (if applicable) Federal requirements for site and neighborhood standards and all other appropriate State and County Land Development regulations.

The one guideline that should be followed is the coordinated growth concept. This concept says that new residential growth should be encouraged to occur in and around existing growth centers. This guideline should be the basis for a County-adopted allocation system.

With the above thoughts in mind, a recommendation can be made:

- * Recommendation: Newly constructed subsidized lower-income housing is encouraged to occur in and around existing growth areas following the guidelines of the County's coordinated growth concept. Generally, all census tracts in unincorporated Lane County are suitable for new construction of assisted housing.

TABLE III - 3
 Number and Percent of Substandard
 Dwelling Units, Ranked by Census Tract,
 Rural Lane County, 1976

| Census/Tract | Number of Substandard Dwellings | Rank | Substandard Dwellings as a Percent of All Dwelling Units | Rank | Sum of Ranks | Ranking of Sum of Ranks |
|--------------|---------------------------------|------|--|------|--------------|-------------------------|
| 1 | 203 | 12 | 13.2 | 16 | 28 | 11 |
| 2 | 329 | 8 | 32.1 | 5 | 13 | 4 |
| 3 | 154 | 14 | 26.5 | 11 | 25 | 10 |
| 4 | 737 | 2 | 26.8 | 10 | 11 | 3 |
| 5 | 103 | 16 | 47.2 | 2 | 18 | 8 |
| 6 | 275 | 10 | 39.6 | 3 | 13 | 4 |
| 7 | 722 | 3 | 24.1 | 12 | 15 | 6 |
| 8 | 105 | 15 | 31.3 | 6 | 21 | 9 |
| 9 | 547 | 4 | 23.1 | 13 | 17 | 7 |
| 10 | 182 | 13 | 14.5 | 15 | 28 | 11 |
| 11 | 448 | 6 | 30.9 | 7 | 13 | 4 |
| 12 & 13 | 1,251 | 1 | 36.1 | 4 | 5 | 1 |
| 14 | 294 | 9 | 53.9 | 1 | 10 | 2 |
| 15 | 485 | 5 | 28.8 | 9 | 14 | 5 |
| 16 | 334 | 7 | 30.2 | 8 | 15 | 6 |
| 17 | 217 | 11 | 16.7 | 14 | 25 | 10 |

- Notes: ¹ Data on substandard dwellings come from the Lane County Department of Assessment and Taxation.
- ² Small city information is included in tract totals.
- ³ 1-4 unit structures only; does not include mobile homes.
- ⁴ A & T data are not available for Census Tract 2; therefore, the number of substandard dwellings is based upon the number of dwellings built before 1940. There is a direct correlation between age of structure and being in substandard structural condition.
- ⁵ Census tracts 12 and 13 are summed because the tract boundary splits the City of Cottage Grove in half.

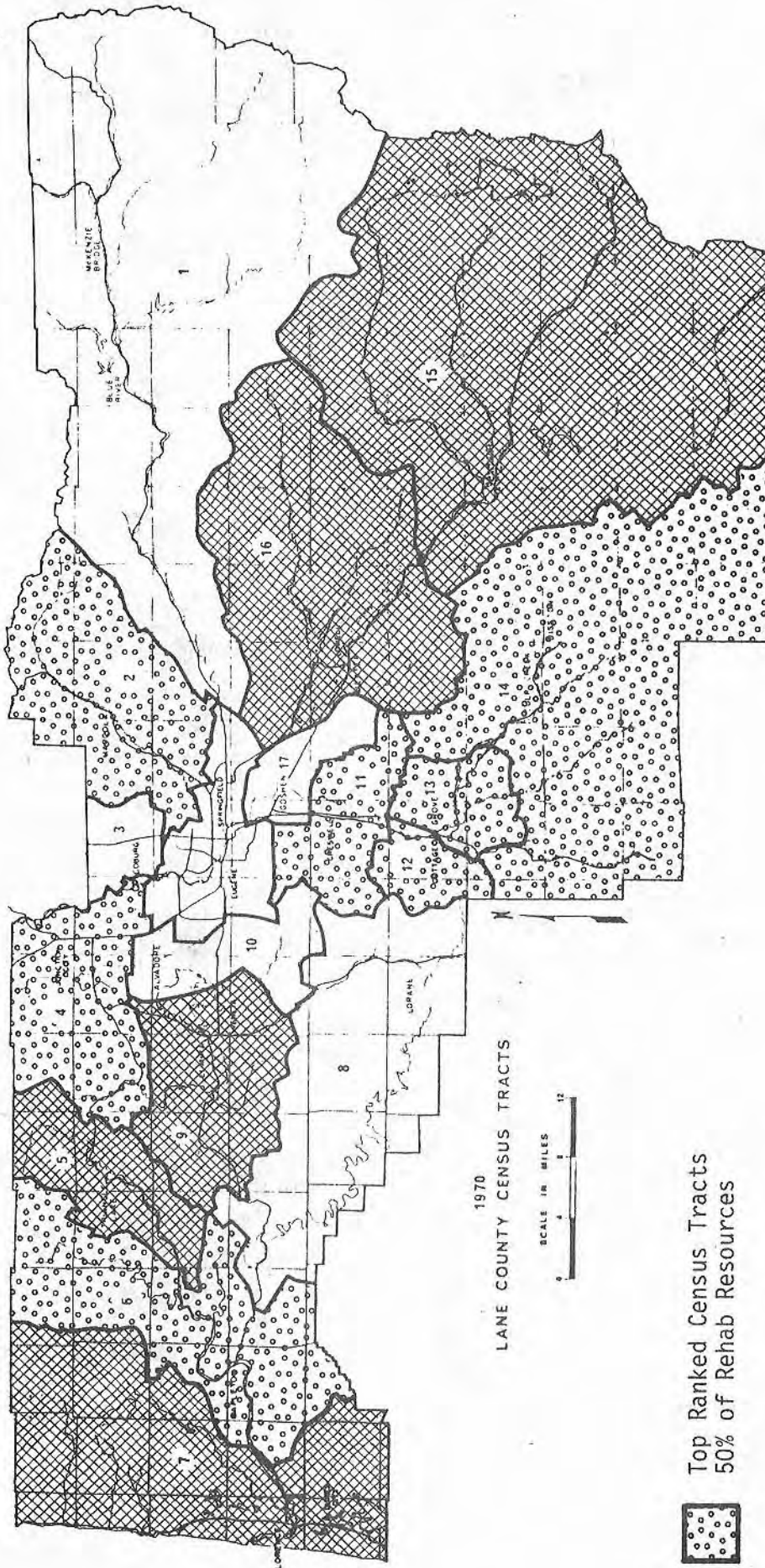


FIGURE III-1 - Graphic Presentation of Table III-1
Number and Percent of Substandard
Dwelling Units Ranked by Census Tract
Rural Lane County, 1977

remaining 25 percent. This allocation system refers only to housing rehabilitation resources funded by Lane County. It does not pertain to rehab funded by the Housing and Community Development block grant (HCDBG) Program* or by Farmers Home Administration.

7. Coordination With Other Plans and Other Jurisdictions
.....

For the Housing Plan and Action Program to act in harmony with other Lane County plans and plans by other jurisdictions, there needs to be coordination. Coordination is necessary to insure compatibility of other plans and activities, and housing policies and programs.

The mechanisms established to reach this goal do not have to be sophisticated. In many cases, coordination between different plans and activities can occur if all actors involved are aware of each other's responsibilities and work being done. Coordination is also a role of our area-wide planning agency -- the Lane Council of Governments. It is this agency's role to monitor the coordination of plans and activities.

* Recommendation: Coordination of the Housing Plan and Action Program with other activities and plans should be accomplished as follows:

- a. The Housing Plan and Action Program should be given a wide distribution. The Plan and Action program affects or impacts on the following functional planning areas: economic development; land use planning; social and human services delivery programs; capital improvements planning; and others. If all of the actors involved with these areas read and understand the Plan and Action program, coordination will be enhanced. By the same reasoning, housing planning and implementation must be aware of plans and activities in these other areas.
- b. The Housing Plan contains policies that speak toward coordinating with other agencies and with the private sector. These policies should be followed.
- c. The Lane County Housing Plan and Action program covers only part of the geographical area of Lane County. When an area-wide housing plan is formulated by the Lane Council of Governments (and approved by the Board of County Commissioners), the Lane County Housing Plan should be changed to coordinate with the Area-wide Plan. It is important that all jurisdiction in Lane County have housing plans and action programs which fit together in a coordinated manner. An Area-wide Plan can help accomplish this goal.

* Rehab financed by HCDBG funds must be in connection with other physical development activities. In many cases, these activities will occur in the top eight tracts.

8. Evaluation
●●●●●●●●●●

It is necessary to have an evaluation procedure built into the Housing Plan and Action Program. The major purpose of the evaluation is to obtain information on the effectiveness of our housing plan and programs to determine whether the objectives are being met. These objectives are both qualitative and quantitative. In other words, the evaluation will discuss the general status of housing problems in Lane County and will measure progress toward achievement of the annual numerical goals and objectives that have been set.

* Recommendation: It is proposed that an annual housing evaluation report be presented to citizens, the Planning Commission and Board of County Commissioners. The report will include at least the following elements:

- a. General discussion on the status of the housing market in unincorporated Lane County. This section will deal mainly with unsubsidized housing.
- b. Discussion on the progress of planned housing activities (amount of dollars expended by County government, etc.).
- c. Analysis of housing assistance provided by number or units assisted by type of housing program.
- d. Analysis of households benefiting from housing activities underway or completed by type of household.
- e. Update of annual numerical objectives.
- f. An analysis of applications for housing assistance collected by the Lane County Housing and Energy Program and the Housing Client Counseling Program.
- g. Discussion of problems in the delivery of housing assistance services and recommendations for their solution.
- h. Any other items that seem appropriate at the time the report is submitted.

This annual housing evaluation report will follow the Housing Assistance Plan format, as required by the Federal Housing and Community Development block grant Program.

It is also proposed that at least once every five years the housing needs analysis be updated. This document or report will use new information to determine the number of lower-income households potentially in need of housing assistance. It will be based on the ten-year and mid-decade census that the Federal government will do.

Lane County's Existing Role in Providing Housing Services

Lane County's Existing Role in Providing Housing Services

Lane County is now involved in providing services related to housing. These services fall into two categories: 1) housing assistance services to lower-income households; and 2) housing related services through building permits, land development regulations, septic tank permits, and so forth. These two categories are discussed below.

A. Housing Assistance Services.1. Minor Home Repair Program, Weatherization and Architectural Barrier Removal.

The Minor Home Repair Program began in 1974 under the name Senior Home Repair. The City of Eugene allocated \$26,000 to this experimental program. Senior Opportunities and Services Organization (SOS), a non-profit group, was selected to carry out the implementation of the program. Before the program began, however, SOS was dissolved and incorporated into Lane County's Social Services Division. This necessitated an intergovernmental contract, which was signed in January, 1974.

The program was expanded in 1975 in three ways: first, by including all lower-income households (not just seniors), including weatherization work as an eligible activity; and thirdly, the city of Springfield and Lane County government put money into the program for work in their respective jurisdictions.

The Home Repair Program operates with a maximum grant amount of \$500 (\$1,000 in Springfield). The average repair is about \$200 per household which includes materials and labor. Typical work includes plumbing, electrical, and roof repairs, installation of handicapped aids, minor foundation repairs, and so forth. In unincorporated Lane County the program is supported by federal money from the Community Services Administration and, for two years, by Housing Community Development Act (HCDA) money.

The weatherization program, also completely funded by federal money, provides an important service to low income owner-occupied households. It provides additional attic and wall insulation, clear plastic covering for windows to reduce heat loss, and also provides emergency allocations of heating fuel (oil and wood). The aim of this program is to reduce energy consumption and heating bills of low income households. It also provides up to a \$500 grant.

The Home Repair and Weatherization staff began a new program in March 1977. Funded by the federal HCD Act, the new program will remove architectural barriers for low income handicapped and elderly households.

The programs are run by four full-time and seven part-time county employees. Volunteer labor is also used extensively. The Home Repair, Weatherization, and Architectural Barrier Programs operate out of the Department of Community Health and Social Services, Division of Social Services.

The Home Repair Program and the Weatherization Program have assisted 655 households between April 1974 and June 1976. The average labor cost has been \$101, average material cost \$109, and an average total cost of \$193.

2. Cooperation and Assistance To Farmers Home Administration (FmHA)

Lane County began a program of cooperation and assistance to FmHA in May of this year. Through money provided by the Comprehensive Employment and Training Act (CETA), the County has hired six people. Five will be assigned to Social Service Human Resource Centers in Eugene (2), Cottage Grove, Florence, and Veneta. These five people will be assisting FmHA by doing part of the processing necessary to provide a loan or grant to a lower-income homeowner. They will assist the homeowner by helping them fill out the paperwork to get the loan or grant.

These five outreach workers will also assist in implementing the home repair program, the architectural barrier removal program, and the weatherization program. Finally, they will also assist the Lane County Housing Authority by helping people find rental units under the Section 8 Existing Housing Program.

