

FULL COMMITTEE PONY

HB 2639

Relating to Housing

House Bill 2639 redefines the definition of “source of income” to include federal rent subsidy payments and any other local, state, or federal housing assistance as it applies to certain statutes dealing with landlord-tenant law. It extends the right for a landlord not to rent on the basis of past rental conduct and the inability of the applicant to pay rent even after including all public assistance available to the potential renter.

The measure establishes the Housing Choice Landlord Guarantee Program to mitigate the losses due to damages of dwelling units caused by tenants receiving tenant-based assistance under the federal Housing Choice Voucher Program. The program operates as a revolving loan fund, paying the damages awarded to a landlord in a court action on behalf of a tenant due to damage occurring as a result of occupancy of a unit funded in part by the federal Housing Choice Voucher Program. The defaulting tenant is required to repay or enter in to an agreement to repay the Housing and Community Services Department the amounts forwarded to the landlord. The measure provides that damages must be over \$500, but limit reimbursement to no more than \$5,000 under the program.

The bill requires local housing authorities to report to the Housing and Community Services Department the information that they are required to report to the federal Housing and Urban Development agency regarding the Housing Choice Voucher Program and also establishes the Statewide Housing Choice Advisory Committee requiring certain advising responsibilities related to the Housing Choice Voucher Program and regular reporting to the Legislative Assembly.

The amendment to the bill provides a General Fund appropriation totaling \$149,710 with half of the funding appropriated directly to the agency and the other half appropriated to the Emergency Board to be allocated to the Housing and Community Services department for the purpose of the bill. This is consistent with other General Fund appropriations in the agency’s budget.

The Transportation and Economic Development Subcommittee recommends HB 2639 be amended and reported out do pass, as amended.

**77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session
BUDGET REPORT AND MEASURE SUMMARY**

JOINT COMMITTEE ON WAYS AND MEANS

MEASURE: HB 2639-B

Carrier – House: Rep. Kotek

Carrier – Senate: Sen. Shields

Action: Do Pass the A-Engrossed Measure as Amended and be Printed B-Engrossed

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Tamara Brickman, Department of Administrative Services

Reviewed By: Michelle Deister, Legislative Fiscal Office

Meeting Date: July 2, 2013

Agency

Oregon Housing and Community Development Department
Emergency Fund

Biennium

2013-15

Budget Summary*

	2011-13 Legislatively Approved Budget ⁽¹⁾	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 0	\$ 0	\$ 74,855	\$ 74,855	100.0%
Total	\$ 0	\$ 0	\$ 74,855	\$ 74,855	100.0%

Position Summary

Authorized Positions	0	0	0	0
Full-time Equivalent (FTE) positions	0.00	0.00	0.00	0.00

⁽¹⁾ Includes adjustments through December 2012

* Excludes Capital Construction expenditures

Emergency Fund

General Fund - Special Purpose Appropriation
HB 2639 Second year funding

\$ 74,855

Summary of Revenue Changes

The bill creates the Housing Choice Landlord Guarantee Fund and program of the same name. Interest earned by the fund is credited to the fund. The original corpus of the fund is anticipated to be approximately \$475,000 Other Funds. The source of funds for the corpus is the anticipated 2011-13 biennium ending balance of the Housing and Community Development Department’s (HCSD) Rent Guarantee Fund.

The department is provided with General Fund to be transferred into the Housing Choice Landlord Guarantee Program Fund.

Summary of Transportation and Economic Development Subcommittee Action

House Bill 2639-B amends housing discrimination law to allow individuals to include federal rent subsidy payments under 42 U.S.C. 1437(f), and any other local, state or federal housing assistance as a source of income. House Bill 2639-B establishes the Housing Choice Landlord Guarantee Program (HCLGP) and Fund to mitigate the losses to landlords due to damages to a dwelling unit caused by tenants that are receiving

tenant-based assistance under the federal Housing Choice Voucher Program (HCVP). The program becomes effective July 1, 2014. The monies in the Fund are continuously appropriated to the Housing and Community Services Department (HCSD) for the purpose of the program. House Bill 2639-B requires local housing authorities to report, to HCSD, information they are required to report to the federal Housing and Urban Development (HUD) agency regarding the HCVP. The measure also establishes the Statewide Housing Choice Advisory Committee requiring certain advising responsibilities related to the HCVP and regular reporting to the Legislative Assembly.

