

Approved

Thomas F. Walker

Date

3-21-90

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION

The meeting was called to order by Representative Thomas F. Walker at
Chairperson

9:00 a.m./p.m. on Tuesday, March 20, 1990 in room 522-S of the Capitol.

All members were present except:

Representative D. Miller - Excused
Representative Weimer

Committee staff present:

Avis Swartzman - Revisor
Carolyn Rampey - Legislative Research
Jackie Breymeyer - Committee Secretary

Conferees appearing before the committee:

Noelle St. Clair - Kansas Chapter of the National Association of Housing
and Redevelopment Officials

Senator Lana Oleen

Floyd West - Chanute, KS, AARP

Liz Oesterlin, LMSW, Executive Director, Topeka Family Shelter, Inc.

Terry Humphrey, Executive Director, Kansas Manufactured Housing Association

Karen A. Hiller, Executive Director, Housing & Credit Counseling, Inc.

Frances A. Squyres, Director of Housing, Community Development Division,
Kansas Department of Commerce

Chairman Walker called the meeting to order and stated the minutes of the previous meeting would stand approved at the end of the meeting if there were no corrections or additions.

SB 427 - housing; housing related programs

Noelle St. Clair was first to appear on the bill. Kansas NAHRO supports the amended Senate bill as it has come out of the Senate Governmental Organization Committee except for one minor word. Section 3 states that the office of housing the head of which shall be "assistant" director for housing. The word assistant should be deleted. Kansas NAHRO also strongly supports the establishment of the housing advisory committee. (Attachment 1) Ms. Noelle cited reasons why the bill is important and also the many factors that influence affordable Kansas housing.

Catherine Valentine, SRS, stated the purpose at this point in time is to define what we are and to focus on needs.

Senator Oleen appeared on the bill. (Attachment 2) She has been working with various persons who are interested in this bill. The bill establishes an office of housing in the Department of Commerce and moves some housing functions from SRS to Commerce. In addition, an advisory committee is established. This committee will help to implement a state plan which will be required of the state in the near future. Senator Oleen asked for favorable consideration of the bill.

Floyd West, AARP, addressed the bill. (Attachment 3) His organization believes that this bill as amended will serve all people of the state in matters that relate to housing much better than they are being served now.

Liz Oesterlin, Topeka Family Shelter, appeared next on the bill. (Attachment 4) Her testimony reflected that adequate, safe, and affordable housing for every citizen is a goal that cannot be reached without private and public sectors working together. A centralized point for information and assistance is needed. This would be handled by a resource such as the housing office. She would also like to see the term "Director of Housing".

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION,
room 522-S, Statehouse, at 9:00 a.m./p.m. on Tuesday, March 20, 1990

Terry Humphrey, Executive Director, Kansas Manufactured Housing Association, spoke to the bill. (Attachment 5) She stated in her testimony that in recent years, local, state and federal governments have become aware of the affordable housing crisis and have taken steps to evaluate the problem and initiate remedies. The United States Congress is presently deliberating on the National Affordable Housing Act and it is expected that housing plans will need to examine how public policy including tax policy and land use policy will affect housing. Housing is a serious concern in Kansas. With the establishment of a housing office, both the public and private sector will have more information with which to solve the housing dilemma.

Karen Hiller, Housing & Credit Counseling, Inc., addressed the bill. Her organization was an active participant in the development of a proposal that met the needs discussed today. They look forward to working on affordable housing issues in the state, both directly and through the housing office. (Attachment 6)

Frances A. Squyres, Department of Commerce, addressed the bill. (Attachment 7) During the past year the Department has taken positive steps to address housing issues. Secretary Priddle created an Office of Housing by administrative memorandum. In July, 1989, Secretary Priddle designated the Community Development Division as a single point of contact for housing issues within the department. The Division manages three federal housing programs: 1) Low-Income Housing Tax Credit Program, 2) Rental Rehabilitation Program, and 3) housing rehabilitation program through the Small Cities Community Development Block Grant Program. Ms. Squyres told of the responsibilities of the Director, and turned to New Section 3 where the Department would like to see the word "Assistant" deleted. The amended SB 427 calls for the establishment of a housing concerns advisory committee. New Section 5 calls for a preliminary plan for housing for Kansans which will meet the criteria of the federal department of housing and urban development. New Section 4 reflects that service on the advisory committee is voluntary and should be so stated in legislation.

