

**PROPOSED AMENDMENTS TO
HOUSE BILL 2198**

1 In line 2 of the printed bill, after the semicolon delete the rest of the line
2 and insert “creating new provisions; and amending ORS 456.559.”.

3 Delete lines 4 through 13 and insert:

4 **“SECTION 1. As used in sections 1 to 3 of this 2015 Act:**

5 **“(1) ‘Affordable housing’ means dwelling units that may be pur-**
6 **chased or rented, with or without government assistance, by persons**
7 **who meet the applicable income limits of local, state or federally**
8 **funded programs or developments.**

9 **“(2) ‘Area median income’ means the median income for the met-**
10 **ropolitan statistical area in which the subject housing is located, ad-**
11 **justed for family size, as determined by the Housing and Community**
12 **Services Department using United States Department of Housing and**
13 **Urban Development information.**

14 **“(3) ‘Development costs’ has the meaning given that term in ORS**
15 **456.548.**

16 **“SECTION 2. (1) The Housing and Community Services Department**
17 **shall, subject to the policies of the State Housing Council, develop and**
18 **implement the Affordable Family Housing Development Program for**
19 **the purpose of expanding the state’s supply of affordable housing for**
20 **families with children that have family incomes below 60 percent of**
21 **the area median income.**

22 **“(2) The department may implement and administer the program**

1 to:

2 “(a) Acquire, construct, develop, improve, rehabilitate and own af-
3 fordable housing in this state for families with children;

4 “(b) Pay development costs to develop affordable housing under the
5 program, including but not limited to any costs that may be capital-
6 ized under generally accepted accounting principles, and the costs of
7 consultants or advisers retained by the State Treasurer or the de-
8 partment; and

9 “(c) Make grants to eligible applicants for the construction, devel-
10 opment, improvement or rehabilitation of affordable housing, subject
11 to the review of the State Housing Council.

12 “(3) The department may enter into agreements with qualified third
13 parties to develop, manage and operate the affordable housing ac-
14 quired, constructed, developed, improved, rehabilitated and owned by
15 the program. The department is not subject to the provisions of ORS
16 chapter 279A or 279B in entering into an agreement under this sub-
17 section. The department shall establish by rule procedures for inviting
18 proposals and making agreements under this subsection.

19 “(4) Affordable housing that is acquired, constructed, developed,
20 improved or rehabilitated under the program may be owned, in whole
21 or in part, by the state or the department.

22 “(5)(a) In making grants for the construction, development, im-
23 provement or rehabilitation of affordable housing under the program,
24 the department shall give preference to applicants with projects that
25 will:

26 “(A) Provide the greatest number of affordable housing units for
27 the amount of the grant allowed; and

28 “(B) Ensure the longest possible use as affordable housing units.

29 “(b) For the purpose of making grants under the program, the State
30 Housing Council may adopt a formula that:

1 **“(A) Optimizes the interest of the applicant and the working life**
2 **of the affordable housing unit; and**

3 **“(B) Takes into account the means to reduce the cost of the af-**
4 **fordable housing while considering factors such as the quality of con-**
5 **struction, durability and local design requirements.**

6 **“(6)(a) It shall be the policy of the State Housing Council that funds**
7 **and resources that are made available through the program be dis-**
8 **tributed statewide while concentrating funds and resources in those**
9 **areas of the state with the greatest need for affordable housing, as**
10 **determined by the council. In implementing this policy, the depart-**
11 **ment and the council shall consider the following factors on a**
12 **county-by-county basis:**

13 **“(A) The proportion of renters in the county with a severe rent**
14 **burden;**

15 **“(B) Underserved geographies, taking into account the proportion**
16 **of households of families with children that have extremely low in-**
17 **comes compared to the availability of affordable housing within the**
18 **geography; and**

19 **“(C) Market data, including but not limited to the cost of housing,**
20 **vacancy rates and available affordable housing supply.**

21 **“(b) As used in this subsection, ‘severe rent burden’ means rent**
22 **that is more than 50 percent of the family income for a family with**
23 **children.**

24 **(7) For purposes of implementing the program, the State Housing**
25 **Council shall develop strategies to:**

26 **“(a) Reach traditionally underserved communities including com-**
27 **munities of color and rural communities;**

28 **“(b) Reduce the cost of constructing, developing, improving or re-**
29 **habilitating affordable housing;**

30 **“(c) Involve regional solutions advisory committees and teams,**

1 Early Learning Hubs, coordinated care organizations and others; and

2 “(d) Ensure funds distributed by the program contribute to ad-
3 dressing other state priorities.

4 “(8) The Director of the Housing and Community Services Depart-
5 ment shall report regularly to the State Housing Council regarding the
6 status and progress of the program and of the department’s responsi-
7 bilities for implementing and administering the program.

8 “(9) The department shall adopt rules to implement the provisions
9 of this section, including but not limited to prescribing qualifications
10 and requirements for making grants and for acquiring, constructing,
11 developing, improving, rehabilitating and owning affordable housing
12 under the program.