The sixth person hired will be assigned to work in the FmHA office in Eugene. This person will be a loan officer, completing the paperwork that is needed in the final steps of the loan or grant. This position is necessary because it is expected that the five outreach workers will generate a lot of loans and grants from their work.

These six positions are funded only until September 30, 1977. As of this writing, it is not known whether additional CETA funding will be available.

3. Housing and Community Development Block Grant Program

The Housing and Community Development Act of 1974 (HCDA) provides grant money to Lane County for housing and community development activities such as: (1) acquisition of historic sites; (2) building

or providing neighborhood senior centers; (3) paving streets; (4) planting street trees; (5) provide street lights; (6) buying land for parks and providing park facilities; (7) buying fire equipment; (8) building sewer and water facilities; (9) making loans or grants to owners of substandard dwellings to rehabilitate their properties; (10) remove architectural barriers for elderly and handicapped persons; (11) provide public (social) services in areas where other CDA activities are occurring; (12) comprehensive planning (land use, housing, etc.); and (13) pay administrative costs of community development activities.

The first year of the program (FY 75-76) Lane County received \$37,500 from the HCD Act. It was spent on two activities -- the minor home repair program and housing planning. In the next program year the county received \$76,800. This money will support a new housing program which will remove architectural barriers for low income elderly and handicapped persons. It is also paying for staff in preparing the second year of the housing element.

The HCD Act will continue to provide Lane County with funds for housing and community development activities. The county shares an allocation with the nine small cities. It is anticipated that about \$250,000 per year will be available to the ten jurisdictions, for the foreseeable future.

For more information on the Housing and Community Development Act see Citizen Guide to Community Development, available from the Lane County Planning Division.

The administration of the HCD Act is the responsibility of the Lane County Planning Division.

4. Use of County-Owned Dwelling Units.

Lane County owns and rents a number of dwelling units in Lane County. The units were acquired when the County purchased the land for a specific purpose such as parkland (e.g., Alton Baker Park), road right-of-ways, office complexes, etc. The administration of these rentals is handled by the Lane County Real Estate Division. For the most part, these units will be demolished or moved as the development of the land becomes imminent; in the mean time they are rental units.

In March of this year the Board of County Commissioners directed that a study be done to determine the use of these dwellings for lower-income housing. The conclusion of the study was that three buildings are suitable: an eight-unit apartment house at 6th and Pearl in Eugene, and two single-family dwellings. The

apartment building will be leased to Family Shelter House, a group that will operate the dwelling as short-term emergency housing for people with immediate housing problems. The two single-family units are now being rented. When they become vacant, the Housing Authority will be contacted to see if the units are appropriate for use under the Section 8 Existing Housing Program. The Board also directed that all units acquired in the future be evaluated for use as lower-income housing as a first priority.

5. Housing Referral.

Lane County also provides a housing referral service to its citizens. Housing referral was first funded by the City of Eugene (in 1972) and operated by Lane County. Most recently the position was funded by University Year in Action (UYA), a program which provides work experience for students. Now the program is funded by CETA and Housing and Community Development Act money.

The program is operated by one full-time County employee and a part-time volunteer. Activities include: referral and counseling to lower income persons regarding the location of satisfactory housing, both subsidized and unsubsidized; offers counseling to people experiencing housing "crisis" such as landlord problems, domestic difficulties, problems with utilities, etc.; performs general screening of clients for subsidizing housing and makes referrals; documents housing needs of clients; and so forth.

It is estimated that about 200 calls per week are made to the housing referral office.

6. Housing Planning.

Housing planning functions are located in the Lane County Planning Division. The Planning Division has the direct responsibility for completing the Housing Element to Lane County's comprehensive plan. The first year produced a data collection and analysis report called Comprehensive Plan for Lane County Part I of Housing Element, Housing Market Analysis. It is the comparison volume to the housing program analysis contained in this report.

The housing planning program is funded by a "701" planning grant and the federal Housing and Community Development Act of 1974.

7. The Housing Authority and Urban Renewal Agency of Lane County

The Lane County Housing Authority is an agency which has indirect ties to Lane County government. The County Commissioners appoint the Housing Authority Commissioners and then this group is the policy making body of the staff employed by the agency. The County

does not provide any revenues to the Housing Authority, nor does it provide any staff support. Furthermore, the Housing Authority is not under direct control of county government.

The Housing Authority Law of Oregon (ORS 456.075 and 456.233) gives the agency broad powers to accomplish the goal of providing housing for low and moderate income households. A housing authority may: contact for services or work; own, lease, or rent any dwelling, house, land, or building or facilities in a housing project; procure insurance or guarantees from the federal government, the ability to construct, rehabilitate, improve, alter or repair any housing project; sell bonds for financing housing projects; exercise condemnation; cooperate with local jurisdictions; and so forth.

The agency controls about 500 units in multifamily structures that it owns, manages, and rents to low income families and over 600 units (mostly single family structures) that are leased from private owners. The leased housing program (called Section 23) is being converted to a new federal program called Section 8 Existing Housing Program.* This last program also will provide some additional subsidized units in Lane County. The Housing Authority received an allocation of 205 Section 8 existing units in FY 75-76 and has approval of another 100 units in FY 76-77. This program will be explained more fully in part three of this chapter.

The moratorium on federal housing programs which occurred in 1973 severely curtailed the Housing Authority's ability to provide low cost housing. The Lane County Housing Authority is now becoming more actively involved. For example, the agency has received \$160,000 in revenue sharing money from the City of Eugene. The money will be used as equity in the construction of 25 units of low income family housing. The State Housing Division will provide a mortgage to the Housing Authority through a state revenue bonding program. The Housing Authority is also actively involved with the Rural Housing Alliance (a national organization concerned with rural low-income housing) which is helping the agency package an application for Farmers Home Administration subsidized housing in Cottage Grove.

The Housing Authority operates completely on rents received from its units and from subsidies from the federal government.

* Section 8 means Section 8 of a federal law -- the Housing and Community Development Act of 1974.

B. Other Housing Related Services

Lane County is also involved in other activities that are related in one way or another to housing. This involvement, by Division, is as follows:

1. The Planning Division does land use planning and implements the County's land development regulations such as zoning, subdivision regulations, site reviews, partitions, etc.
2. The Construction Permits and Inspection Division administers building and insures that all plans meet the Uniform Building Code.
3. Water Pollution Control Division issues permits for septic tanks after insuring that proper soil conditions exist.
4. Environmental Health Division administers the Rental Housing Code (establishes minimum standards for continued occupancy of rental units). This program operates on a complaint basis only -- no regular inspections are made. The Division also inspects mobile home parks.

APPENDIX III-2

- Existing Federal and State Housing Assistance Programs

This section discusses existing federal and state housing assistance programs for low or moderate income persons.

A. Federal Programs

1. Farmers Home Administration (FmHA).

The Farmers Home Administration is a federal agency within the Department of Agriculture. Their housing programs are available to eligible applicants in rural Lane County (outside of the urbanized area). A FmHA County office is located in the Federal Courthouse in Eugene.

FmHA assistance to low and moderate income households is available under the following general restrictions: a dwelling financed by FmHA must be modest in size, design, and cost; an applicant must be without adequate housing or without sufficient resources to provide on his/her own account the necessary housing; and be unable to secure the necessary credit from other sources. Programs available include:

a. Rural Housing Loans - Section 502:

This direct loan program can be used for new construction, rehabilitation, or purchase of existing housing. The interest rate varies from about 8 percent to 1 percent, depending on the type of 502 loan and on adjusted family income. In 1976, the Lane County Office of FmHA made about 108 subsidized loans under this program. These figures have remained fairly constant over the past few years and are expected to remain at about this same level in the future.

b. Housing Repair Loans - Section 504:

This program is available to owner-occupants to rural Lane County who: have an urgent need to repair their home; have enough money coming in to repay the loan; and have so little income that they cannot qualify for a FmHA 502 loan. The maximum loan amount is \$5,000. The interest rate is 1 percent and the loan is secured by a mortgage on the property.

c. Housing Repair Grants - Section 504.

This grant program was recently funded by congress and allows a \$5,000 grant to eligible elderly (62 years and older) homeowners in rural areas of Lane County to make repairs to their dwelling.

d. Rental Housing Loans - Section 515

This loan program is for the purpose of constructing, repairing or improving rental housing including related facilities such as community rooms, recreation facilities, landscaping and so forth. Nonprofit sponsors, profit-making corporations, public bodies, and housing authorities are eligible for the loan program. The interest rate for these loans is about 9 percent.

Last year 64 units of rental housing were built under this program, all within the small cities of Lane County. This is a rather large number of units for this program for a one-year period. Part of the reason for this is that a few of the developments were approved the previous year but were constructed and occupied in 1976.

Farmers Home Administration also has loan programs (both direct loans and guaranteed/insured loans) available for community development activities. Activities which are eligible include: community water storage facilities; fire and rescue services; transportation, traffic control, community social, health, recreation, and cultural facilities; industrial development grants; and so forth.

2. Department of Housing and Urban Development*

a. Section 8.

The phrase "Section 8" entered the housing vocabulary when the federal Housing and Community Development Act of 1974 was signed into law. "Section 8" refers to a new Section 8 that amended the United States Housing Act of 1937, creating a new housing program which supplements those programs established in the 1937 act.

Section 8 is a housing subsidy program. "Fair market" rents are established for rental units in Lane County based on the number of bedrooms available. The lower income family pays a maximum of 25 percent of their monthly income and the federal government makes up the difference between this amount and the fair market rent. A simplified example will illustrate:

| | | |
|------------------------------|---|-------|
| Net Monthly Income | = | \$400 |
| 25% of Income | = | \$100 |
| Fair Market Rent | = | \$155 |
| Amount Paid by Federal Gov't | = | \$ 55 |

There are five separate systems under which eligible families can be provided with Section 8 housing assistance. These systems are as follows:

*Not included in this section are federal loan guarantee programs offered by the Federal Housing Administration (FHA) which is a part of HUD. They are not housing "assistance" per se; the federal government merely is insuring the loan made by a local lending institution. Some of the FHA programs are however, available to low or moderate income family households only. Most programs are for developers.

- i. Existing Housing. Housing already built and on the market is made available through the local public housing authority (the Lane County Housing Authority and Urban Renewal Agency). The housing authority and the applicant provide the initiative while the owner of the existing unit plays a more passive role. In fact, the owner's role is not much different that it would be for any unsubsidized renter.
- ii. New or Substantially Rehabilitated, Privately Developed. The private developer is the initiator of this type of Section 8 housing. The building or extensive rehab can only occur, however, after certain steps are taken: 1) HUD Field Offices have allocated money under Section 8 to local areas; 2) invitations for preliminary proposals have been made by the field offices to prospective developers; 3) preliminary proposals have been ranked, evaluated, and selected; and 5) and local government clearances have been received.

Under this program, the new or rehabilitated units then become eligible to accept families which qualify for the program. The Section 8 subsidy payment will only be made when an eligible family occupies a dwelling unit. If the unit remains vacant, the subsidy payment is made only for a maximum of 60 days at 80 percent of the contract level rent.

The Section 8 program does not provide funds for the financing of housing projects. The developer must secure mortgage from: conventional sources; under federal loan insurance programs; or, through state or local public agencies.

- iii. New or Substantially Rehabilitated Housing, Publicly Developed. Public housing agencies, such as the Lane County Housing Authority, are also eligible to develop lower-income housing under Section 8. They must, however, seek their own financing just as a private developer would.
- iv. State Agency-Sponsored Developments. Those states with state housing finance agencies can directly receive a Section 8 allocation from HUD. They can then build or rehabilitate these units with funds provided by some sort of state-initiated financing mechanism.

In Oregon, the State Housing Division received an allocation of units from HUD. They then use a revenue bonding program to provide financing to developers. This mechanism has worked very successfully in Oregon.
- v. Farmers Home Administration 515 Program Coupled with Section 8 New or Substantially Rehabilitated, Publicly and Privately Developed. HUD allocates a number of Section 8 units for use in a program which couples FmHA 515 (see FmHA section for

program description) with Section 8. The aim is to provide a financing mechanism, at a below market interest rate, to enable builders to develop with the Section 8 subsidy attached to the units. The lower interest rate makes the project financially feasible while the Section 8 subsidy allows for a larger amount of assistance to lower-income families. Both private developers and public agencies can participate in this program.

b. Revised Section 235 Program.

The revised Section 235 program is a rebirth of a housing program that ended in 1973. The program provides homeownership assistance to moderate-income families for the construction of new dwellings or the substantial rehabilitation* of existing houses. Revised Section 235 provides an interest rate subsidy to make the effective interest rate paid by the borrower as low as 5 percent.

Maximum mortgage amounts for the Lane County area are \$29,000 for a single family house with three or less bedrooms, or \$33,000 for a family of five or more on a dwelling with four or more bedrooms.

In this revised version of Section 235 the borrower is required to have a significant financial commitment to the property. The minimum down payment is 3 percent of the first \$25,000 and 10 percent of the excess of the purchase price. The typical investment is thus \$1,500 to \$2,000. The program is directed toward homeownership assistance for families earning about \$9,000 to \$11,000. Recertification of family income is required annually.

Applications by borrowers for this mortgage program are made through local lending institutions. Builders and developers must apply for an allocation of units from HUD prior to any construction.

c. Traditional Public Housing.