Don Gragg, Department of Commerce, spoke briefly. He stated that Ms. Squyres was appointed by Secretary Priddle to her position last summer. Some directors positions are classified, some unclassified - he understands why there would be confusion in this area.

Testimony from Trudy Aron, The Kansas Society of Architects, AIA, (Attachment 8) and Susan M. Wheatley, Shawnee County Community Assistance and Action, Inc., (Attachment 9) was distributed to the committee.

The Chairman closed the hearing on SB 427 and adjourned the meeting.

GUEST LIST

COMMITTEE: GOVERNMENTAL ORGANIZATION

DATE: MARCH 20, 1990

NAME	ADDRESS	COMPANY/ORGANIZATION
Noelle M St. Clair	1195 Buchanan Topeka	Kansas NAHRO
Kathy Valente	624 South DSOB	SRS
PHIL DUBACH	624-S DSOB	SRS
Karen Hiller	1195 Buchanan Topeka	Housing Credit Counseling, Inc.
Don Karr	1119 S W18, str #2	JILRC
Roy Osterlin	507 Fillmore	Topeka Family Shelter
Norm Kumples	Rt 130 Topeka	KMHA
Steven Hoit	5630 EDGETHILL K.C.K.	TURNER U.S.D #302
JEFF SONNICH	TOPEKA	KNLSI
Iran Squires	Topeka	KDOC
Ann Patterson	Topeka	KDOC
George Goebel	Topeka	AARP Capital City Task Force
D. WAYNE ZIMMERMAN	TOPEKA	KDOC
Guy E. Gibson	Topeka	AARP Capital City Task Force
John Burkholder	Buhler	AARP State Leg. Comm.
Alford L. West	Charvati	✓ ✓ ✓ ✓
Michael Corrigan	Lawrence	K.D.O.C.
Don J. Jolly	Topeka	KDOC

TESTIMONY

Presented to:
GOVERNMENTAL ORGANIZATION COMMITTEE

by

Noelle St.Clair
Kansas Chapter Of The National Association Of Housing And
Redevelopment Officials

Attachment 1
N.O.
31

Mr. chairman and members of the committee, I appreciate the opportunity to meet with you today to discuss Senate bill 427. Kansas NAHRO applauds the efforts of the Legislature for taking the necessary steps to establish a single point of contact to deal with housing and issues related to housing.

Kansas NAHRO supports the amended senate bill as it has come out of the senate governmental organization committee except for one minor word. In section 3 it states that the office of housing the head of which shall be "assistant" director for housing. The word assistant should be deleted. This past summer Secretary Priddle appointed Frances Squires as director of the office of housing. It seems inappropriate to take action now to change the title and give the appearance that this office has less significance. In order to represent Kansas effectively this office requires a person whose title is commensurate with the responsibilities of the position.

Kansas NAHRO also strongly supports the establishment of the housing advisory committee whose members shall be appointed by the Secretary. The organizations that are identified in the bill is representative of the different groups that have worked on getting this legislation developed. Members of these organizations have also developed a communication link with the state office staff that we do not want to see end. This communication link will be even more important as we are developing a housing assistance plan that will identify our states needs and how we are to address them.

As legislators and fellow Kansans it is important to know why Senate bill 427 is important. The following are some of the reasons:

1. Federal housing legislation is pending that, if passed, will provide block grant money to states. To be eligible for federal money the state will have to meet federally mandated requirements which includes having a state housing assistance plan that will define our needs and solutions.
2. Affordable housing plans and strategies must be developed to secure and effectively utilize housing resources.
3. Federal resources for housing have been drastically reduced. States and local communities, out of necessity, need to become more involved in meeting housing needs in the context of addressing neighborhood blight, hopelessness, special needs programs, economic and community betterment.

Housing resources will continue to be limited, making it imperative that:

- a. The dollars be wisely spent on a well thought-out program of priorities and
- b. The dollars be used to leverage private investment and form partnerships for optimum benefit.

