

SB 586

Dispute Resolution Advisory Committee (DRAC)

Special Meeting

May 10, 2022 - 10 AM

Minutes

IN ATTENDANCE

DRAC Members

Brian Graunke, Chair, Resolve Dispute Resolution
Heather Wright, Neighbor to Neighbor, Inc.
John Van Landingham, Oregon Law & Lane County Legal Aid
Angela Garvin, OSTA
Tera Cleland, City of Gresham
Jan Hamer, River's Bend Marina, Owner & Resident
Patrick Sponsler, University of Oregon

OHCS

Alexandra Ring
Rick Abrego
Ken Pryor
Kari Hodai
Angelica Jimenez
Jo Bell

Absent

DRAC Members Nancy Inglehart (OSTA) and Pat Vachter (Parr Acres, Manager)
Karla Jacobsen, OHCS

PURPOSE of SPECIAL MEETING

This Special Meeting was called to discuss the continuation of the Dispute Resolution Advisory Committee, which is scheduled to sunset in early 2024. As background for the discussion, committee members and OHCS staff were provided with a link to Senate Bill 586 (2019 Regular Session) and relevant portions of ORS Chapter 456, Section 407.

The meeting was called to order at 10:03 AM by Alexandra Ring, OHCS Legislative and Communications Coordinator.

DISCUSSION

Preparation for the 2023 Legislative Session: Legislative Concept due in June 2022

Alexandra Ring (Alexandra) opened the discussion by reminding the group that the Dispute Resolution Advisory Committee (DRAC) sunsets in January 2024, followed by Legislative Session one month later in February 2024. Any work regarding the continuation of DRAC would have to be handled during the 2023 Legislative Session. In preparation, Oregon Housing and Community Services (OHCS) has submitted a Legislative Concept that serves as a temporary placeholder for the 2023 Session while the DRAC members decide how they would like to move forward. A more permanent Legislative Concept will be due in 30 days, on June 1-2. Alexandra asked the committee members how they would like to move forward, and turned the meeting over to DRAC members for discussion.

Patrick Sponsler (Patrick) acknowledged John Van Landingham's expertise regarding Senate Bill 586 (SB586) and statutes, and expressed an interest in hearing from others in the group to inform himself.

Background: Senate Bill 586 key provisions

John Van Landingham (John) commented that he had authored SB586 in negotiation with the group previously known as the Manufactured Housing Landlord-Tenant Coalition, which no longer exists. John focused his comments on Sections 9 and 10 of SB586, which are distinctly separate, each with their own purpose and rationale:

Section 10 created DRAC, whose main purpose was to monitor “this revolutionary new idea” of mandatory mediation. John noted that the idea of mandatory mediation was supported by both landlords and tenants in the hope that it would be cheaper, more effective, quicker – and make fewer enemies – than going to court, where the eventual outcome is uncertain. The intention of creating DRAC was to provide an opportunity and avenue for course correction as the new model was implemented. John also added that as an outside observer he has seen the original purpose of DRAC develop into one of communication between the dispute resolution centers and OHCS, and he sees benefit in that. The committee’s other purpose was to try to reassure landlords – from Oregon and from out of state – that they could have some input. John noted distrust on the part of some Oregon landlords, and despite repeated efforts to obtain their participation they have not joined DRAC.

- John offered the opinion that DRAC’s monitoring role over mediation still has value.

Section 9 provides for an OHCS attorney to address statewide tenant (and other) issues. This was intended to be a four-year pilot project using revenue from the annual \$10 Special Assessment on manufactured homes in Oregon, and to address a common tenant concern of non-enforcement of landlord-tenant laws. The project has had a very delayed start. This pilot project did not receive authorization by OHCS and the Oregon Attorney General until recently, in 2022. A successful interview on May 9, 2022, resulted in a potential hire.

- John offered the opinion that he hopes OHCS will submit a Legislative Concept to continue with this pilot project. John also noted that the funds are still in reserve, and he expressed concern that the Legislature sometimes targets untapped reserves for use elsewhere. John commented that if OHCS is uncomfortable submitting a Legislative Concept for this purpose he would work to find a Legislator who would support the concept.

Patrick asked for clarification about DRAC’s role in making recommendations about grants and program design, noting that DRAC does not have grant-making authority. John agreed that DRAC’s role was limited to encouraging the Section 9 pilot project to move forward.

John asked for others’ thoughts on whether DRAC has value.

- Patrick shared his thought that DRAC has had value in supporting OHCS with program design, and that the committee’s presence has created an opportunity to provide formal feedback. And now that DRAC has a connection to the advancement of the Section 9 pilot project, Patrick expressed the opinion that “it makes sense to keep DRAC going.”
- Chair Brian Graunke (Brian, Chair Graunke) favored pushing both components forward, and commented that DRAC would be available to evaluate effectiveness of the Section 9 pilot project as data becomes available. Brian added that the COVID pandemic contributed to delays in launching the project.

Sunset: why it’s needed

John asked Alexandra for OHCS’ thoughts on how long to continue DRAC, and Alexandra answered that it was up to the DRAC members to decide. Alexandra said OHCS’ role was to gather input from the committee, with no restrictions. Alexandra and John emphasized the need to address the question of DRAC’s continuation during the 2023 Legislative Session (a regular, long session). John added that if the committee favors continuation they should extend the sunset for four more years to time the next sunset with a regular, long session. John also explained the value of a sunset provision. It avoids a long-term statutory – but sometimes outdated and unnecessary – obligation that could eventually become a burden for OHCS. Without a sunset provision, new legislation would have to be introduced to officially terminate the committee.