This federal program is the rejuvenation of a housing program that was stopped in 1973. It provides direct financial assistance to Public Housing Authorities to build new lower-income housing or to buy existing multi-family housing and convert it to lower-income occupancy. The Housing Authority then owns and operates the housing units.

The Lane County Housing Authority has participated in this program and built a number of units in Eugene, Springfield, Cottage Grove, Florence, Creswell, and Veneta.

* Substantially rehabilitated means (for this program) that the cost of rehabilitation normally must be at least 25 percent of the value of the property after completion of rehabilitation.

Under the "new" public housing program no funds have yet been allocated to local Housing Authorities and it is difficult to judge whether Lane County will get any units. The total funds allocated nationally for this program are not large; therefore, funds for Lane County are likely to be small.

d. Section 202.

The Section 202 program began in 1959. The subsidy under this program is a direct loan from HUD to sponsoring nonprofit corporations at a 3 percent interest rate. HUD also provides interim financing needed for construction, again at a 3 percent rate of interest. Only elderly and handicapped persons may live in 202 projects.

The Section 202 program was stopped in 1973 but has been reborn and a limited amount of funding is available. A 202 project is planned for downtown Eugene in the near future.

e. Section 312. The Section 312 program provides rehabilitation loan money to jurisdictions. The federal government provides a loan fund and the city or county administers the fund. The maximum loan is \$17,400 and 3 percent interest is charged for a term of up to 20 years.

This program has had a history of stopping and starting depending on congress and the existing administration. Generally, only those jurisdictions which have existing 312 programs get more funds each year. Lane County is not involved in the 312 program and it is unlikely that we will receive funding.

f. Homeowner Deductions of Mortgage Interest and Real Estate Taxes.

By far the largest federal "aid" for housing in America is the deduction by homeowners of mortgage interest payments and local real estate taxes in determining taxable income for income tax purposes. A recent congressional report gives information on the impact of this subsidy:

It is estimated that in 1976 the allowance of these deductions decreased Federal revenues by \$9 billion. The sum of the two used separately is greater than the two combined because if either were deleted more taxpayers would use the standard deduction instead of itemizing. The mortgage interest deduction alone would have amounted to \$5.3 billion in 1976; the real estate tax deduction alone, to \$4.4 billion.

This form of tax assistance favors high income taxpayers because the tax savings from such deductions vary directly with the tax bracket of the taxpayer. Persons with the lowest incomes receive no direct benefit from the deductions because they pay no tax. Some homeowners, mostly in lower income brackets, find it more advantageous to take the standard deduction than to itemize their housing-related and other

deductions. As can be seen from Table A-1, it is estimated that 26 percent of all tax returns will claim these deductions in 1976, with an average tax savings of \$391. But of all returns showing total income above \$100 thousand, 88 percent will claim the deduction, with an average saving of \$2,680.*

TABLE A-1.—REVENUE COST OF ALLOWING HOMEOWNERS DEDUCTIONS FOR MORTGAGE INTEREST AND REAL ESTATE TAXES, 1976

| Adjusted gross income class | Return with tax savings | | Average Tax savings (re- turns with savings) | Total Revenue cost (millions) | Revenue cost as percent of total tax paid by members of class |
|-----------------------------|-------------------------|---------------------------------------|--|-------------------------------|---|
| | Returns (thousands) | Percent of all returns filed in class | | | |
| Under \$5----- | 264 | 1 | \$ 72 | \$ 19 | 3.5 |
| \$5 to \$10----- | 2,318 | 11 | 119 | 275 | 2.7 |
| \$10 to \$15----- | 5,140 | 22 | 181 | 932 | 4.7 |
| \$15 to \$20----- | 5,236 | 44 | 247 | 1,296 | 5.5 |
| \$20 to \$30----- | 6,560 | 66 | 416 | 2,729 | 8.1 |
| \$30 to \$50----- | 2,605 | 79 | 810 | 2,111 | 9.5 |
| \$50 to \$100----- | 796 | 84 | 1,451 | 1,154 | 7.0 |
| \$100 and over----- | 191 | 88 | 2,680 | 512 | 3.9 |
| All returns----- | \$23,109 | 26 | 391 | \$9,028 | 6.5 |

SOURCE: Office of the Secretary of the Treasury, Office of Tax Analysis.*

B. State of Oregon Programs

The State of Oregon is actively involved in programs designed to help solve housing problems of lower-income households. The listing below describes state programs.

1. 1973 Revenue Bonding Programs (ORS 456.615)

This legislation allows the state to sell \$2,000,000 worth of revenue bonds to finance the construction or substantial rehabilitation of housing for lower-income households. The bond sales allow the State Housing Division to act as a source of financing for housing sponsors (private developers, housing authorities, non-profit corporations, etc.) The Housing Division provides the long-term financing and the federal government will then make available subsidies under the Section 8 program which will lower rents to a maximum of 25 percent of gross household income.

* Message from the President of the United States, Ninth Annual Report on the National Housing Goal, USGPO, Washington, D.C., January, 1977.

2. State Homeowners Program (HOP).

The State Housing Division has recently begun a new program that seeks to provide homeownership opportunities for moderate income persons (near the median income for the County).

The State sells revenue bonds and then loans this money to Oregon banks. The consumer makes application to the bank and the banks use the State's money for the mortgage. Because the revenue bonds raise money at a low rate of interest (about 5.5 percent) the consumer can receive a low interest loan. Thus far, \$19,000,000 has been loaned at 6.75 interest rate to the consumer. The State requires a 5 percent downpayment and the maximum mortgage amount is \$35,000.

Only three Lane County lending institutions are participating with the State Housing Division in this program.

3. Homeowner and Renter Property Tax Refund Program.

This program allows a partial refund of property taxes for low and moderate income owner and renter households. The refund is the lesser of the two following statements:

- a. The total amount of property taxes levied on the homestead, or
- b. The maximum refund from the table below, which is adjusted for family income:

| If Total Household Income (Line 6) is | | | | Column 1 | Column 2 | If Total Household Income (Line 6) is | | | | Column 1 | Column 2 |
|---------------------------------------|---------------|-------|--------|----------|---------------|---------------------------------------|--------|----------|---------------|----------|----------|
| At Least | But Less Than | Owner | Renter | At Least | But Less Than | Owner | Renter | At Least | But Less Than | Owner | Renter |
| 0- | 500 | 490 | 245 | 3,500- | 4,000 | 375 | 187 | 7,000- | 7,500 | 225 | 112 |
| 500- | 1,000 | 475 | 237 | 4,000- | 4,500 | 360 | 180 | 7,500- | 8,000 | 200 | 100 |
| 1,000- | 1,500 | 460 | 230 | 4,500- | 5,000 | 340 | 170 | 8,000- | 8,500 | 175 | 87 |
| 1,500- | 2,000 | 440 | 220 | 5,000- | 5,500 | 320 | 160 | 8,500- | 9,000 | 150 | 75 |
| 2,000- | 2,500 | 420 | 210 | 5,500- | 6,000 | 300 | 150 | 9,000- | 9,500 | 125 | 62 |
| 2,500- | 3,000 | 400 | 200 | 6,000- | 6,500 | 275 | 137 | 9,500- | 15,000 | 100 | 50 |
| 3,000- | 3,500 | 390 | 195 | 6,500- | 7,000 | 250 | 125 | Over- | 15,000 | 0 | 0 |

In 1975, over 30 percent of Lane County owner and renter households that applied for a refund, received full property tax refunds. By income, the following received full refunds:

| <u>Family Income</u> | <u>Percent of Households Receiving Full Refunds</u> |
|----------------------|---|
| \$0-3,000 | 77.3 |
| 3-5,000 | 57.3 |
| 5-7,000 | 31.3 |
| 7-10,000 | 8.5 |
| 10-15,000 | 2.1 |
| overall | 30.5 |

4. Elderly Rental Assistance Program

The Elderly Rental Assistance Program provides monthly payments to elderly persons to assist them in meeting their monthly expenses.

To qualify, the elderly person must meet all of the following conditions:

1. Be renting a homestead;
2. Be age 65 or older on April 15 of the year for which the assistance is claimed;
3. Have the household income of less than \$3,000 in the year prior to the year the assistance is claimed;
4. Have spent over 60 percent of the prior year's household income for gross rent;
5. Be currently living in Oregon, and have lived here for more than six months prior to filing a claim;
6. File a claim (Form 75-A) with the Department of Revenue.

5. Repair Incentive/Deferred Maintenance

This legislation allows homeowners to make specific repairs to their homes without increasing property taxes. It covers deferred maintenance such as exterior and interior painting, fixing collapsed or broken porches, performing repairs to electrical, plumbing and heating facilities, etc.

6. Rental Rehabilitation/Tax Exemption

This legislation allows owners of substandard rental units built over 25 years ago to defer for five years the increased taxes that result from the rehabilitation of the structure. It is implemented by local governments.

7. Elderly Housing Development

It allows cities and counties to provide rent subsidies through property tax exemptions for new construction of housing for low income elderly persons. The developer is given total tax exemption on a housing project. In exchange, the developer would be required to reduce rents on 40 percent of all units built by an amount equal to 80 percent of the taxes exempted. Eligible tenants for the reduced-rent units would be elderly persons over 60 years of age and earning less than \$5,000 per year.

8. Residential Use Tax Deferral

This measure provides that any land which is within a zone allowing industrial, commercial, or a higher residential density than a single family residential zone, but which is used, and has been used for the preceding five years, exclusively as single-family residential land, must be assessed at its true cash value. The difference between the two assessments (as single-family land and as commercial land, for example) can be deferred indefinitely.

9. Deferred Collections of Property Taxes for Elderly

This program has been in operation since 1963. It allows an elderly (62 years of age or older) person or persons to defer the total property taxes on their land and dwelling for an indefinite period. The taxes (plus six percent interest) become payable when the property changes ownership. The county receives from the state an amount equivalent to the deferred taxes. When the deferrment is paid, the county then repays the state.

Description of the Thirty-One Alternatives
Presented in Report II

Alternative Housing Programs for Lane County

This Section describes thirty-one ways that Lane County can become involved in providing housing assistance services to lower-income households. The chapter is arranged into three sections: A) alternatives to increase the supply of low-cost housing; B) alternatives for the conservation and rehabilitation of the existing housing supply, and C) other program alternatives which do not neatly fit into the other two sections.

NOTE: The thirty-one alternatives are not intended to be exhaustive. It is realized that others may exist and that combinations of alternatives are also possible -- even desirable. The program alternatives listed serve as examples of ways that Lane County can become involved. It is expected that citizens will suggest other alternatives beyond those listed.

To allow citizen input into the choice of the below listed alternatives, a response mechanism has been developed and is described in Section Five of this chapter. A questionnaire is included which asks people and groups to indicate how they feel about each of the alternatives and how deeply Lane County should become involved in each alternative. Section Three of this chapter includes examples of each alternative at three levels of involvement.

A. Increasing the Supply of Low-Cost Housing

The program alternatives in this section deal with increasing the supply of low-cost housing. This can be done in two ways: 1) by increasing the number of low-cost units; or 2) by decreasing the cost of existing units to owners or renters.

An increase in the number of low-cost dwellings is addressed by dealing with the four major housing costs of land, labor, materials, and money (interest rates). Alternatives to decrease the cost of existing housing to owners and renters involve two techniques: 1) provide a monthly payment to the landlord as a portion of the rent payment; or 2) directly increasing the income of residents by giving them a monthly payment.

1. Public Housing. The federal government has used this program to make rental units affordable to lower-income people. It involved obtaining a low interest mortgage from some funding source (selling low interest tax-exempt bonds, for example) and then building the housing. The government also makes annual contributions to the housing authority to retire the loan. The low-interest rate combined with a property tax-exemption and the federal contribution result in low rents to occupants. Lane County could also build low-cost housing in this manner. A funding source would be developed

(revenue or general obligation bond sale, for example) and the County would completely finance the project. Either the housing authority or private developers could be involved.

Probably the most appropriate way to implement this alternative is for the County to provide financing; the Housing Authority would oversee construction of the project; private developers would do the actual construction; and the Housing Authority would manage and maintain the units. Rents collected from tenants would pay-off the revenue or general obligation bonds.

Another alternative could be to buy existing rental housing and then have the Housing Authority manage and maintain the units. With the same amount of money available, more units could be provided.

2. Grants for Developers. This alternative involves making a grant to a housing developer (either private or public -- the Housing Authority) to reduce the total mortgage amount. The reduced costs would be passed on to eventual residents in the form of lower rents or lower mortgages. The grant could be in the form of land, or cash, or a combination. It is also sometimes referred to as a limited capital investment.

The best way to operate this program is to ask developers to submit proposals for the grant funds or for the land. A county-appointed panel or committee would review the proposals and make recommendations to the Board of County Commissioners. Upon acceptance of the proposal the county and the developer would enter into a long-term contract which would specify the condition under which the developer accepts the funds. The City of Eugene operates a program similar to this alternative.