The Department is in the process of evaluating the sustainability of its operations. During the first year of the biennium the Department was instructed to work on developing a plan to be presented to the Legislature in the 2014 session that makes recommendations regarding which programs should continue and on alternative, sustainable models of service delivery. Upon receiving and considering the report, the Legislature will make appropriate adjustments to the Department's budget for the second year of the biennium beginning July 1, 2014, including the Other Funds expenditure limitation increases necessary for implementation and administration of the program. The Subcommittee appropriated \$74,855 General Fund to the Department for transfer into the Housing Choice Landlord Guarantee Fund. The General Fund appropriation represents half of the General Fund appropriation for this bill. The Subcommittee recommended that the second half of the General Fund appropriation (\$74,855) be set aside (reserved) in a Special Purpose Appropriation (SPA) for the second year of the biennium.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 2639-B

Oregon Housing and Community Development Department
 Tamara Brickman - (503) 378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE RECOMMENDATION</u>									
SCR 010: Safety Net Programs									
Special Payments - Intra-Agency Gen Fund Transfer (6060)	\$ 74,855	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 74,855		
SUBCOMMITTEE RECOMMENDATION	\$ 74,855	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 74,855	0	0.00
<u>EMERGENCY BOARD</u>									
Special Purpose Appropriation HB 2639 second year funding	\$ 74,855	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 74,855		

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 2639**

1 On page 1 of the printed A-engrossed bill, line 2, delete “456.561” and in-
2 sert “659A.139”.

3 On page 4, delete lines 34 through 45.

4 On page 5, delete lines 1 through 16 and insert:

5 **“SECTION 4. (1) When a landlord is determined to be eligible to**
6 **receive assistance under section 3 of this 2013 Act, the Housing and**
7 **Community Services Department shall require the responsible tenant**
8 **to repay the full or a partial amount of any assistance paid to the**
9 **landlord and shall offer the responsible tenant a reasonable repayment**
10 **agreement that provides for repayment by the tenant to the depart-**
11 **ment of the full or a partial amount of the assistance paid to the**
12 **landlord. Amounts repaid by tenants under this section must be de-**
13 **posited into the Housing Choice Landlord Guarantee Program Fund**
14 **created in section 5 of this 2013 Act.**

15 **“(2) After the department pays a claim for assistance to a landlord**
16 **under section 3 of this 2013 Act, the department shall serve a notice**
17 **upon the responsible tenant stating the following:**

18 **“(a) The tenant must repay to the department the amount of any**
19 **assistance paid to a landlord on the tenant’s behalf pursuant to section**
20 **3 of this 2013 Act;**

21 **“(b) The tenant may enter into a reasonable repayment agreement**
22 **with the department to repay the full or a partial amount of any as-**

1 **sistance paid to a landlord on the tenant’s behalf pursuant to section**
2 **3 of this 2013 Act;**

3 **“(c) If the tenant does not enter into a repayment agreement or**
4 **make good faith efforts to comply with the terms of a repayment**
5 **agreement that the tenant has entered into, or otherwise fails to repay**
6 **the full or a partial amount of assistance paid to the landlord on the**
7 **tenant’s behalf pursuant to section 3 of this 2013 Act, the department**
8 **may seek to collect any amount remaining unpaid by the tenant;**

9 **“(d) The department shall make available upon request by local**
10 **housing authorities and landlords information regarding a tenant’s**
11 **compliance with the provisions of this section, including records of**
12 **repayments made by the tenant, where applicable; and**

13 **“(e) The tenant may seek a waiver of repayment requirements un-**
14 **der this section for good cause shown and may contest the**
15 **department’s determination that the tenant has an obligation to repay**
16 **any amounts of assistance paid to a landlord on the tenant’s behalf,**
17 **in accordance with ORS chapter 183.**