4. Kansas has an opportunity to bring together a variety of entities such as local governments, non-profit developers and sponsors, community based organizations, private limited or for profit developers, financial institutions and insurance companies to solve housing problems in our rural, urban and suburban areas of the state.
5. Kansans need for affordable housing is influenced by many factors:
 - a. The state tax reappraisal has had an affect on the costs of housing. In some instances rents have increased to such a high level that tenants who were able to pay the rent in the past are finding they no longer can.
 - b. Small businesses facing high tax increases may put people out of work causing a housing crisis.
 - c. The level of state and federal support services; for example, cut-backs in energy assistance and in-home support services affect a consumer's ability to remain at home at an affordable cost. Institutional options create even more expense.
 - d. Level of income and benefits available to Kansans.
 - e. Special needs of special populations; i.e., recently released correctional populations, frail elderly, homeless populations including families with children and differently abled populations.

In closing, I urge you to vote in support of Senate Bill 427.

LANA OLEEN
SENATOR, 22ND DISTRICT
RILEY AND GEARY COUNTIES



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS

CHAIRMAN: GOVERNMENTAL ORGANIZATION
VICE-CHAIRMAN: CONFIRMATIONS
LABOR, INDUSTRY AND SMALL
BUSINESS
MEMBER: ASSESSMENT AND TAXATION
ECONOMIC DEVELOPMENT
JUDICIARY
LEGISLATIVE EDUCATIONAL PLANNING
COMMITTEE
CHILDREN AND YOUTH ADVISORY COMMITTEE
JOINT COMMITTEE ON ARTS AND
CULTURAL RESOURCES

LEGISLATIVE HOTLINE
1-800-432-3924

HOUSE GOVERNMENTAL ORGANIZATION COMMITTEE

March 20, 1990

RE: SB 427

Chairman Walker and Members of the Committee:

Thank you for allowing me to appear before you today on Senate Bill 427, which I affectionately refer to as the "housing bill."

For the past 14 months, I have been working with various factions who are interested in this bill. Senate Bill 253, of which my committee plans to dispose, has some semblance of merger into the bill before you today. The bulk of the bill, developed during the interim, establishes an office of housing in the Department of Commerce and moves some housing functions from the Department of Social and Rehabilitation Services through the transfer of several employees.

In addition, a housing advisory committee is established to assist the Department of Commerce in formulating a state plan which will be required of Kansas in the near future. The committee will also serve as a clearinghouse and facilitator of information exchange regarding programs and grants.

Appointed members of the advisory committee have been gleaned from interested, concerned groups who have expressed their commitment in three separate hearings. They reflect the spectrum of public/private, profit/nonprofit organizations which we believe cover the necessary areas which need to be addressed in composition of the Kansas housing plan.

Much interest and input has been generated regarding housing for Kansas citizens, and I ask you to give favorable consideration to the amended bill. I would be pleased to stand for questions, should time permit. Thank you.

Attachment 2
H.O.
3/20/90
STATE CAPITOL, ROOM 143-N
TOPEKA, KANSAS 66612
(913) 296-7360



KANSAS STATE LEGISLATIVE COMMITTEE

CHAIRMAN
Mr. Robert E. Burkholder
617 North Wall Street
Buhler, KS 67522
(316) 543 2705

VICE CHAIRMAN
Dr. Lawrence A. Bechtold
1106 S. Gouverneur Road
Wichita, KS 67207
(316) 681 2350

SECRETARY
Mrs. Margaret J. Miller
6807 E. Bayley
Wichita, KS 67207
(316) 686 2555

TO: The Chairperson and Members of Special Committee on
Federal And State Affairs/Governmental Organization.

I am Floyd West from Chanute, a member of the American
Association of Retired Persons State Legislative Committee.

I am here to testify in favor of Senate Bill #427 as amended
by Senate Committee of the whole.

We of the American Association of Retired Persons State
Legislative Committee and Captial City Task Force believe that
this bill as amended will serve all people of the state in matters
that relate to housing, much better than they are being served
now. We would ask your support of this bill.