3. Reduce Downpayment and Closing Costs. In some cases low and moderate income households can afford the monthly payments on a conventional mortgage, but cannot raise the necessary downpayment or afford the closing costs associated with the loan. The County could make grants available to provide the necessary funds. Controls could be placed on who qualifies for this program. The County could also require that the money be repaid when the property is sold -- a deferred payment loan that would be revolving and could then be used by other households.
4. Rent Supplement Payments. This alternative could work in a number of different ways. The basic concept involves a monthly payment to a lower-income household that reduces the rent or house payment to an affordable level. For example, the federal Section 8 program allows the household to pay only 25 percent of their income for rent. Then, the federal government makes up the difference between the amount and a specified fair market rent. There could be controls on a number of factors: standards for the dwelling to be rented; criteria for family eligibility, and so forth. It would be very expensive to help a lot of people and to subsidize to 25 percent of income with this alternative.

5. Housing Allowance. The housing allowance payment is similar to the rent supplement alternative except that it is not specified that the household must spend the allowance on rent. It would be a monthly grant to the lower-income family. The family could then add this grant to their total monthly income which would then allow them to choose whatever dwelling they can find, at whatever cost. This concept has been the subject of an experimental pilot project sponsored by HUD in a few cities throughout the United States.
6. Landbanking. This alternative involves buying land and banking it for future use. The basic idea is that land prices are rising rapidly and are unlikely to be lower in the future than now. The county would buy the land in accordance with specified site selection criteria and with the knowledge of one or two appraisals. The land would be held in its vacant state and proposals would be accepted for the use of the land. It could be divided into a subdivision and the lots sold to lower-income families or to developers for moderate-value single-family dwellings; it could be sold for a mobile home subdivision; it could be sold to the housing authority; and so forth. The possibilities are endless. With the government (County) providing the land it could be made available at a lower cost than private owners and, therefore, the eventual cost to the consumer would be less (see alternative #2 above). Also, since the County would be providing the land, it could have numerous controls over the size, shape, number of units, and all characteristics of the proposed development. The County could specify in the request for proposals any criteria it wanted to assure a good product following construction. The land could be returned to the tax-rolls upon completion of the project.
7. Reduce Interest Rates on Mortgages for Single-Family Ownerships. This alternative could also work in numerous ways. The concept involves reducing the interest rate on a construction loan down to a level which makes it possible for lower-income consumers to afford the monthly payment. The FmHA 502 program is similar. It allows the interest rate to go up or down depending on the family's yearly income. The program could be set-up such that yearly adjustments are made to the interest rate as the family's income increases or decreases. The program could be for new construction, buying an existing home, or the mortgage money could be made available to developers with the understanding that the occupants would be low and/or moderate income families. This alternative could be operated through existing banks, also.
8. Self-Help Housing. This alternative would make affordable home-ownership available to lower-income households. Based on an existing FmHA program, it involves locating six to ten lower-income families who need assistance. They procure loans (at a low interest rate hopefully) and then do much of the labor in building the dwelling for each of the families involved. Labor costs are thereby saved (estimated at about 30 percent). Construction is

under the guidance of a construction supervisor and no family is allowed to move in until all homes are completed. Mortgage money is used to pay for skilled labor (plumbing, electrical, heating, etc.) and for the necessary materials.

This program could be operated through existing Farmers Home Administration programs or the county could provide additional subsidies, most appropriately in the form of a short-term loan for the initial land purchase. The loan would be repaid by the homeowners at loan closing.

9. People to Process FmHA Loans and Grants for Consumers. The local office of FmHA (in Eugene) currently has a very small allocation of employees to process all of the applications they receive for housing assistance programs they operate. There is money available for low interest loans and for grants, but they cannot take more applications because of the few number of employees to process the applications. This alternative involves hiring and paying people who are assigned to the FmHA office. Efforts have been made by them to get their own people, but the state and federal FmHA offices have refused their requests.
10. People to Package FmHA Loans and Grants. This alternative involves hiring county employees to assist lower-income families in filling out the required FmHA forms for obtaining loans and grants. The employees would also be responsible for finding the families who need assistance. This is important because, by law, FmHA cannot advertise their services. The employees would also be responsible for assisting the lower-income household in the entire process of making the application, processing it, getting bids from private contractors, making sure the work gets done correctly, and helping with the final closing of the loan or grant. In many cases experienced packagers are the only way that these lower-income persons will receive assistance. This is especially true for elderly persons who have difficulty understanding the many papers and forms that need to be completed and the many procedures that need to be followed.

NOTE: Alternatives 9 & 10 are being implemented now by CETA funds. See Chapter IV, Section Three. They are presented here because the CETA funds will eventually run out.

11. People to Package FmHA and HUD Loans for Developers. Developers and builders tend to stay away from federal housing programs because of large amounts of paper-work and unfamiliar processing procedures that they must go through. "Red-tape" is, in many cases, a primary reason for not participating in federal programs. This alternative would provide one or more county employee to help the developers/builders cope with the necessary paper-work and procedures.

B. Conservation and Rehabilitation of Lane County's Existing Housing Supply.

This second group of program alternatives deals with the problem of substandard and deteriorating housing that is owned by lower-income households. Two basic ways of dealing with this problem are presented: 1) reduce the cost of the rehabilitation work to the owner by providing some or all of the money; and 2) reduce the cost of rehabilitation financing by reducing the interest rate on the loan (somewhat similar to #1).

Many cities and counties throughout the United States offer a low interest loan to lower-income homeowners to rehabilitate their deteriorating dwellings. These loans come from a revolving loan fund. The government makes these loans because the private sector (regular banks) cannot provide this assistance. Banks have stringent loan requirements which have large interest rates attached to the loan. Lower-income households cannot qualify for these loans because the high interest rates force high monthly payments.

Lane County could intervene by providing a rehab loan from a revolving loan pool at a lower interest rate than private banks can provide. For example, on a \$10,000 loan at 9 percent interest, amortized over 20 years the payments will be \$89.98 per month and the total investment will be \$21,595.20. At 3 percent interest, amortized over the same period, the monthly payment will be \$55.50 and the total investment, including interest, will be \$13,320. There is substantial difference in the total amount of investment and the affordability of the monthly payments. A low interest rehab loan program for lower-income households would not be competing with local financial institutions. The program would be set-up so that it would meet the needs of only those persons who cannot receive financial assistance from local banks.

The great advantage of a rehabilitation loan program is that a revolving fund can be created which will provide more loans in the future. The loan fund gets used over and over. As people pay-off their loans (plus a small interest rate) the money is re-loaned to another family. The only yearly costs are associated with administration of the program.

This alternative could be set-up in numerous ways: The eligibility requirements can specify any income level, any age groups, any area of the county, and so forth. For example, we could start a program that benefits low income senior citizens in coastal Lane County. There could also be a regulation which required the recipient to remain living in the house for a minimum length of time, say three years. If the occupant sold the house before three years, he/she would pay a penalty in addition to the loan plus interest.

Usually, a number of items occur before a rehab loan program is started. For example:

1. Financial Mechanism Established. The means of financing the rehabilitation program must first be decided. Alternative ways of accomplishing this task are discussed in Section Four. There are ways of financing the program without a large outlay of County general fund money and without an increase in property taxes.
2. Designation of Action Area. One or more areas of the County could be identified as action areas for major rehabilitation efforts. These areas would be the only ones where rehabilitation assistance is offered. The thought here is that major rehabilitation and renewal efforts should not occur on a scattered basis throughout the County. The impact of such a program would be seen and felt most on a community or neighborhood level. The key is the concentration of efforts in one or a few areas.
3. Establishment of a Property Rehabilitation Code. There needs to be an exact set of standards established for rehabilitation work. As the aim of a rehab program is to bring a substandard unit to safe and sanitary condition, there needs to be a set of criteria or standards to judge when a safe condition exists. This code would also be a guide to what work can and cannot be done under the program. Only work items that meet the code should be eligible.
4. Establishment of Rehabilitation Staff. Staff requirements are dependent upon the type and magnitude of rehab loan program chosen for the community and on the amount of protection and assistance provided by the staff. The type and magnitude of rehab program is important because different kinds of rehab programs require different people and various numbers of people. Amount of protection refers to the amount of safeguards built into a loan program -- how much is done on checking eligibility, income, credit rating, etc. Some checking must be done, but a lot of checking requires a lot of staff time. Amount of assistance refers to the extent to which the rehab office assists the consumer in planning his/her job. Do we provide assistance in drawing plans? Do we arrange for bids? Do we accompany contractors on each bid? And so forth.

A substantial involvement in all aspects of the rehab process would require the following staff:

- a. Financial Specialist. Responsible for assisting applicant in preparation of loan application, determining eligibility, does credit checks, etc. Responsible for loan processing to include title checks, preparing mortgages, preparing promissory notes, disbursing funds, etc.

- b. Rehabilitation Specialist. Responsible for estimating procedures, preparing specifications and working drawings, handles construction bids, responsible for all the physical construction aspects of rehabilitation, etc.
- c. Administration Section. This section consists of a director and clerical support for the rehab program. A director is needed to manage and supervise the financial and rehabilitation sections, provide final authority for loan approval, handle county administrative procedures, etc.

As a minimum, then, at least four persons are necessary to begin a rehab program: Director, Rehabilitation Specialist, Finance Specialist and a secretary. This is the very minimum, ideally, there should be a director, two rehab specialists, two financial specialists, a secretary, and a clerk typist.

A minimal involvement by the County in the rehab process would require less staff. For example, when banks make home improvement loans they place the burden of the actual work on the applicant or consumer. The consumer decides what work to do, arranges for contractors to make bids, chooses a contractor, approves the work, and so forth. The lender merely makes sure the consumer can pay back the loan. The County could operate in the same manner which would cut staff requirements considerably. A small program could operate with as few as two people.

- 12. Rehabilitation Loans -- Full Program. This alternative would follow the example provided in the introduction. It involves establishing a loan pool (revolving fund) and hiring staff necessary to run a rehab program that provides a lot of rehabilitation technical assistance and financial management to include collecting monthly payments from loan recipients.
- 13. Deferred Payment Rehabilitation Loan. This alternative is very similar to the regular rehab loan program discussed above. The difference is that no monthly payments are involved. Instead, the loan is collected whenever the property changes hands. This would significantly ease the administrative burden caused by handling monthly payments. The program could be either interest-free or a small (1 to 3 percent) simple interest rate could be applied to the loan. This is an easy program to administer if the amount of rehab assistance and financial management is kept to a minimum.
- 14. Reductions of Interest Rate for Bank Rehabilitation Loan. Many banks offer rehabilitation or home improvement loans which are guaranteed by the federal government. Called Title I Property Improvement Loans, they carry a 10 to 12 percent interest rate, have a term of about 10 years, and a maximum loan amount of \$5,000 on a single-family home. This alternative involves making a grant to a lower-income household that applies for this loan through a conventional lender. The grant will effectively reduce the interest rate on the loan to a level that makes the loan affordable for the lower-income family. An example will illustrate:

Assume that \$5,000 is needed to make necessary repairs. The homeowner would get a 12 percent loan for \$3,743 for a term of seven years. The County would make a grant (or deferred payment loan) in the amount of \$1,257. Thus the effective interest rate on the total (\$5,000) is 3 percent for seven years.

Although this program has the advantage of assisting more households with a certain amount of money, it has the disadvantage of not assisting the lowest of the lower-income population. The \$3,743 at 12 percent or seven years carries a monthly payment of \$66.07. This, plus mortgage payments, plus other household expenses, may be too much for many households.

15. Rehabilitation Grant Program. This alternative involves giving lower-income people a grant (no payback) for making repairs to their homes. Such a program could be limited to certain groups, such as seniors, or it could be available for all lower-income families. Usually, a grant is made available because some families do not have enough income to pay back a loan, even if the interest rate is low.

This program has the disadvantage of not being a continuing, revolving fund. However, there is definitely a need for a small grant such as now exists with the County's minor home repair program.

16. Rehabilitation Incentive Grant. This alternative involves making a modest grant (between \$500 and \$1,500) to those households who are willing and able to match the same amount from their own funds. It could also be arranged whereby their labor becomes their match.

The advantage of this program is that more work would be done with the County's limited investment.

17. Buy, Rehabilitate, and Sell. One citizen has suggested that it would be a good idea if the County buy vacant and deteriorated houses, rehabilitate them and then sell them to a low-or moderate-income family. Another way this could work is to go through the list of tax delinquent properties and see if any owners are willing to sell to the County. It is possible that dwellings on this list are deteriorated and might be good candidates for this type of program.

The advantages of this type of program are two-fold: 1) a revolving fund would be created so that the program could work over a long period of time; and 2) there is likely to be some appreciation of the property due to rehabilitation which means that additional money would become available and added to the revolving fund.

The disadvantages include the small number of houses assisted and the necessity of finding vacant, substandard houses. Vacant units are needed because of the high cost of relocating the current occupants. Under federal and state law the County would be required to provide a significant amount of money for relocation in addition to the purchase price.