Budgeting: questions and concerns

Patrick asked about the current funding reserve [in the Manufactured and Marina Communities Account] and whether there are any concerns for budgeting of the Section 9 pilot project. John noted that there are ongoing costs to OHCS to sustain DRAC and to prepare for launching the attorney pilot project. Costs include staff time to support the committee and legal fees for drafting agreements in support of the attorney pilot project.

John noted that in 2019, when SB586 was first drafted, the funding reserve was in excess of \$1 Million, and that the pilot project was budgeted at \$400,000 (\$100,000 per year). Brian added that going forward the Special Assessment revenue would also include marinas. Rick Abrego (Rick) said he could obtain current financial data.

John shared his thoughts that potentially the Section 9 pilot project could be funded by another source (rather than the Special Assessment) after the four-year pilot, and he felt the primary question before the committee today should be whether to extend the sunset for DRAC.

Opinions of other committee members

- Angela Garvin (Angela) shared the opinion that DRAC has tremendous value to tenants through education and connection with OHCS, she feels the partnering has been very positive. Angela emphasized the value of the Section 10 reporting requirement, noting that timely, regular reporting to the Legislature might prove inspirational, that some legislators might see value in expanding mediation into other areas, to “get people talking... and work things out.” Despite feeling pressured for time due to the launch of her own business, Angela fears that [if DRAC were not continued and reporting stopped] all of the benefits and connectivity would go away. Angela noted that we are at a “tipping point,” that tenants are just now learning about mandatory mediation and its value, adding that OSTA (Oregon State Tenants Association) continues to provide routine training to tenants through handouts developed by DRAC. (In response to Angela’s comments Brian added that, having built the processes and now having access to meaningful data, the committee might be able to reduce its meeting schedule.)
- Heather Wright (Heather) shared the concern that DRAC has not experienced a full cycle of the reporting process, and that potential follow-up advisory work might falter if the DRAC sunset were not extended. Heather also admitted time constraints, but said she is willing to commit to another round for DRAC.
- Tara Cleland (Tara) commented on the unanticipated delay of the Section 9 pilot project, and felt it was important to see the project through to full implementation, adding “I would hate to disband before we can show a successful program.”
- Jan Hamer (Jan) said he agreed with the other members, that DRAC should continue. Jan feels DRAC serves an important function, to oversee and support mandatory mediation, and to provide input. Jan noted he “speaks for many of the landlords;” they are relying on him. Jan added that he supports and understands everyone’s work on tenancy because “I am and have been a tenant in a marina for just under 35 years.” Jan shared the opinion that if DRAC continues there is a chance that mandatory mediation could be expanded to all Oregon tenants, and added that fellow committee member John Van Landingham could be influential in promoting broadscale mediation.

Brian called for further comments and discussion. John asked Ken Pryor whether he saw value in DRAC.

- Ken Pryor (Ken) said, “absolutely [DRAC has value].” Ken added that mandatory mediation forces communication, and DRAC creates a formalized and regular interchange of communication. Ken described mandatory mediation as being in the “embryonic” stage; data is now becoming available and it needs to be looked at and reported. Ken commented that DRAC has put best practices into place; “it’s a great start.” He also noted that DRAC has some “unfinished business” on the table, including the concept of mandatory group mediation which was initially developed in DRAC discussions. Ken also suggested a reduced meeting schedule going forward.

DRAC: time constraints, succession planning, and more

Patrick brought attention to the need for succession planning, as he had heard some committee members acknowledge the value of DRAC, while also acknowledging the pressure of their volunteer time commitment. Angela described how important this work is to her, and she wondered whether the committee could accept her participation on an irregular basis. She also commented that a reduced meeting schedule would help her remain on the committee. John and Brian

clarified that DRAC had recently moved to an every-other-month meeting schedule, and Brian further asked the members to consider canceling the regular June meeting and waiting until the regular August 2022 meeting date.

Ken acknowledged the need for succession planning and also commented that most of the DRAC members already have substitutes available to sit in on occasion. Ken expressed the opinion that having diverse representation (substitutes) creates development opportunities within organizations and also encourages the exchange of ideas.

Wrapping up the discussion

Chair Graunke called for further comments and discussion and, if none, a motion from the committee.

- John Van Landingham made the motion to ask HCS (Oregon Housing and Community Services) to submit a Legislative Concept to DAS (Department of Administrative Services) to amend Senate Bill 586, Section 9 and Section 10, to extend the sunset on both provisions by four years.
- Jan Hamer seconded the motion

Chair Graunke called for discussion. John Van Landingham commented that mediation issues previously identified by Ken and Angela could be tabled for work in a future Legislative Session (not 2023), and added, “that’s another reason for continuing.”

The vote to continue DRAC

Chair Graunke, hearing no further comments or discussion, called for members in favor of the motion to say “aye” or raise their hands, and the motion carried unanimously:

- Patrick Sponsler raised his hand in favor
- John Van Landingham raised his hand in favor
- Jan Hamer raised his hand in favor
- Chair Brian Graunke raised his hand in favor
- Angela Garvin raised her hand in favor
- Heather Wright raised her hand in favor
- Tara Cleland (not on camera) raised a (virtual) hand in favor

Decision to cancel June 2022 meeting

Chair Graunke called for objections (or none) to canceling the June 2022 meeting. Hearing no objections, the June meeting was canceled and the next DRAC meeting was confirmed for August 3, 2022, at 10 AM.

Chair Graunke noted an agenda item for the August meeting: the election of the new Chair and Vice Chair, per DRAC bylaws.

Final Comments

John thanked OHCS staff for “forcing” the committee to face the issue of sunset.

Alexandra said, “we’re here to help,” and told committee members that OHCS will submit a Legislative Concept to extend the sunset for four years.

Meeting adjourned

Chair Graunke adjourned the meeting at 10:51 AM.

NEXT MEETING

August 3, 2022, at 10 AM