

Enrolled Senate Bill 151

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CHAPTER

AN ACT

Relating to the Housing Development and Guarantee Account in the Oregon Housing Fund; amending ORS 458.625.

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]* **use the following** 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.]*

(a) The amount of moneys credited to the Housing Development and Guarantee Account that the department determines may be used for the purposes identified in this subsection and that is not used for the purposes set forth in ORS 458.630; and

(b) The revenue earned from investment of the principal in the Housing Development and Guarantee Account.

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

(a) In the form of grants or loans as determined by the department:

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

[(b)] (B) To provide nonprofit organizations, as set forth in ORS 458.210 to 458.240, with 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;] subparagraph (C) of this paragraph.

[(c)] (C) To pay for costs to develop nonprofit organizations that show sufficient evidence of having strong community support and a strong likelihood of producing housing for persons with

low or very low incomes [*low or very low income housing*]. Account **moneys and account** investment revenue may not be used by an organization for its general operations[;].

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

[(e)] **(b)** [*For purposes of*] **To pay costs and expenses incurred in the** administration of the account, not to exceed five percent of the account investment revenue.

(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 **for persons with low or very low incomes that are** constructed, acquired or rehabilitated for the amount of account **moneys and account** investment revenue expended by matching account **moneys and 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*] **housing for persons with low or very low incomes; 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)(a) Account investment revenue derived in any calendar year may be used to construct, acquire or rehabilitate housing for [*low and very low income*] persons **with low or very low incomes** 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*] **persons with low incomes.**

(b) Account **moneys and account** investment revenue not [*disbursed*] **used** by the department as grants or loans to construct, acquire or rehabilitate [*low or very low income*] housing **for persons with low or very low incomes** may be retained and credited as account principal.

(5) The State Housing Council shall have a policy that provides for distribution by the department of account moneys and account investment revenue statewide while concentrating account moneys and account investment revenue in those areas of this state with the greatest need for housing for persons with low or very low incomes, as determined by the council.

[(5)] **(6)** [*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*] **The department may set interest rates on loans made with account moneys and account investment revenue.**

Passed by Senate February 10, 2011

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Robert Taylor, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House May 17, 2011

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Bruce Hanna, Speaker of House

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Arnie Roblan, Speaker of House

Received by Governor:

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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