18. Buy, Rehabilitate and Rent. This alternative is similar to the one above with the exceptions that the County maintains ownership and rents the dwellings to lower-income households. Enough rent could be charged to properly maintain the dwellings and to keep the unit on the property tax roll. It is also possible to use these rentals under the federal Section 8 Existing Housing Program. In this way it would be possible to charge a market rent. The family would pay at least 25 percent of their income towards rent and the federal government would pay the difference between this amount and the established fair market rent. Under this last idea, the County could probably make a "profit" from federal dollars and use it to solve other housing problems in Lane County.
19. Buy, Rehab, Rent with Option to Buy. This alternative is similar to 17 and 18 above. The difference is that arrangements could be made to designate a portion of the rent as payment toward the purchase of the dwelling. There could be a designated time period involved whereby the family can pick up the option after, say, two years. The County and lending institutions would thus have a good idea of the mortgage paying performance of the family.
20. Building Resource Center. One citizen has suggested a way to reduce the number of deteriorated dwellings in rural Lane County. He has called his concept a Building Resource Center (BRC) and envisions it including such services as: (1) a reference library for the building trades; (2) maintain a listing of skilled people willing to teach other people about home repair and construction; sponsoring building classes (possibly in conjunction with Lane Community College); (4) serving as a center for the recycling of building materials that are otherwise frequently discarded; (5) it could facilitate the formation of labor, tool, and skill exchanges and pools; (6) it could serve as a source of information about materials, their availability value, and cost; (7) it could provide satellite planning assistance so that local groups could do their own planning, and (8) it could have engineering/architectural help available.
21. New or Better Heating Source. Data available for Lane County indicate that about 2,500 dwellings use wood burning stoves as their sole source of heat. In many cases this is probably an efficient and suitable method of keeping the house warm. There are cases, however, where the family needs a new or better heat source. This is especially true if an elderly person or couple has a wood stove. It is sometimes difficult for them to chop wood, continually feed the fire, and so forth. Furthermore, very old wood stoves may be inefficient and/or severely worn out and becoming dangerous. Two alternatives exist -- provide a new, more efficient wood stove or convert to another heating source.

22. Paint Program. There have been some citizens who have suggested that Lane County provide a program that would make paint available to families who want and need to fix-up the outside and/or inside of their homes. This minimal assistance could provide encouragement to make other repairs.
23. Relocation of Salvageable Houses. This program would work best in combination with the landbanking program. The concept involves relocating salvageable residential buildings to other sites rather than demolishing them. The landbanking program would provide the vacant lots for the relocation. The feasibility of this program will need to be carefully monitored to ensure that the buildings are indeed salvageable.

C. Other Program Alternatives

This third section of housing program alternatives includes a number of methods to solve problems which do not neatly fit into the other two sections.

24. Housing Code Enforcement Programs

Many jurisdictions have a housing code and a code enforcement program. The housing code specifies minimum health and safety requirements that the dwelling must meet. There are then inspectors who visit every dwelling and check for compliance with the code. If there are deficiencies, the owner is required by law to correct them.

Lane County now has a housing code but it is for rental units only and it operates on a complaint basis only. No periodic inspections of every rental unit are made.

A housing code and code enforcement program are common means to prevent the deterioration of existing housing. It works best with a rehabilitation program as lower-income households can then receive assistance if the County requires repairs to be made.

25. Certificate of Occupancy. There are a number of cities which require a certificate of occupancy on all dwellings purchased. The dwelling must be inspected and, if deficiencies are found, brought up to conformance with the established housing code. This certificate of inspection is required before banks will release funds for the mortgage. The precedent for this program is the Federal Housing Administration (FHA) and federal Veterans Administration (VA) mortgage programs, which require inspection and compliance with their codes prior to mortgage approval. The seller is required to pay for the repairs. Some jurisdictions require a certificate of occupancy on rental units.

26. Review of County Land Development Regulations. Lane County has an impact on housing through its land development regulations. As such it should be aware of the possibility of using these regulations to encourage the development of lower-income housing. For example, the zoning ordinance could be amended to allow density bonuses for developers of lower-income housing. The City of Eugene now has this ordinance provision in conditional use procedures. The obvious problem with this suggestion is that no subdivisions of subsidized housing are being built in unincorporated Lane County. This may be changed, however, once developable land in River Road and Santa Clara are served with sanitary sewer lines.

Another way that encouragement can be produced is to adopt a provision that would allow all processing fees (zone change, subdivision, etc.) to be waived for non-profit, low-income housing sponsors or the Lane County Housing Authority, when they operate as developers.

Lane County's land development regulations have an impact on all housing that is built in unincorporated areas of the County. A study is now being done to determine if these development regulations are adding unwarranted costs to new housing construction. The study is looking at fees, processing requirements, large lot zoning, and so forth. Recommendations will be made to improve the situation if problems are discovered.

27. Distribution of Information on Lower-Income Housing. The county could become involved in a program that provides its citizens with information on existing low income housing assistance programs. This is occurring now in a somewhat piecemeal fashion and the county could increase its efforts. For example:
- a. Develop a brochure which describes rehabilitation assistance available in Lane County. It could describe the appropriate FmHA programs, Title I Home Improvement Loans, and so forth. Models exist which could be used as a starting point.
 - b. Develop a program that informs senior citizens of the provisions of a bill passed in the 1975 state legislature called House Bill (HB) 2008. This measure is aimed at assistance to persons 65 years of age and older who have household incomes of less than \$3,000 per year and who pay in excess of 60 percent of their income for rent. Those assisted must file a claim through the Department of Revenue. The bill states that "a taxpayer eligible for rental assistance under this section shall be paid by the department an amount equal to the positive difference between the taxpayer's gross rent and 60 percent of his household income." Limitations are placed on the maximum amount of assistance provided as determined by income.

HB 2008 is a significant piece of housing legislation; however, the instructions and forms to be completed are not easily understood. Elderly persons should be assisted in completing the necessary forms and Lane County government should assist in this effort.

- c. Develop a program to inform Lane County citizens about the provisions of House Bill 2344 which also passed the state legislature in 1975. This law allows homeowners to make specified repairs on their homes without fear of facing increased taxes as a result of their efforts. A homeowner may perform such deferred maintenance as painting, fixing collapsed or broken porches, performing repairs to electrical, plumbing, and heating facilities, and so forth. The Lane County assessor has made an attempt to notify taxpayers of this new law and this effort should be expanded.

28. Implement HB 2342 -- Rental Rehabilitation. This law passed the 1975 state legislature. It allows owners of substandard rental units built over 25 years ago to defer for five years the increased taxes that result from rehabilitation of the structure. The implementation of the law requires action in two areas. The first area is to work for the adoption of the law by the County and local taxing jurisdictions affected. The law requires that the governing boards of those taxing jurisdictions which make up 51 percent of the total tax levy in an area, adopt the provisions of the act. In other words, (in most areas of the County) the school district and Lane County Intermediate Education District (I.E.D.) must be convinced of the benefits of tax deferral on rehabilitation. This could amount to over twenty presentations and approvals by school districts throughout the County.

The second area of action is to devise a method of informing and working with investor-owners who want to use the program.

The implementation of HB 2342 could result in the rehabilitation of substandard dwellings without any large amounts of direct monetary assistance from Lane County government. It would take staff time to carry out the implementation.

29. Mobile Homes in Unincorporated Metropolitan Lane County. Mobile homes have become the only real source of affordable new single-family housing for low and moderate income households. Data available for unincorporated Lane County reveal that mobile homes accounted for nearly 40 percent of all new housing starts for the period 1970 to 1975.

Lane County will allow a mobile home on any lot-of-record in rural Lane County (except for commercial and industrial zones) if the soils will support a septic tank and all other land use regulations are met. This is not the case,

however, in unincorporated metropolitan Lane County. The zoning regulations do not allow mobile homes on any lot in the metro area. This is true of nearly every metropolitan area in the United States.

Lane County does have the power to change this regulation which would add a large inventory of land available for mobile home placement. The disadvantages are apparent and most people would probably not agree to this major change.

30. Support Property Tax Reduction Legislation. As stated in the introduction of this section, the purpose of any proposed housing program should be to reduce the cost of shelter for the lower-income owner/renter. One way to do this is to reduce the property taxes on the dwelling units. The method that is now receiving the most discussion is changing the way education is financed. If the state can provide a greater share of total education costs (through more income taxes, for example), then property taxes will be reduced and monthly housing costs are thus lowered. This alternative involves the County supporting legislation at the state level to change the way schools are financed. Legislation is needed at the state level because of the way the taxation laws operate. Lane County has the power to change anything in regard to the property taxes it levies. The levy is so low, however, (FY 76-77 tax rate was \$1.22 per thousand assessed value), that forgiving or forgoing this amount would not have a large impact.
31. Review of County Owned Land. The county acquires land for a number of reasons and in a variety of methods. Land is purchased for parks, streets, right-of-way, offices, and so forth. Occasionally the county receives ownership through tax delinquency. Most of this land is not suitable for housing or is committed to a particular use. However, there may be cases where county lands could be considered surplus. If this is not the case now, it may become true in the future.

County land that is deemed surplus could be considered for use as a means of providing lower-income housing. It could be sold to a developer who has plans to build lower-income housing, or it could also be given to such a developer to lower costs and thus lower the eventual selling price or rents of the new housing. This could be coupled with existing federal programs such as HUD Section 8 New Construction or any of the FmHA programs such as 502 and 515. Surplus county land could also be traded for existing housing that is deteriorated. The county could then rehabilitate it and either sell it to a lower-income family or to the Housing Authority for use as a rental under the federal HUD Section 8 Existing Housing Program.

In a way, then, Lane County already has a landbanking program. However, it is not now designed for lower-income housing.

APPENDIX III - 4

General Comments Made by Individual Citizens

1. Starting on page 68 there are six pages of programs Lane County is already doing. Do we really need to do more? I have been involved in the old FHA-235 Program. The Federal Government didn't do too good a job on this. PLEASE don't get the County into a similar mess.
2. If they were even at all intelligible one may be able to make some kind of intelligible statements of judgement on your "goal" and "policies". When you can learn to say what you have tried to say in 48 pages in about 10 or 12 pages, people can understand. It is safe to say that what the whole body politic wants is "the most housing for the most people for the least cost."
Incidentally, I am a University graduate with three Bac. Degrees each in the upper 10% of the class. (Classes over 8,000)
You might also construct these surveys on stationary (sic) that would fit your return envelope.
3. Frankly, I think that most of these functions should be on the State level. I feel that more pressure should be put on the State to carry out a better housing program for the low income family. The State could provide a loan program (like the Veterans Loan program) with interest and down payment on a sliding scale based on the individual's income. I realize that this takes profit away from the lenders-which of course, will never do.
4. It is my belief based on over 30 years of remodeling and rehabilitation of houses in Seattle and two years in demolition, that an added suggestion might be more useful than any of the other suggestions.
Somewhere there should be a location within 25 miles of Eugene or other municipality where land can be had at a price allowing minimum housing to be constructed without the knockout restrictions which make such a project impossible. I do not mean an instant slum, but small stuff, 700-800 sq. ft., no frills. Minimum housing, not completely finished, perhaps interior left for buyer to finish with financial help. It might be opposed by people nearby, so a somewhat sparsely settled area would need to be found.
5. Most people have all they can do to pay their taxes now - more would have to be selling their houses and renting shacks or whatever they can afford. We have to go to the bank and borrow; to live in our own houses and work hard to pay these loans back. Anybody can work this hard if they wish to.
The elderly deserve places to live. They have taken care of the young for years--don't you think they should be taken care of now? They are the forgotten people. See that they have everything they need - not "selling their places to live to pay taxes, etc."
See that they get paint and boards - roofs, etc. to fix their places up. There has been so much trouble wherever a housing project has been built.
6. I think the more that is spent on this project the more unmarried people we will have with families. I feel we have too many older people that are left out. They have worked as we have and soon we will be turned out of our homes as these people have been.

7.
 1. Disatisfied
 2. Extremely unfair to those that "have" a little
 3. House code too restrictive as is
 4. Less restrictions needed for encouragement to low income families to build
 5. What about waterless toilets?
 6. Placement of mobile homes should be left up to specific areas - not a County matter!

8.
 1. In your report you covered almost every program of giving. Give, give, give. Every time you give housing, food, it brings higher prices to the middle income that is supporting your wages. What if we give and support this socialism and we people out here that really care about our state cannot retire, or cannot raise our children, because we have to keep giving; because someone says this program has to be implemented?

9.

Housing Client Counseling Program should be an action alternative and social concerns should have more priority. It seems people think of the structure and not what the real problem might be. In dealing with people experiencing housing problems there is never just a housing problem but a social problem causing the housing problem. I don't see how the two can be divided at any point.

10.

I am a member of the Cottage Grove Comp. plan committee. The answers are my own opinion. I am also the Vice President of The Cottage Grove Neighborhood Watch Program. The police have an extreme crime problem in low rent and low cost housing areas. In my opinion Lane County will have to increase money output for police twofold, one-patrol - two holding areas. PLEASE check the problems the cities are already having in the low rent areas.

11.

The County could administer some program that would compensate the building owner for the difference in cost between what he/she can afford to put into the house and what the County requires for code. Basically I'm for any program that increases the options and participation of the eventual residents.

12.

I really like the idea of helping low income people with down payments for their own homes.

13.

I especially like the idea of the County's buying older homes in urban areas and moving them and renting them to low income persons.

14.