13 **“SECTION 3. (1) There is created within the State Treasury, sepa-
14 rate and distinct from the General Fund, the Affordable Family
15 Housing Development Program Fund. Interest earned by the Afforda-
16 ble Family Housing Development Program Fund shall be credited to
17 the fund.**

18 **“(2) Moneys in the fund shall consist of:**

19 **“(a) Amounts donated to the fund;**

20 **“(b) Amounts appropriated or otherwise transferred to the fund by
21 the Legislative Assembly;**

22 **“(c) Investment earnings received on moneys in the fund; and**

23 **“(d) Other amounts deposited in the fund from any source.**

24 **“(3) Moneys in the fund are continuously appropriated to the
25 Housing and Community Services Department to carry out the pro-
26 visions of sections 1 to 3 of this 2015 Act.**

27 **“(4) The department may use moneys in the fund to pay the ad-
28 ministrative costs associated with the fund and with implementing and
29 administering the provisions of section 2 of this 2015 Act.**

30 **“SECTION 4. On or before February 1, 2016, the Housing and Com-**

1 **munity Services Department shall prepare and submit a report to the**
2 **interim committees of the Legislative Assembly that have authority**
3 **over the subject area of housing regarding the Affordable Family**
4 **Housing Development Program and implementation of sections 1 to 3**
5 **of this 2015 Act.**

6 **“SECTION 5.** ORS 456.559 is amended to read:

7 “456.559. (1) The Housing and Community Services Department shall:

8 “(a) Maintain current housing data and information concerning available
9 programs, status of funding, programs planned or undertaken which might
10 conflict with, overlap, duplicate or supersede other planned or existing pro-
11 grams and call these to the attention of appropriate state agencies, govern-
12 mental bodies and public or private housing sponsors.

13 “(b) Provide to appropriate state agencies, governmental bodies and public
14 or private housing sponsors such advisory and educational services as will
15 assist them in the development of housing plans and projects.

16 “(c) Subject to the approval of the State Housing Council, make nonin-
17 terest bearing advances, in accordance with ORS 456.710 and the policies of
18 the department to qualified nonprofit sponsors for development costs of
19 housing projects until mortgage funds are released to repay the advances as
20 provided in ORS 456.710.

21 “(d) Advise and assist appropriate state agencies, governmental bodies
22 and public or private housing sponsors, cities and counties, in all programs
23 and activities which are designed or might tend to fulfill the purposes of
24 ORS 456.548 to 456.725 and ORS chapter 458.

25 “(e) Encourage and assist in the planning, development, construction, re-
26 habilitation and conservation of dwelling units for persons and families of
27 lower income.

28 “(f) Be the central state department to apply for, receive and distribute,
29 on behalf of appropriate state agencies, governmental bodies and public or
30 private housing sponsors in the state, grants, gifts, contributions, loans,

1 credits or assistance from the federal government or any other source for
2 housing programs except when the donor, grantor, or lender of such funds
3 specifically directs some other agency to administer them. Moneys received
4 under this section shall be deposited with the State Treasurer in an account
5 separate and distinct from the General Fund. Interest earned by the account
6 shall be credited to the account.

7 “(g) For the purposes of acquiring moneys, credits or other assistance
8 from any agency or instrumentality of the United States or from any public
9 corporation chartered by the United States, comply with any applicable
10 agreements or restrictions for the receipt of such assistance and become a
11 member of any such association or public corporation chartered by the
12 United States.

13 “(h) Assist individuals, appropriate state agencies, governmental bodies
14 and public or private housing sponsors through a program which provides
15 housing information, planning, educational services and technical assistance.

16 “(i) Comply with the requirements of ORS 443.225 in assisting in the de-
17 velopment of any housing for residential care, training or treatment for
18 persons with mental retardation, developmental disabilities or mental or
19 emotional disturbances.

20 “(2) Except as otherwise provided in ORS 456.625 (7) **and sections 1 to**
21 **3 of this 2015 Act**, the department may not itself develop, construct, reha-
22 bilitate or conserve housing units; and neither the department nor any
23 housing sponsor, including but not limited to any association, corporation,
24 cooperative housing authority or urban renewal agency organized to provide
25 housing and other facilities pursuant to ORS 456.548 to 456.725, may own,
26 acquire, construct, purchase, lease, operate or maintain utility facilities, in-
27 cluding facilities for the generation of electricity, for the distribution of gas
28 and electricity, and for the conveyance of telephone and telegraph messages.

29 “(3) In accordance with the provisions of this section and with the advice
30 of the council, the department shall establish statewide priorities for housing

1 programs. State agencies shall coordinate their housing programs with the
2 department. All state agencies intending to apply for federal funds for use
3 in planning, developing or managing housing, or rendering assistance to
4 governmental bodies or sponsors or individuals involved therein shall submit
5 a description of the proposed activity to the department for review not less
6 than 30 days prior to the intended date of submission of the application to
7 the federal agency. The department shall determine whether the proposal
8 would result in a program that would overlap, duplicate or conflict with any
9 other housing program in the state. If the department finds overlapping or
10 duplication or conflict, it shall recommend modifications in the application.
11 The Oregon Department of Administrative Services shall consider these rec-
12 ommendations in making its decision to approve or disapprove the applica-
13 tion. The department shall complete its review and forward its
14 recommendations within 15 working days after receipt of the notification.
15 Failure of the department to complete the review within that time shall
16 constitute approval of the application by the department.

17 “(4) The director may participate in discussions and deliberations of the
18 council. The director may suggest policies and rules to the council, including
19 those necessary to stimulate and increase the supply of housing for persons
20 and families of lower income.”.

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