Thank you for your time and consideration of this testimony.

Attachment 3
M. O.
3/20/90



A place of hope and new beginnings.

To: Rep. Tom Walker and Committee

From: Liz Oesterlin, LMSW, Executive Director, Topeka Family Shelter, Inc.

Re: Bill 427

As a private, non-profit agency that is involved in providing transitional housing for homeless working families, we have been interested in following the progress of this bill. Adequate, safe, and affordable housing for every citizen is a goal that cannot be reached without a partnership between the private and public sectors on all levels of government. Access to capital funds is limited for agencies like ours without a centralized point for information and assistance in acquiring funds made available at the federal level. My ability to disseminate information about available, safe and adequate housing across the state is hampered without a resource such as the housing office. And my ability to adequately describe the need for housing when applying for funds from any source is weakened without an up-to-date report from a state housing office.

I support this bill with only one suggestion. The title given to the Housing Administer for the State should be "Director of Housing". I look for a place to find consistent and accurate information about the state of housing in Kansas and a strengthening of the private / public partnership in tackling the problem of affordable housing for all Kansas citizens.

*Attachment 4
L.O.
3/20/90*

KANSAS MANUFACTURED HOUSING ASSOCIATION

TESTIMONY BEFORE THE
HOUSE GOVERNMENTAL ORGANIZATION
COMMITTEE

TO: Representative Tom Walker, Chairman
and Members of the Committee

FROM: Terry Humphrey, Executive Director
Kansas Manufactured Housing Association

DATE: March 20, 1990

RE: Senate Bill 427

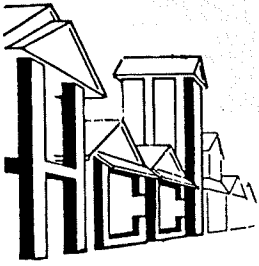
Mr. Chairman and Members of the Committee, I am Terry Humphrey Executive Director of the Kansas Manufactured Housing Association and I appreciate the opportunity to testify in support of Senate Bill 427.

I recent years, local, state and federal governments have become aware of an affordable housing crisis and steps are being taken at all levels of government to evaluate the problem and initiate remedies. Presently the United States Congress is deliberating on the National Affordable Housing Act and it is expected that the Act will require state and local housing plans before federal funds are available. In addition, it is expected that the housing plans will need examine how public policy including tax policy and land use policy effect housing.

In Kansas, housing is a serious concern for many, in fact manufactured home dealers meet families on a regular basis in need of quality, affordable housing but with little or no means to obtain it. However, by establishing an identifiable Housing Office, both the public and private sector will have more information with which to solve the housing dilemma.

Thank you for considering SB 427 and I respectfully request your support.

Attachment 5
H.O.
3/20/90



Housing & Credit Counseling Inc

1195 SW Buchanan Suite 203
Topeka, Kansas 66604-1183
(913) 234-0217

TESTIMONY RE: SB 427

MARCH 20, 1990

HOUSE GOVERNMENTAL ORGANIZATIONS COMMITTEE

KAREN A. HILLER, EXECUTIVE DIRECTOR, PRESENTING

Housing and Credit Counseling, Inc. strongly supports SB 427 and urges your committee to move it forward for immediate passage.

Recognizing the need for a housing office at the state level in Kansas, Housing and Credit Counseling, Inc. was an active participant two years ago when advocates and industry groups joined together to develop a proposal that met the unmet needs we have in our state, without duplicating services already available or creating unnecessary functions. SB 253 introduced in the 1989 session, embodied that consensus. SB 253, through joint interim committee hearings in Summer of 1989, metamorphosed into SB 427. We had some concerns about needed enhancements to that bill, which can be found in testimony on file from the Senate Governmental Organizations Committee hearings. Amendments incorporated into the bill as you see it today have addressed all of these concerns.

We look forward to working with you on affordable housing issues in this state - both directly and through this invaluable housing office. Again, we encourage your immediate "yes" votes on SB 427.