I firmly believe that whatever money becomes available for housing should be put into a revolving fund at 2% or less--whether for repairs or new housing--and loaned to low income persons for reasonable lengths of time so monthly payments are not excessively high. In addition to helping low income persons this type of action would also help the ailing construction industry--increase the number of jobs available and generally help more effectively all around. Administrative costs should also be minimal. Hopefully serious consideration will be given this additional alternative.

15.

Ideally government should stay out of the whole area and the people should handle the problem.

16. More emphasis should be given toward increasing the amount of participation and responsibility of the recipient individuals. The County should look toward motivating and directing recipients to feel they are contributing time and/or labor in the process of upgrading their living structures.
17. Sorry to be late but questionnaire was misplaced.
18. We feel you should consider more closely a way to use existing housing in your programs. Perhaps the County could buy existing houses that need work, sell them with no down payment required, and give the people several years to make the improvements the house requires.
19. This survey doesn't cover the adults I advocate. I advocate around 250 Developmentally Disabled adults. Around 85% of these are mentally retarded adults. My co-worker also advocates another 250 adults.
20. For any program there should be a "certificate of need" issued by some agency such as Welfare. Don't hand out County money too freely such as is now happening with food stamps. Taxpayers will object.
Proving income is sometimes difficult, i.e., students, hippies, working wives who quit just before certification for a subsidy, seasonal workers, unemployed workers, new residents to the County, and people who don't tell the truth, (people employed by members of the family).
The 235 Program brought out a lot of cheaters. . . It was very difficult for people not on the program to justify their tax dollars going to someone no worse off than they were.
Just don't get too free with the spending. There is nothing the County can do that private enterprise can't do better.
21. Questions too involved (the preceding explanatory report II). I am concerned that your return rate will be low and from well educated people. Many in the Santa Clara Community Organization felt that they didn't understand the questionnaire or the report.
22. I represent a newly forming group with plenty of finances who might take on such a program if certain assurances can be had as to relaxation of millionaire protection regulations. I spoke to you some time ago regarding similar subjects and hope to be of assistance if you get anything off the ground.
23. I am not in favor of low cost subsidized housing for able-bodied young people. If help is needed it should be in the form of jobs and training according to ability to work.
We have insufficient desirable housing for the elderly at rentals that they can afford when they can no longer maintain a dwelling. Also the income level should be raised for persons who are eligible for this type of housing, because of the cost of living increases and the high medical expenses of adults in this group. I believe the ceiling on income for eligibility of this group should be increased to 6,000 per year or more.
I pay property taxes and protest the use of the taxes to subsidize housing for young healthy people. Please keep the County and cities out of this type of housing business.
Efforts should be directed toward controlling the inflation of land and building costs.
Thank you for allowing me to voice my opinion.
24. HB2342 is one of the better pieces of legislation to come to pass in some time! We would encourage its adoption!

25.

This report is broad in scope, but refers only to one sector's need, which is low income persons - who have already received more programs in Oregon than any other income level. This study is very unfair to other income levels, a) because it has to be the supporter of the program, b) because the report itself is costly, c) low income have so many programs and have been covered so many times in the past, d) these programs do not and have not worked, e) home taxes to support this type of program is the most unfair, unjust working I have ever read coming from Lane County.

26.

I know that many hours and much thought has gone into the "Proposed Housing Plan" for Lane County. What I found lacking was any investigation of other projects in other areas and their success or failure. What I am trying to put across is this: We should temper idealism with realism.

Perhaps it is because I have lived in many states and have seen what this type of program can do to a city.

Wherry Housing and Federal 235 didn't do very well either.

A recent expose' of the Mor or Moore project in Oakland is a case in point - a six million dollar farce.

I cannot put in writing all my thoughts on this subject but I do appreciate the opportunity given to me to study the proposals. Some are very good. Thank you.

Response to Lane County Division of Planning

27.

In response to your Proposed Housing Plan for Lane County (Housing Report II, 6/77) I offer the following comments.

General Observations

a) So long as the decline in forest and wood-products employment continues, especially in rural Lane, there will continue to be further deterioration in rural housing.

Closure of mills in unincorporated areas means continued decline in viable job centers. Without employment and income, housing deteriorates. (See WESTFIR, infra)

b) In spite of the glowing forecast by Economic Consultants Oregon Ltd.,

"Lane County has a robust economy that's diversified enough to withstand a predicted 20-40 percent decrease in wood products employment by the year 2000. . .", (See Register Guard, 7/14/77)

there is evidence that employment growth in government, finance and services cannot absorb all the people who leave primary and secondary employments as well as new entries into the labor force.

Attempts to absorb unemployed people into government jobs contributes to the administrative quagmire of government and tends to further price inflation.

c) The financial resources of Lane County government will also be seriously depleted by the declining timber harvests. Where would substitute funds be obtained for a Housing Action Program?

d) Timber tax valuations, under guidelines of the Oregon Dept. of Revenue, continue to rise:

"The existing tax system discourages the independent producer from keeping his land and encourages large corporations to expand their holdings. The only way these problems can be addressed is legislatively through a revision of the timber tax laws." (John Lobdell, Ore. Rev. Director, see West-Lane News and Oregonian, 3/3/77)

If Lobdell's prediction has merit, there is this question: if rural population declines because of outmigration following sale of farm-woodlots to large corporations, is there any rationale whatsoever for Lane County government to commit itself to a Housing Action Program in unincorporated areas?

e) As you note in Housing Report II - 6/77, "A Housing Plan and Action Program will assist the construction industry and the economy of Lane County".

This is probably true, but is this the segment of the county economy that really needs help? Will a Housing Action Program simply maintain a

distribution of income skewed in favor of the \$15,000 plus per annum, social class? Would a Housing Action Program generate rising expectations among persons and families in the below \$10,000 income classes?

I believe the long-run solution to substandard housing is a sustained, high level of employment, both in rural and urban areas.

f) I recommend that your final proposal for a Housing Action Program look to the issues above.

A comprehensive social-economic development plan is badly needed. If Lane County is to maintain some balance in lifestyles, rural and urban, it does little good for you to recommend upgrading housing in the face of a recommendation by land use planning that rural schools be consolidated. It appears there is need to coordinate the activities of Housing Planning, Land use planning, Public Works, Taxation and Assessment, Social Services and L-COG.

Integrated vision: rural service centers, rural industry and job centers, rural homes, rural schools are of the same piece -- they define a lifestyle compatible with the natural environment and resources of rural Lane County.

g) The quality of housing is an important issue. Interesting and important too is the quality of the natural support system in rural areas. There is little practical value in good rural housing if the support system-- water resources for example--undergoes constant abuse because of economic activities.

Poor clearcutting practices, for example, lead to stream scouring, siltation, landslides. Such practices destroy the spawning grounds of salmon, a resource, and also destroy the watersheds of rural homesteads.

Triangle Lane plus two dozen or more other bodies of water in Lane County are on the "dangerous-for-swimming list". Why?

My point is this: all economic activities should at least acknowledge the constraints of the natural support system, including minor and major watersheds.

SPECIFIC COMMENTS on Housing Report II - 6/77

a) As to the "substandard structural condition" or rural housing, it seems to me the judgement that over 4,000 dwelling units are substandard (your report, p.2) may reflect the bias of field assessors whose perspective is urban. No doubt many rural dwellings are humble relative to some urban housing units. Whether such rural dwellings are seriously substandard is open to question.

b) A related point is the fact that in spite of "substandardness", rural dwellings continue to be inflated in value by the assessor's office. An odd twist.

c) Regarding the amenities or rural living, is there a rational reason why every dwelling must meet code on the number of electrical outlets per room, on the extensiveness of plumbing conveniences, or the type of septic system?

Some people choose a lifestyle that does not require using massive amounts of electrical, or other, energy. The commitment is to conserve resources.

Central heating is a doubtful solution to cold feet or hands in the Oregon winter. Wool sweaters and stockings are a good substitute for central heating.

Would a Housing Action Program place a greater burden on energy resources? According to Fred Miller, Oregon State Energy Director, energy

costs for electricity in the Northwest could ". . .double within the next decade". (see R-G, 7/18/77) Natural gas prices? The story is old news.

d) Related to the energy question is the disposition of "slash" in the forests. Millions of tons of fuel are put to the torch in our forests each year. Would it not be better to use this fuel for domestic heating and thereby conserve energy as well as reduce the unpredictable drift of massive quantities of smoke into the choked air-shed of metro Lane County?

e) I feel that the dependence on federal support of a Housing Action Program should be limited to low-interest loans and outright grants.

f) It is my conviction that Lane County government can best assist those with truly substandard housing through the mechanism or alternative of "self-help". Self-help could be linked up with a number of your 31 alternatives.

It would seem appropriate that small scale businesses in construction and home repair should be encouraged. Perhaps some combination of self-help and small home repair businesses would best meet the problems of high rural unemployment and substandard housing.

g) Housing Report II - 6/77 states that,
"Data for unincorporated Lane County reveal that mobile homes accounted for nearly 40 percent of all new housing starts for the period 1970-75".

This one statistic points to the problems of unemployment, inflation, timber exports, and substandard rural housing.

Oregon is (or was? see Beuter report) timber rich. Yet houses are too expensive for Oregonians. The income constraint, low paying jobs or unemployment, and the price constraint--\$50,000 for a new home, have forced people to purchase mobile homes.

This is bitter irony. Creature comforts of people are locked up in a box dwelling, and the rural landscape suffers the insults.

Will deterioration of rural dwellings accelerate as mobile homes enter stage two, the used mobile-home market?

Perhaps Lane County government can help create a housing program which would provide sustained employment and make real houses available to people at reasonable prices.

I think this is the question you are asking in your study.

h) The least appealing alternative is #2, Grants for Developers, if that means large-scale developers only, in or out of Lane County. In any event, a Housing Action Program should not encourage speculative ventures in rural land, ventures that contradict the goal to preserve and maintain agricultural lands.

i) If there is some avenue by which County government could become involved, it is my opinion that the involvement should be "substantial".

j) Should County government take on a substantial role in a Housing Action Program, it should do so only if projected revenues are secure. Fiscal sanity is the issue.

k) If substantial involvement in housing improvement by Lane government is possible and desirable, I recommend that related administrative costs and staff be minimal. Increasing government employment does not enlarge the quantity of economic goods produced.

l) I feel that Alternative #8, Self-help, is the most sound. Self-help housing improvement seems appropriate--see f) above.

Self-help is a positive alternative in several respects, not the least important of which is that people take care of themselves. If people expect

the government(s) to be a caretaker, then it will be.

Under the Self-help option, perhaps a matching funds, low interest, grants/loans program would be feasible. Self-help translates into self-esteem.

With more time I would condense my notes to you. One difficulty is that your report requires considerable study. It is almost too thorough. Anyway, we're both guilty of being long-winded.

Yes, I would like to read Ch. IV, could you send it to me.

28. #30 is a good beginning, but should go further. Property taxes should be set up on the reverse of what they are now (if it is ABSOLUTELY necessary to have one at all); improving your property should decrease the tax, allowing it to run down should increase tax.

29. You mention the FmHA program often in this report. We have been trying to get a house through them for four months now. We have been accepted for the program but as yet have not been able to find a house that qualifies. We can't even find a builder who can afford to use them. Perhaps you should look into this program more carefully before you consider it an alternative for lower-income families. As it stands now, they are impossible to deal with. They certainly need any help you can propose.

30. We need social service programs to go along with the housing. Housing alone for many of our adults would be a disaster. Our agency is very concerned about adequate housing and more good foster homes and group homes are badly needed.

31. One of the situations I would like to see explored is the mobile home in the rural areas where wood that is used in housing in other areas is essentially cut and shipped and then plastic homes from the metropolitan areas are put in the rural wooded areas.

I would like to see (might help work up) a program that would help organize rural development (Alternatives #20, 21, 31, 16) by using wood cut from area to be used in construction of homes in the area by local businesses (possibly building co-ops).

I envision different co-ops--logging, milling, building (designing). Surely the homes would be cheaper--keep dollars in the County--create jobs.

It seems a real waste dragging mobile homes out to the country so the people who work in the woods can have a place to live.

32. Here are a few constructive (I hope) thoughts on the various programs outlined.

Public housing funded through a combination of bonds (by the county) and various federal and state funds seems to me to be the best way to reach low income people to provide adequate housing. This does not necessarily have to be aimed at any particular group (seniors, single women, etc.) but at anyone needing temporary (6 months, 1-2-3 yrs) housing who cannot provide for themselves.

Using this program, it appears to me that the county could work very closely with the private sector and still maintain the adequate controls (red tape) necessary to protect public funds.

Secondly, many low income families are not prepared for the responsibility of home ownership and would be benefitted by living in a more structured arrangement. I'm thinking that public housing would be supervised by the county or the private developer in terms of maintainance and repairs.

Grants to developers looks to me like it would leave many possibilities for misuse of funds.

Reduced down payments worked very well in the early 235 program when the program was aimed at moderate income working people. The original program was a "boot strap" or helping hand arrangement and was not meant to keep people on a subsidy forever.

Rent supplement payments should not be restricted to the 25% figure.

Reducing interest rates works well when the program is aimed at those who are able to assume the responsibility of property ownership and to whom the subsidy will not last indefinitely. It seems to me like a stair step approach to reducing the subsidy would be reasonable and beneficial to all involved.

