

# House Bill 2152

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Governor John A. Kitzhaber for Housing and Community Services Department)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Eliminates five percent limit on funds in Oregon Housing Fund that can be used for administration of accounts.

## A BILL FOR AN ACT

1  
2 Relating to administration costs of Oregon Housing Fund accounts; amending ORS 458.625, 458.650,  
3 458.655 and 458.660.

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

5 **SECTION 1.** ORS 458.625 is amended to read:

6 458.625. (1) The Housing and Community Services Department may disburse the revenue earned  
7 from investment of the principal in the Housing Development and Guarantee Account to expand this  
8 state's supply of housing for low and very low income families and individuals, including, but not  
9 limited to, housing for persons over 65 years of age, persons with disabilities, farmworkers and Na-  
10 tive Americans. The State Housing Council shall have a policy that provides for distribution by the  
11 department of account investment revenue disbursements statewide while concentrating account in-  
12 vestment revenue disbursements in those areas of the state with the greatest need for low and very  
13 low income housing, as determined by the council.

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

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

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

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

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

28 (e) For purposes of administration of the account[, *not to exceed five percent of the account in-*  
29 *vestment revenue*].

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

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

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

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

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

8 (4) Account investment revenue derived in any calendar year may be used to construct, acquire  
 9 or rehabilitate housing for low and very low income persons but not more than 25 percent of the  
 10 account investment revenue derived in any calendar year may be used to construct, acquire or re-  
 11 habilitate housing for low income households. Account investment revenue not disbursed by the de-  
 12 partment as grants or loans to construct, acquire or rehabilitate low or very low income housing  
 13 may be retained and credited as account principal.

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

16 **SECTION 2.** ORS 458.650 is amended to read:

17 458.650. (1) The Emergency Housing Account shall be administered by the Housing and Com-  
 18 munity Services Department to assist homeless persons and those persons who are at risk of be-  
 19 coming homeless. For purposes of this section, “account” means the Emergency Housing Account.

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

23 (a) Emergency shelters and attendant services;

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

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

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

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

31 (3)(a) The council shall require as a condition of awarding a grant that the organization dem-  
 32 onstrate to the satisfaction of the council that the organization has the capacity to deliver any  
 33 service proposed by the organization.

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

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

39 (4) The department may expend **funds from the account** for administration of the account [*no*  
 40 *more than five percent of the account appropriation*].

41 **SECTION 3.** ORS 458.655 is amended to read:

42 458.655. (1) The Home Ownership Assistance Account shall be administered by the Housing and  
 43 Community Services Department to expand the state’s supply of homeownership housing for low and  
 44 very low income families and individuals, including, but not limited to, housing for persons over 65  
 45 years of age, persons with disabilities, minorities and farmworkers. The State Housing Council shall

1 have a policy of distributing funds statewide while concentrating funds in those areas of the state  
 2 with the greatest need, as determined by the council, for low and very low income homeownership  
 3 housing. However, the council's policy of distributing funds may differ from the distribution policy  
 4 for the Housing Development and Guarantee Account.

5 (2) Funds in the Home Ownership Assistance Account shall be granted to organizations that  
 6 both sponsor and manage low income homeownership programs, including lease-to-own programs, for  
 7 the construction of new homeownership housing or for the acquisition or rehabilitation of existing  
 8 structures for homeownership housing for persons of low or very low income, or both.

9 (3) The council shall develop a policy for disbursing grants for any or all of the following pur-  
 10 poses:

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

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

18 (c) To administer the Home Ownership Assistance Account[, *not to exceed five percent of the re-*  
 19 *venue*].

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

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

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

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

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

36 **SECTION 4.** ORS 458.660 is amended to read:

37 458.660. (1) **Except as provided in subsection (2) of this section,** the Housing and Community  
 38 Services Department shall disburse the moneys credited to the Farmworker Housing Development  
 39 Account to expand this state's supply of housing for low and very low income farmworkers.

40 (2) **The department may expend funds from the account for administration of the ac-**  
 41 **count.**