Attachment 6
H.O.
3/20/90



HUD Comprehensive
Counseling Agency



Consumer Credit
Counseling Service



United Way
of Greater Topeka

TESTIMONY

Presented to:

HOUSE GOVERNMENTAL ORGANIZATION COMMITTEE ON

SENATE BILL 427

by

Frances A. Squyres
Director of Housing
Community Development Division
Kansas Department of Commerce

March 20, 1990

Attachment 7
G.O.
3/20/90

Mr. Chairman and members of the Committee, I appreciate the opportunity to come before you to discuss Senate Bill 427.

During the past year the Kansas Department of Commerce has identified areas of interest in housing and has taken positive action to address these issues which affect each of us.

In July of 1989, Secretary Priddle designated the Community Development Division as the responsible entity to serve as a single point of contact for housing issues within the department. The Secretary created an Office of Housing by administrative memorandum.

Prior to that time, and currently, the Community Development Division manages three federal housing program. These include the Low-Income Housing Tax Credit Program, the Rental Rehabilitation Program, and the housing rehabilitation program through the Small Cities Community Development Block Grant Program.

In December of 1989, a State Director of Housing was named. The responsibilities of the Director are:

- A. To serve as a clearinghouse and single point of contact for the state regarding information, programs, and resources related to affordable and accessible housing.
- B. To provide access and management of national housing programs for delivery to the citizens and businesses of Kansas.
- C. To work with existing agencies, organizations, and social programs to assist in the development of affordable and accessible housing.

D. To exercise such powers and perform other duties as may be specified by law.

New Section 3 calls for the establishment within the existing division of community development the office of housing the head of which shall be the assistant director of housing. The Kansas Department of Commerce requests that the word "assistant" be struck and that the head of the housing office be known as the director of housing. Though the position is under the authority of the Division Director, the word "Assistant" may cause the public to assume there is another position between the assistant director of housing and Division Director. Changing the language by deleting assistant provides continuity by making the title of the position consistent with other supervisory program titles within the division.

The issue before us concerns the administration of federal programs related to housing currently placed in Social and Rehabilitation Services. In the event you desire to consolidate these programs into the Department of Commerce to allow a single point of contact for the administration of housing, the Kansas Department of Commerce is ready to accept the responsibility associated with such action.

Senate Bill 427, as amended in the Senate Governmental Organization Committee, calls for the establishment of a housing concerns advisory committee, the members of which shall be appointed by the Secretary of Commerce.

The New Section 5 reads . . . The Office of Housing shall prepare and submit to the 1991 session of the legislature a preliminary plan for housing for Kansas which meets the criteria of the federal department of housing and urban development.

There is current federal legislation which may require each state to have a state housing plan in place in order to participate in the housing programs. However, in conversation with regional HUD personnel there is no criteria in place at this time and should the legislation requiring a state housing plan become law, it would be 12 months before the final guidelines would be published in the Federal Register. Therefore, the Kansas Department of Commerce would not be in a position to publish such an Annual Report until the criteria is in place.

New Section 4 - There is an Advisory Committee to be appointed by the Secretary of Commerce. There is no provision for reimbursement of travel and expenses for the committee members. If serving on the committee is voluntary, it should be stated in the legislation.

The Department supports the creation of an Advisory Committee and will work with the Committee in its performance of its statutory functions.

Mr. Chairman, I stand for questions.



THE KANSAS SOCIETY OF ARCHITECTS, AIA

A Chapter of the American Institute of Architects
The Jayhawk Tower 700 Jackson, Suite 209 Topeka, KS 66603 913•357•5308

TO: Members of the House Governmental
Organization Committee

FROM: Trudy Aron, Executive Director,
Kansas Society of Architects

RE: **SUPPORT FOR SENATE BILL 427**

The Kansas Society of Architects supports Senate Bill 427 which consolidates all housing and housing assistance programs within the Department of Commerce.

One of the most important challenges facing America in the next decade is the availability and affordability of housing. The number of low income households is increasing while the number of low rent housing units is shrinking. Many concede that a virtual halt in new construction of housing for the poor has led to a general decline in home ownership, skyrocketing rents and rising homelessness.

The American dream of home ownership is beyond the reach of more and more middle class Americans. What most of us took for granted, will become difficult or impossible for our children to obtain.