The FmHA have many of the above mentioned "good" things, i.e., aimed at working people, low down, interest subsidy. However, the paper work is oppressive. Hiring more people to do the paper work only perpetuates the problem. If I could wave a magic wand and solve the most vexing problem in dealing with government, it would be aimed at a reduction of the paper work. Hiring more people, who immediately have a vested interest in maintaining the flow of paper, does not solve any problems. Filing a complete package for every house to be built in a subdivision, each using the same trusses, siding, grade of carpet, etc., is wasteful.

Even this problem could be handled by the private builders if the amount of money allowed on each FmHA house was equal to the amount if sold through conventional financing. However, FmHA appraisals are consistantly below market value. I understand that this is not the fault of the local office but is a problem emanating from above. Essentially, the 502 program is a good approach.

All the rehab programs maintain housing all ready there and should allow more low income people to have adequate housing.

Building resource centers does not appear, to me at least, like it would be used enough to be viable.

Paint programs are excellent and maybe could be tied in with some non-profit organization (church, scouts) to help do some of the work.

Housing code should be strictly enforced for rental property.

Last but not least, we should get off the property tax and on to some sort of income appraoch to taxation. I could cover pages on that. I hope this is helpful.

Response Made by Groups

Community Committee Council
c/o Cecyl Childers, President
88466 Timberline Drive
Veneta, Oregon 97487

January 10, 1977

Lane County Board of Commissioners
Attn: Mr. Robert Wood
125 E. 8th St.
Eugene, Oregon 97401

Dear Mr. Wood:

Regarding the proposed 'Interim Lane County Policy Statement on Providing Housing Assistance Services to Lower-Income Families.'

During the January meeting of the Three C's (Community Committee Council), members discussed proposed policy statement, also being aware and informed of the 'Housing Market Analysis.' Most of our discussion centered around two major concerns: 1) That the county should not become extensively involved in the real estate and/or housing construction business, and 2) That county programs for housing may be initiated by local, state, or federal monies but that they then must become self-sustaining programs.

In order to deal with these two concerns, the Three C's proposes that Section A (pg. 1 of Appendix B) state: "The emphasis of county government in housing assistance programs will be directed toward the use, conservation, and rehabilitation of the existing housing supply through a low-interest self-sustaining loan program"...etc.

Through a low-interest loan program, it is felt that opportunities would exist for low-income people to rejuvenate and/or build their own homes without county government infiltrating private business (real estate/construction); At the same time, such a program would become self-sustaining, not reliant on a continuing increasing amount of tax monies.

We hopefully request you take our concerns and suggestions into consideration as you progress through the decision-making process regarding this housing policy.

Sincerely,

Cecyl Childers

Cecyl Childers
Community Committee Council
(Veneta, Elmira, Walton, Noti, Centi
and Crow areas)

The Housing Authority and Urban Renewal Agency
of
Lane County, Oregon

P. O. BOX 907
 177 DAY ISLAND ROAD
 EUGENE, OREGON 97401

July 11, 1977

COMMISSIONERS:

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 C. M. Lowe

Bryce Thalman
 Executive Director

Peggy Lee
 Deputy Director

Mr. James Johnson
 Lane County Planning Division
 Public Services Building
 Eugene, OR97401

Subj: Proposed Housing Plan for Lane County with Alternatives for a
 Housing Action Plan.

Dear Jim:

Having reviewed the Proposed Housing Plan for Lane County with Alternatives for a Housing Action Program, and having completed the Alternative Questionnaire, following is the rationale that indicates the level of involvement by County Government this Agency feels is appropriate:

A. Increasing the Supply of Low Cost Housing

1. Public Housing.

As stated in the alternatives, the most appropriate way to implement this alternative is for the County to provide financing; the Housing Authority would oversee construction of the project and the Housing Authority would manage and maintain the units. The County would set up an ad hoc committee on financing that could investigate the possibility of a bond measure (revenue or general obligation bond sale). The County Government is in a better position to obtain a lower rate on a bond issue than the Housing Authority, and the Housing Authority does not have the knowledgeable staff to implement a bond sale.

While we would like to suggest County involvement at the Moderate Involvement level, we realize the difficulty in attaining that goal and feel it would be more feasible to recommend Minimal Involvement. Twenty or thirty units would be a practical approach as a pilot program and possibly a bond measure could supply funds for future involvement.

2. Grants for Developers.

We feel Moderate, and possibly Substantial, Involvement would be appropriate as the Housing Authority would submit a proposal to County Government for a grant that could be in the form of land, cash, or a combination of both. The Housing Authority is involved with the City

of Eugene in this type of program which hopefully will result in the addition of 25 units of non elderly low income housing in Eugene.

Recommended uses of grant funding from County Government are:

- A. Expansion of elderly project on Authority owned property at Creswell;
- B. Expansion of elderly project on Authority owned property at Cottage Grove;
- C. Possible purchase of scattered fourplexes or duplexes throughout the County requiring minor rehabilitation; and
- D. Development of a mobile home park for low income elderly citizens.

6. Landbanking.

Moderate Involvement is felt appropriate. The County would purchase land and reserve it for future use by the Housing Authority. This can be accomplished through Community Development funds, or from grant funds.

B. Conservation and Rehabilitation of Lane County's Existing Housing Supply.

This Agency would suggest that Moderate Involvement be appropriate in this overall category as data indicates there are many houses in need of substantial rehab throughout Lane County. There should be some way County Government could be involved in helping to rehab these privately owned single family units.

County Government could also provide financing for a Rehabilitation Grant Program to the Housing Authority through which this Agency can purchase and rehab existing multifamily or single family units for low income families.

C. Other Program Alternatives.

31. Review of County Owned Land

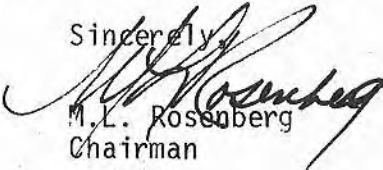
County Government could establish a policy whereby, in cases where County owned properties must be sold, the Housing Authority - and other public agencies - would have first right of review for ownership prior to being offered at public sale. Units could be used for Section 8 program, or property could be landbanked.

Housing Authority recommended Alternatives.

1. The County Government could provide, from their Social Services Division, personnel for the purpose of providing social services to Housing Authority tenants, assistance in information and referral, community organization, and mobilization of social services resources.
2. The County Government could provide, within their organization structure, a Housing Division to coordinate all efforts to provide adequate housing for the population of Lane County.

Your consideration of the above recommendations will be greatly appreciated.

Sincerely,


M.L. Rosenberg
Chairman



JOINT HOUSING COMMITTEE ————— ROOM 112 - 777 PEARL STREET ————— EUGENE, OREGON 97401

August 3, 1977

Mr. James R. Johnson
Housing Planner
Planning Department
Lane County Public Service Bldg.
Eugene OR 97401

Dear Jim:

Attached are the recommendations of the Joint Housing Committee regarding the Proposed Housing Plan for Lane County with alternatives for a housing action plan. These recommendations are in response to your letter addressed to the Mayor and City Manager, requesting review and comment. The City Manager chose to refer the matter to the Joint Housing Committee for their review.

We appreciated the opportunity of reviewing the Lane County plan and are anxious to hear the final recommendations for Lane County's action plan for housing.

Sincerely,

A handwritten signature in cursive that reads "Betty Niven". Below the signature is a small circle containing the initials "RJ".

Betty Niven, Chairman
Eugene Joint Housing Committee

RJ:so/Wb11

Attachment

JOINT HOUSING COMMITTEE RECOMMENDATION OF THE PROPOSED HOUSING PLAN
FOR LANE COUNTY WITH ALTERNATIVES FOR A HOUSING ACTION PROGRAM

At their July 21 meeting, the Joint Housing Committee met and discussed the proposed housing plan for Lane County with alternatives for a Housing Action Program. The committee makes the following comments and recommendations concerning the alternatives.

The committee agreed that priority should be given to the following areas contained in the plan:

1. The County should maintain and expand their current housing functions such as; home repair, weatherization, cooperation with Farmer's Home Administration, housing referral, and housing planning.
2. In consideration of the need to address the County's major housing problem of substandard dwellings, an immediate emphasis should be placed on expanding housing rehabilitation alternatives beyond the home repair effort to include grants, deferred loans, and related programs such as the paint program and better heating source. Additionally the necessary planning and programming to develop a full-range rehabilitation program for the County should be considered in the near future.
3. The County should consider the following program alternatives for implementation in the immediate future:
 - a. Expansion of the housing stock (listed in order of priority)
 - A-9 Farmers Home Processing of Grants and Loans
 - A-10 Farmers Home Package Loans and Grants, Single Family
 - A-11 Farmers Home Package Loans for Multiple Family
 - A-6 Land Banking for Low Income Housing
 - b. Rehabilitation (response relates to comment in No. 2 that suggests an expansion of the rehabilitation alternatives-- not listed in order of priority). The possibility exists to combine a number of these alternatives together.
 - B-13 Deferred Payment Rehabilitation Loans (Note: We recommend small loans at a \$3,000 maximum)
 - B-15 Rehabilitation Grants
 - B-16 Rehabilitation Incentive Grants
 - B-21 Better Heating Source
 - B-22 Paint Program
4. Other program alternatives (not listed in order of priority):
 - C-26 Review of Land Development Regulation
 - C-27 List of Information on Lower-Income Housing

Joint Housing Committee

- C-29 Mobile Homes in Unincorporated Lane County
(Note: The Joint Housing Committee would recommend that the County not limit their consideration of mobile homes to the single issue of allowing mobile homes on single lots in metropolitan Lane County but also consider the impact that the 5-10 and 20-acre minimum lots have on mobile homes in the County and whether alternatives could be established to address this problem.)
- C-30 Support Property Tax Reduction Legislation
- C-31 Review of County-Owned Land

Concerning the other 17 listed alternatives, the County should include these for future consideration and planning with the exception of A-4, Rent Supplement; A-5, Housing Allowances; and A-7, Reduce Interest Rates for Ownership. In our opinion this variety of programs proves unfeasible for local government. Direct subsidies not supported by the Federal Government are costly and demand a continued financial commitment over long periods. Local funds are better spent in pursuit of attracting and assuring funds of this magnitude by leveraging.

RJ/jpTb6

September 1, 1977
Eugene, Oregon

Lee Miller, Head,
Lane County Planning Division
Department of Environmental Management
Public Service Building
Eugene, Oregon

Dear Sir:

Lane Economic Development Council is pleased to forward herewith for your consideration a summary of our recommendations for changes in County housing policy. This, ~~together with a list of preferred action programs~~, is our preliminary response to your proposed Housing Plan for Lane County. A more detailed review is still in preparation for later presentation. For that purpose a meeting has tentatively been scheduled for Thursday, September 15, 3:30 pm, in the conference room at L-COG. Jim Johnson, Linda Dallman, Steve Mustoe, and Sabin Lamson have been invited to attend.

This preliminary position paper is the work of the LEDC housing committee, consisting of Ken Miller, Will Carlstrom, Eileen Stephens, Tom Bowerman, Denny Guehler, Mel Erickson, and myself in consultation with our Board of Directors. The amount of time and energy required to understand and respond to the "Johnson Report" has deepened our appreciation of the work that went into its development and increased our estimation of its worth.

LEDC is concerned with the apparent failure of the General Plan and its proposed Housing component Plan to consider adequately or even to recognize many of the serious questions that beset the local and national economies. For example: Lane County has a failing timber resource base; while nationally, we are in the grips of an unprecedented inflation in the midst of high unemployment. These problems will progressively worsen. Such issues concern the abilities of local people and businesses to survive economically in the months and years ahead. Possible solutions to these problems should, optimally, be worked up into alternative scenarios as planning options and receive the fullest scale of public participation in their consideration and decision.

Fears were expressed in our committee that the 4,000 rural housing units alleged to be substandard might be declared unfit for habitation and demolished, as was recently attempted by the Josephine County government. We are not willing to believe that events of that sort could ever happen in Lane County and we note with some reassurance the concern in the report for rehabilitation.

However, we do seriously question the wisdom of having a uniform building code for both rural and metropolitan areas of the County. It is largely upon such premised uniformity that the judgment of substandard rural housing must rest. We think it possible to see urban and rural environments as essentially different. It is by no means clear that the urban environment is ultimately preferable. Indeed, a primary focus of LEDC is upon finding alternatives to the prevailing concept of a single track for economic development planning.

The question as it relates to housing and "Choices for the Rural Area's Future," is of a qualitative nature rather than merely quantitative, as in "more or less restrictions" and "faster or slower growth." In that light, we view the "co-ordinated growth concept" as a misnomer for what is in truth the subordination of rural development to urban growth.

During the "thirties" millions of people were able to weather the depression because they could find means to support themselves, find food and shelter in the country. Traditionally, in the Euro-american experience, the countryside has been a refuge for people in times of trouble, times of war, pestilence, or economic difficulties. Today in the name of higher standards of living and housing that continued possibility is threatened with foreclosure. Does it make sense to elevate housing standards beyond the means of so many people to attain? Whose interests are really being served?

