

Enrolled
House Bill 2152

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber for Housing and Community Services Department)

CHAPTER

AN ACT

Relating to administration costs of Oregon Housing Fund accounts; amending ORS 458.625, 458.650, 458.655 and 458.660; limiting expenditures; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 458.625 is amended to read:

458.625. (1) The Housing and Community Services Department may disburse the revenue earned from investment of the principal in the Housing Development and Guarantee Account to expand this state's supply of housing for low and very low income families and individuals, including, but not limited to, housing for persons over 65 years of age, persons with disabilities, farmworkers and Native Americans. The State Housing Council shall have a policy that provides for distribution by the department of account investment revenue disbursements statewide while concentrating account investment revenue disbursements in those areas of the state with the greatest need for low and very low income housing, as determined by the council.

(2) The department may disburse account investment revenue, in the form of grants or loans as determined by the department, for any or all of the following purposes:

(a) To organizations as defined in ORS 458.610 and to for-profit business entities to construct new housing or to acquire or rehabilitate existing structures, or both, for housing for persons of low or very low income, or both[;].

(b) To provide nonprofit organizations, as set forth in ORS 458.210 to 458.240, technical assistance or predevelopment costs, or both. Predevelopment costs include, but are not limited to, site acquisition, architectural services and project consultants. Predevelopment costs do not include costs described in paragraph (c) of this subsection[;].

(c) For costs to develop nonprofit organizations that show sufficient evidence of having strong community support and a strong likelihood of producing low or very low income housing. Account investment revenue may not be used by an organization for its general operations[;].

(d) To match public and private moneys available from other sources for purposes of production of low or very low income housing[; or].

(e) For purposes of administration of the account[, *not to exceed five percent of the account investment revenue*] **as provided for in the legislatively approved budget, as that term is defined in ORS 291.002, for the department.**

(3) The department shall give preference in making grants or loans to those entities that the department determines will:

(a) Provide the greatest number of low and very low income housing units constructed, acquired or rehabilitated for the amount of account investment revenue expended by matching account investment revenue with other grant, loan or eligible in-kind contributions;

(b) Ensure the longest use for the units as low or very low income housing units; or

(c) Include social services to occupants of the proposed housing, including but not limited to, programs that address home health care, mental health care, alcohol and drug treatment and post-treatment care, child care and case management.

(4) Account investment revenue derived in any calendar year may be used to construct, acquire or rehabilitate housing for low and very low income persons but not more than 25 percent of the account investment revenue derived in any calendar year may be used to construct, acquire or rehabilitate housing for low income households. Account investment revenue not disbursed by the department as grants or loans to construct, acquire or rehabilitate low or very low income housing may be retained and credited as account principal.

(5) Loans disbursed from account investment revenue shall bear an interest rate equal to the interest rate paid on United States Treasury long-term obligations as identified by the department.

SECTION 2. ORS 458.650 is amended to read:

458.650. (1) The Emergency Housing Account shall be administered by the Housing and Community Services Department to assist homeless persons and those persons who are at risk of becoming homeless. For purposes of this section, "account" means the Emergency Housing Account.

(2) The State Housing Council shall develop policy for giving grants to organizations that shall use the funds to provide to low and very low income persons, including but not limited to, persons more than 65 years of age, persons with disabilities, farmworkers and Native Americans:

(a) Emergency shelters and attendant services;

(b) Transitional housing services designed to assist persons to make the transition from homelessness to permanent housing and economic independence;

(c) Supportive housing services to enable persons to continue living in their own homes or to provide in-home services for such persons for whom suitable programs do not exist in their geographic area;

(d) Programs that provide emergency payment of home payments, rents or utilities; or

(e) Some or all of the needs described in paragraphs (a) to (d) of this subsection.

(3)(a) The council shall require as a condition of awarding a grant that the organization demonstrate to the satisfaction of the council that the organization has the capacity to deliver any service proposed by the organization.

(b) Any funds granted under this section shall not be used to replace existing funds. Funds granted under this section may be used to supplement existing funds. An organization may use funds to support existing programs or to establish new programs.