We believe that the consolidation of all programs within the Department of Commerce is the first step in averting a major housing crisis in our State. Information regarding the problems of affordable and accessible housing exists, however, there is currently no statewide retrieval point. In addition, it is crucial that the State work with the various agencies, organizations and programs which others currently have. Coordination, information gathering and dissemination, and research based on the needs of citizens in Kansas are necessary to address one of today's major problems.

The American Institute of Architects, of which we are a Chapter, has been involved with the issues of affordability and homelessness for a number of years. We want to work with the State in finding solutions for the housing problems we face today and those we will face tomorrow. We believe this problem, like many, is not only an issue to be handled by government. We believe that working together, government and private enterprise can find solutions to problems, including those of housing our citizens.

We urge your support of Senate Bill 427.

PRESIDENT
Edward M. Koser, AIA

PRESIDENT-ELECT
Eugene Kremer, FAIA

SECRETARY
David G. Emig, AIA

TREASURER
Peter Gierer, AIA

DIRECTOR
John H. Brewer, AIA

DIRECTOR
Kent F. Spreckelmeyer, AIA

DIRECTOR
Vincent Mancini, AIA

DIRECTOR
Donnie D. Marrs, AIA

DIRECTOR
Skyler W. Harper, AIA

DIRECTOR
Steven A. Scannell, AIA

DIRECTOR
F. Lynn Walker, AIA

PAST-PRESIDENT
Vance W. Liston, AIA

EXECUTIVE DIRECTOR
Trudy Aron

Attachment 8
H.O.
3/20/90



SHAWNEE COUNTY COMMUNITY ASSISTANCE AND ACTION, INC.

ADMINISTRATIVE OFFICES 605 TOPEKA AVENUE
TOPEKA, KANSAS 66603 • PHONE 913-235-9561

March 19, 1990

Representative Tom Walker, Chairperson
Governmental Organization Committee
Kansas House of Representatives
State Capitol Building
Topeka, Kansas 66612

Dear Representative Walker:

Shawnee County Community Assistance and Action, Inc. supports Senate Bill No. 427 and the establishment of an Office of Housing within the Division of Community Development of the Department of Commerce.

Statistics prepared in 1989 by J. Johnston of the Center for Community Futures indicate that in 1969 a full-time worker at minimum wage earned 109 percent of the poverty level. In 1979 that same worker earned 100 percent of poverty level and in 1985, he earned only 78 percent of poverty level. Even with the 4/01/90 increase in minimum wage, this worker will still only be earning 75 percent of the poverty level for a family of 3. Since 1970 median rents have increased by 137 percent while the median income has increased only 79 percent.

In 1988, 78 percent of all poor people spent more than 30 percent of their incomes for rent, and half of all poor families pay 60 percent or more of their incomes for rent. Most lending institutions will not allow a prospective homeowner to pay more than 30 percent of his income in mortgage payments.

With federal housing funds having been cut from \$32 billion to \$9 billion since 1981, these statistics take on new meaning. In 1978 there were 9 million families nationwide needing the 11 million available, affordable housing units. In 1983 there were 11 million families for only 9 million affordable housing units, and in 1985, 8 million families vied for the remaining 4.2 million affordable housing units. It only stands to reason that somewhere, someone will be homeless. Estimates predict 19 million homeless persons nationwide by the year 2000. The 1989 Community Housing Assistance Plan shows 500 to 700 homeless persons in Shawnee County alone at any given time.

An Equal Opportunity Employer

Attachment 9
H.O.
3/20/90

Representative Tom Walker
March 19, 1990
Page Two

The mounting rise in homelessness is only the most visible symptom of our housing crisis. Attention to the issue of homelessness must shift from the establishment of emergency shelters to the development of decent, affordable housing for the very poor.

In order to access available funding, statistics on housing in Kansas needs to be available; as well as a clearinghouse to inform housing groups of funding opportunities. The State of Kansas cannot afford to turn down available dollars that will provide more affordable, accessible, available and decent housing for its low-income citizens.

Thank you for the opportunity to present these statistics to your Committee.

Sincerely,

Susan Wheatley
Susan M. Wheatley
Executive Director

SMW/sj