Comprehensive planning to be truly integrative should take its various components in their logical and factual relationships as a whole more coherent than not; rather than piecemeal, classroom exercises in blackboard logic, conceived in isolation and compounded in blind indifference to real world outcomes. We think planning should be a means for the enlargement of freedom, a way to serve the best interests of the whole of society; rather than another source of oppression, depriving people of the barest means of simple independence.

Citizen participation should be as democratic as possible because the interests of all citizens are involved. Administrative perspectives all too easily perpetuate injustice because their extrapolations of past trends also project into the future the interests of the victors of previous conflict situations. This progressive privatization of the interests represented in and by the actions of government cause it to sooner or later lose its authority.

We aren't saying that Lane County Government is tyrannical, (although we've heard it said), and we aren't saying the planning department is undemocratic. We are saying that the people of this area have too little to say in planning their own future. Doing something about that is, in large part, your responsibility. We are willing to help.

Sincerely,



William W. Wooten, President
Lane Economic Development Council

SUMMARY OF RECOMMENDATIONS ON HOUSING - L EDC

1. "What is a house?" needs to be reappraised in terms of size, accessories and location. Single family housing is expensive partially because FHA, Bank loans, public expectations, code requirements, etc., make it so.
 2. Self-help housing should be encouraged and an owner-built code should be developed.
 3. Housing policy and implementation programs cannot properly reflect the needs of residents as long as the citizen participation process is inadequate. People in the rural sub-areas and communities of the county should be assisted to form local citizen groups and secondly, to implement their chosen plans.
 4. Housing programs should be administered directly through the local people. Planning advocates should reside in the sub-area and be hired by its residents in cooperation with the county.
 5. Speculative development and attendant inflation is the primary cause of the lack of low-income housing. The county should limit development of land by speculators and corporate agribusiness interests.
 6. The county should clearly present to citizen groups the potential of Community Development Corporations, housing cooperatives and land trusts for locally directed development. The county should provide all assistance necessary to citizens forming such structures.
 7. The county should support local projects that have a potential for creating economic, ecological and social balance. Specifically, cooperatively controlled Planned Unit Developments aiming for economic and energy self-reliance should be encouraged as new development centers. The following features might be included:
 - a. Housing that is built in close proximity to an indigenous employment resource, e.g. clay deposits (brickmaking), agricultural land (small villages doing truck farming, orchards, intensive organic cultivation), timberlands (villages to intensively do thinning, planting, nurseries, harvesting, milling).
 - b. Urban housing developed around production facilities utilizing local raw materials (furniture plants, canneries, fish culture, greenhouses).
- The county should make financial and technical assistance available to encourage the economic development on which such PUD's would be based.
8. Construction and rehabilitation of housing by local people on a cooperative basis should be encouraged so as to provide jobs and to retain money in the sub-areas. Training programs should be available to each sub-area to ensure the ability of local people to meet their own housing and employment needs.
 9. Lane County should establish a rehabilitation and development bank, along the lines of the North Dakota State Bank model.



HOME BUILDERS ASSOCIATION OF LANE COUNTY, INC.



3282 GATEWAY

SPRINGFIELD, OREGON 97477

746-2523

September 8, 1977

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WILLIAM R. BRIOT

Jim Johnson
Housing Planner
Lane County Department of Environmental Management
Lane County Court House
135 East 6th Ave.
Eugene, Or 97401

Reference: Lane County Housing Plan.

Dear Jim,

In response to your memorandum of June 18, 1977, the combined Low Income Housing and Zoning Codes Committee of the Home Builders Association of Lane County have considered the information and alternatives outlined in Report 11.

It is a consensus of this group that the questionnaire developed for response to the referenced document is too complex to answer consistently as a group. What the group has been able to reach agreement on, however, are a number of principles and criteria according to which they believe the Lane County Housing Plan should be developed. These are as follows:

1. Implementation of the housing policies recommended by the West Lane Planning Commission, namely:
 - A. Provide for appropriate types and quantities of land within areas designated as development or service centers to meet the needs for housing of all income levels.
 - B. Provide the appropriate levels of public facilities, services and utilities necessary to support housing development in areas so designated.
 - C. Consider the areawide land, water and air resource capacity in the planning of residential development.
 - D. Encourage the availability of adequate numbers of housing units at price ranges and rent levels commensurate with the financial capabilities of Lane County residents.
 - E. Recognize the future needs and provisions necessary for flexibility of housing location, type and density.



- F. Encourage County housing needs to be met by the private sector of the economy, and engage in actual housing development only to fulfill an identified public need which is not being fulfilled by the private sector.
- G. Consider the impact of land use regulations upon the supply of housing for low income households.
- 2. Operate within the existing bureaucratic framework and minimize additional staff requirements to implement the program.
- 3. Compliment rather than supplement housing assistance programs by other public agencies.
- 4. Implement only the most cost effective programs.
- 5. Promote policies which will encourage self-help.
- 6. Concentrate available resources on a few priority programs.

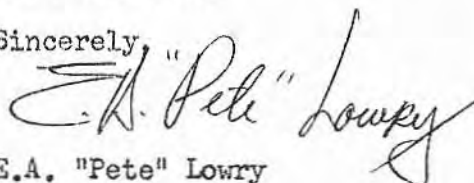
It is apparent that one of the critical problems in the county is the quantity of suitably zoned land for housing. Increasing the supply of such land, possibly through the development of new settlement patterns, would clearly and significantly reduce the cost of the housing.

One unfortunate aspect of the housing situation is that a large segment of the population can be served only by virtue of the existence of a substantial supply of "substandard" housing. In the removal and upgrading of such housing, we must proceed cautiously to assure that the population served and the public can in fact afford the transition. Projects which draw upon the will and ability of people to improve their own circumstance through economic incentive would certainly ease such a transition. Building Codes should be applied with careful consideration for impact on housing cost.

The overriding principle in consideration of any housing program is basic to all economic decisions; namely that the resource to be allocated is scarce and, therefore, it should be concentrated in sufficient quantities and in such a manner as to be most effective.

We hope to be able to maintain a continuing dialogue with the County Representatives throughout their deliberations. We appreciate the opportunity to engage in this discussion and look forward to a continuing communication.

Sincerely,



E.A. "Pete" Lowry
President

EAL:hmk

THE MCKENZIE RIVER LAND OWNER'S
ASSOCIATION

August 1, 1977

Mr. James Johnson
Lane County Planning Division
Public Service Bldg.
125 E. 8th Ave.
Eugene, Oregon 97401



Dear Mr. Johnson,

The "Subject": The proposed Housing Plan for Lane County.

The proposed plan, as proposed in Report # 2 is, in most part, unsatisfactory, and is contrary to the American system of Government, and economics. The plan as presented, implies a system of "Socialism". Within the plan, are statements that any growth control will be decided by select Bureaucratic agencies, which prohibits a freedom of choice in the use of Privately Owned land, by the owner. The implication is that such prohibition shall be accomplished for the express benefit of the Urban public at large, and without due process of "Eminent Domain", the Formal use of "Police Power", and "Just Compensation". Such action violates Articles 5, and 14 of the United States Constitution.

The Plan states that a secondary reason for a housing plan is, compliance with State & Federal Regulations. This statement is quite misleading, and a misrepresentation. There is no legislative "Back Up" for such requirements, and the truth is, that any requirements mentioned are only Federal or State Guide lines for Obtaining money grants, to enlarge, and perpetuate Local Bureaucratic agencies. NO GRANTS HAVE TO BE ACCEPTED, IF LOCAL ELECTED OFFICIALS DEEM THEM UNNECESSARY.

The plan states that RURAL, UNINCORPORATED areas of Lane County are the targets of such a plan, yet the Rural area citizens are targeted in Total Minority, as related to the eleven Incorporated Cities to be involved. Each city has it's own Government, Planning Department, Elected Officials, and select Population by boundary. Rural residents HAVE NO VOICE in such Urban planning.

Much of the plan's implication reflects SUBSIDY TYPE LIVING for certain individuals at the Expense of others. This type of planning is totally contrary to the American system; The Lane County Government has NO RESPONSIBILITY to be in the Real Estate Business, or the Housing Business, that is the sole responsibility of "Private Enterprise". The very basic economic fundamentals of our system predict failure of such Government intervention.

We might, at this point inject a fact for perusal, Lane County is Each Individual Citizen, Collectively, by area, and NOT the Employees of Lane County Government, as implied within your report. No Lane County Employee, elected or appointed has the power to deprive any individual person of Life, Liberty, or property, nor to recruit them to "Involuntary Servitude".

It is possible that this letter has created some confusion in your minde, so far. Be assured that we are not confused. The housing plan as presented is, a complete departure from our declared form of Government, it contains statements of Forced Regimentation, it contains statements of Forced Control of Private Enterprise, it contains Price fixing statements, and it contains statements of Discrimination as related to Rural Taxpayers.

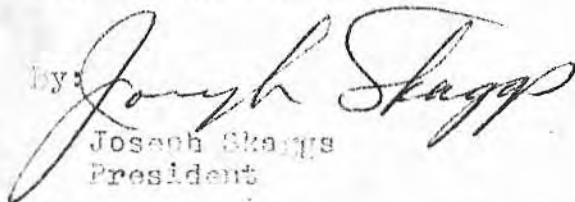
Such documents as the housing plan dovetailed with the Land Use Plans of today just futher erode our individual rights, and carry us further into Socialism. Possibly there are some controls necessary today, they must never infringe upon individual rights, Guaranteed by our system. Government can qualify no right to be in the realm of Private enterprise, especially at Taxpayer expense.

In summary, this association will join with other similar associations throughout Lane County, and the state, to strenuously oppose any further Governmental entrance into any projects usurping Private Enterprise interests, using any form of Citizen Tax Monies, especially if used as subsidies, planned, and controlled by Bureaucratic agencies.

It really does not matter what you or I think about the merits of any program, our system of Government, as dictated by the U.S. Constitution will not allow, by law, Socialism. Programs that demand the servitude of one citizen for the benefit of another are prohibited. Any such laws or ordinances are without substance, are in violation of Constitutional law, and are not legally enforceable.

All is quite specifically covered within the Constitution, and the "Bill of Rights".

FOR THE ASSOCIATION:

By: 
Joseph Skaggs
President

Copies to the Lane County Commissioners

MEMBER



HARRISON HOMES

1441 HIGHWAY 99 NORTH
EUGENE, OREGON 97402
PHONE (503) 689-5353



August 1, 1977

Lane County
Department of Environmental Management
Division of Planning

ATTENTION: Mr. Jim Johnson

SUBJECT: Proposed Housing Plan

Dear Mr. Johnson:

Thank you for the opportunity to respond to the Proposed Housing Plan for Lane County. The extent of my comments will be directed to the role factory built housing, specifically mobile homes, can play in helping solve some of the housing problems facing us.

1.) Low Income Families in Need of Housing

Low income families could be divided into two groups. Those who need public assistance in purchasing property and financing arrangements, or assistance with monthly payments; or those who may be on a limited income, retired, disabled, or just in a lower income bracket but who have sufficient savings to buy a lot and a small mobile home. I see many of the latter group but it is becoming more and more difficult to place them in a home on private property. These people would just need to be able to find a small lot at a reasonable price, and they could handle the rest.

2.) Middle and Upper Income Families

Should also be given a housing choice. If they choose to live in a mobile home, they should be able to find a lot on which to place their home.

3.) Financing plans presently available for mobile homes include:

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A.) Federal Programs

Farmers Home Administration--although this program was authorized by Congress in the Housing Act of 1974, this agency has failed to implement the program to date. If we could get them to act, this would release substantial funds for direct loans and would have a provision to include financing of property.

FHA--This is probably the most successful of the mobile home financing programs which utilizes private funds with a federal guaranty. This program has recently been expanded by Congress (the bill will be signed by the President shortly) to include longer terms and a provision for land and mobile home combined loans.

Veterans Administrations---New guidelines make this program look good for the future. Compares favorably with FHA program.

B.) State Programs

State VA--An excellent, low interest, direct loan program up to 25 years with loans up to \$42,500. The only problem facing this program is a lack of homesites at reasonable prices. It's too bad this program is only available to Veterans.

Loans to Lenders Program--This program will no doubt be expanded to provide subsidized funds to Savings and Loans and banks with which to make home loans. Will now include mobile homes.

Perhaps some program could be worked out with FHA officials to allow Lane County to subsidize the downpayment and/or monthly payment for lower income families. I do not believe they should move in free gratis. This does not give the feeling of equity and the homes and yards would not be cared for by many. People should be given the opportunity to help themselves, however.

As a developer, I would be interested in working with Lane County on a pilot program for a mobile home subdivision. I would need your assistance in the site selection, water supply,

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sewage disposal, and helping pave the way with Federal officials. My partner is presently an FHA Title I Mobile Home Lender with the knowledge and expertise to package mobile home loans through GNMA and FNMA secondary money markets.

I noticed recently, Lane County announced hearings will be held to consider community water and sewer districts for some rural areas. This is certainly a step in the right direction.

I believe we all want to preserve our agricultural land here in Lane County. However, there is some land available that is not agricultural quality that could support a housing subdivision.

Please let me know if I can be of any assistance.

Very truly yours,

Bob R. Harrison
plp

Bob R. Harrison

BRH:plp