18 **“(3) The department shall, in accordance with ORS chapter 183,**
19 **provide an opportunity for the tenant to contest the department’s de-**
20 **termination that the tenant has failed to repay amounts due under a**
21 **repayment agreement, that the tenant has not made or is not making**
22 **a good faith effort to comply with the repayment agreement or that**
23 **the tenant has not paid to the department the full or a partial amount**
24 **of the assistance paid to a landlord on the tenant’s behalf pursuant**
25 **to section 3 of this 2013 Act. The department shall serve a notice of**
26 **noncompliance upon the tenant in accordance with ORS 183.415 that**
27 **states the amount remaining unpaid by the tenant.**

28 **“(4) The department may pursue any rights, remedies or processes**
29 **provided by law for the collection of unpaid amounts due from a ten-**
30 **ant for assistance paid to a landlord on the tenant’s behalf pursuant**

1 to section 3 of this 2013 Act.

2 “(5) The department shall waive the requirements of this section for
3 good cause as set forth in rules adopted by the department.

4 “(6) The department shall make available upon request by, and in
5 a timely manner to, local housing authorities and landlords informa-
6 tion regarding a tenant’s compliance with the provisions of this sec-
7 tion, including records of repayments made by the tenant, where
8 applicable.

9 “(7) The department shall adopt rules to implement the provisions
10 of this section, including but not limited to the contents of the notice
11 required under subsection (2) of this section and the procedure for
12 providing information to local housing authorities and landlords re-
13 garding a tenant’s record of repayment as required under subsection
14 (6) of this section.”.

15 After line 23, insert:

16 “(c) Amounts repaid by tenants under section 4 of this 2013 Act;”.

17 In line 24, delete “(c)” and insert “(d)”.

18 In line 25, delete “(d)” and insert “(e)”.

19 On page 6, line 9, delete “and” and insert “or”.

20 In line 10, delete the second “and” and insert “or”.

21 In line 11, delete “and” and insert “or”.

22 Delete lines 23 through 45 and delete page 7.

23 On page 8, delete lines 1 through 3.

24 In line 4, delete “11” and insert “7”.

25 In line 11, delete “12” and insert “8” and delete “8 and 11” and insert
26 “7”.

27 In line 13, delete “13” and insert “9”.

28 In line 15, delete “\$_____” insert “\$74,855”.

29 Delete lines 17 through 22 and insert:

30 **“SECTION 10. (1) In addition to and not in lieu of any other ap-**

1 **ropriation, there is appropriated to the Emergency Board, for the**
2 **biennium beginning July 1, 2013, out of the General Fund, the amount**
3 **of \$74,855, to be allocated to the Housing and Community Services**
4 **Department for the purposes of implementing the Housing Choice**
5 **Landlord Guarantee Program and carrying out the provisions of**
6 **sections 2 to 6 of this 2013 Act.**

7 **“(2) If any of the moneys appropriated by subsection (1) of this**
8 **section are not allocated by the Emergency Board prior to December**
9 **1, 2014, the moneys remaining on that date become available for any**
10 **purpose for which the Emergency Board lawfully may allocate funds.**

11 **“SECTION 11. Sections 2 to 6 of this 2013 Act and the amendments**
12 **to ORS 659A.421 by section 1 of this 2013 Act become operative on July**
13 **1, 2014.**

14 **“SECTION 12. ORS 659A.139 is amended to read:**

15 **“659A.139. (1) ORS 659A.103 to [659A.145] ~~659A.144~~ shall be construed to**
16 **the extent possible in a manner that is consistent with any similar provisions**
17 **of the federal Americans with Disabilities Act of 1990, as amended by the**
18 **federal ADA Amendments Act of 2008 and as otherwise amended.**

19 **“(2) The determination of whether an individual has a disability as pro-**
20 **vided in ORS 659A.104 (1) shall be construed in favor of broad coverage of**
21 **individuals under ORS 659A.103 to 659A.145, to the maximum extent permit-**
22 **ted by the terms of ORS 659A.103 to 659A.145.”.**

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