(c) The council, by policy, shall give preference in granting funds to those organizations that coordinate services with those programs established under ORS 458.625.

(4) The department may expend **funds from the account** for administration of the account [*no more than five percent of the account appropriation*] **as provided for in the legislatively approved budget, as that term is defined in ORS 291.002, for the department.**

SECTION 3. ORS 458.655 is amended to read:

458.655. (1) The Home Ownership Assistance Account shall be administered by the Housing and Community Services Department to expand the state's supply of homeownership housing for low and very low income families and individuals, including, but not limited to, housing for persons over 65 years of age, persons with disabilities, minorities and farmworkers. The State Housing Council shall have a policy of distributing funds statewide while concentrating funds in those areas of the state with the greatest need, as determined by the council, for low and very low income homeownership housing. However, the council's policy of distributing funds may differ from the distribution policy for the Housing Development and Guarantee Account.

(2) Funds in the Home Ownership Assistance Account shall be granted to organizations that both sponsor and manage low income homeownership programs, including lease-to-own programs, for

the construction of new homeownership housing or for the acquisition or rehabilitation of existing structures for homeownership housing for persons of low or very low income, or both.

(3) The council shall develop a policy for disbursing grants for any or all of the following purposes:

(a) To aid low income homeownership programs, including program administration, in purchasing land, providing assistance with down payment costs, or providing homeownership training and qualification services or any combination thereof. Funds in the Home Ownership Assistance Account may not be used by an organization to pay for its general operations or to pay for more than 25 percent of construction or rehabilitation costs.

(b) To match public and private moneys available from other sources for purposes of the provision of low or very low income homeownership housing.

(c) To administer the Home Ownership Assistance Account[, *not to exceed five percent of the revenue*] **as provided for in the legislatively approved budget, as that term is defined in ORS 291.002, for the department.**

(4) The council, in developing policy under subsection (3) of this section, shall give preference in making grants to those entities that propose to:

(a) Provide the greatest number of low and very low income homeownership housing units constructed, acquired or rehabilitated for the amount of account money expended by matching account funds with other grant, loan or eligible in-kind contributions;

(b) Ensure the longest use for the units as low or very low income homeownership housing units, such as by including some form of equity recapture, land trust or shared equity provisions, as determined by the council;

(c) Include social services for occupants and proposed occupants of the proposed housing, including but not limited to, programs that address home health care, mental health care, alcohol and drug treatment and post-treatment care, child care, homeownership training, mortgage qualification service, credit repair and case management; and

(d) Support a comprehensive strategy to reverse the decreasing rates of homeownership among minorities, giving priority to activities that support adopted comprehensive community plans that incorporate recognized best practices or demonstrate proven success in increasing homeownership for minorities.

SECTION 4. ORS 458.660 is amended to read:

458.660. (1) **Except as provided in subsection (2) of this section,** the Housing and Community Services Department shall disburse the moneys credited to the Farmworker Housing Development Account to expand this state's supply of housing for low and very low income farmworkers.

(2) **The department may expend funds from the account for administration of the account as provided for in the legislatively approved budget, as that term is defined in ORS 291.002, for the department.**

SECTION 5. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (1), chapter __, Oregon Laws 2011 (Enrolled Senate Bill 5515), for the biennium beginning July 1, 2011, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and federal funds from the United States Department of Housing and Urban Development for contract services, but excluding lottery funds and federal funds not described in section 2, chapter __, Oregon Laws 2011 (Enrolled Senate Bill 5515), collected or received by the Housing and Community Services Department, is decreased by \$162,807.

SECTION 6. This 2011 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect July 1, 2011.

Passed by House June 10, 2011

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Ramona Kenady Line, Chief Clerk of House

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Bruce Hanna, Speaker of House

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Arnie Roblan, Speaker of House

Passed by Senate June 20, 2011

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Peter Courtney, President of Senate

Received by Governor:

.....M,....., 2011

Approved:

.....M,....., 2011

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John Kitzhaber, Governor

Filed in Office of Secretary of State:

.....M,....., 2011

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Kate Brown, Secretary of State