

House Bill 2961

Sponsored by Representatives WITT, WHISNANT, GOMBERG, Senator JOHNSON; Representative JOHNSON

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**.

Establishes Homeownership Repair and Rehabilitation Program within Housing and Community Services Department to provide grants to eligible nonprofit organizations to provide financial assistance to persons in low income households for repair and rehabilitation of residences. Delineates program requirements.

Establishes Homeownership Repair and Rehabilitation Program Fund and continuously appropriates moneys in fund to department.

Appropriates moneys to department to award grants to eligible nonprofit organizations to participate in program.

Makes program and fund operative January 1, 2018.

Declares emergency, effective July 1, 2017.

A BILL FOR AN ACT

1
2 Relating to nonprofit organizations that provide financial assistance to persons in low income
3 households to repair residences; and declaring an emergency.

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

SECTION 1. As used in sections 1 to 3 of this 2017 Act:

6 (1) **"Grant program recipient" means a nonprofit organization that has been awarded a**
7 **grant from the Housing and Community Services Department under section 2 of this 2017**
8 **Act.**

9 (2) **"Homeownership assistance program" means a program established, implemented and**
10 **operated by a nonprofit organization whereby the organization provides housing-related as-**
11 **sistance to persons in low income households.**

12 (3) **"Low income household" means a household having an income equal to or less than**
13 **80 percent of the median household income, adjusted for family size, for the county in which**
14 **the low income household is located as determined by the Housing and Community Services**
15 **Department. In making the determination, the department shall give consideration to any**
16 **data on area household income published by the United States Department of Housing and**
17 **Urban Development.**

18 (4) **"Nonprofit organization" means an organization or group of organizations that is de-**
19 **scribed in section 501(c)(3) of the Internal Revenue Code and is exempt from income tax**
20 **under section 501(a) of the Internal Revenue Code.**

21 (5) **"Residence" means a single family residence that is intended for occupation by a**
22 **single family unit and that is owned and occupied by an individual who is a member of a low**
23 **income household as the individual's principal residence. "Residence" includes a manufac-**
24 **tured home, residential trailer, mobile home or condominium unit.**

25 **SECTION 2. (1) The Homeownership Repair and Rehabilitation Program is established**
26 **within the Housing and Community Services Department. The purpose of the program is to**
27 **provide grants to eligible nonprofit organizations with homeownership assistance programs**

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 that will provide financial assistance to persons in low income households to repair and re-
 2 habilitate their residences.

3 (2) A nonprofit organization is eligible to receive grants from the Homeownership Repair
 4 and Rehabilitation Program upon establishing that the organization:

5 (a) Is operating, or will be operating, a homeownership assistance program that provides
 6 assistance to low income households;

7 (b) Has the capacity to administer grant funds received under this section; and

8 (c) Is able to comply with the requirements of all state and federal laws, rules and reg-
 9 ulations.

10 (3) The department shall provide grants to eligible nonprofit organizations for the pur-
 11 pose of providing loans, grants or other financial assistance to eligible low income households
 12 for the repair and rehabilitation of their residences. The department shall establish by rule
 13 the nature and extent of the repair and rehabilitation that may be funded by nonprofit or-
 14 ganizations under the program.

15 (4) The department shall establish by rule a process for nonprofit organizations to apply
 16 to receive grants from the Homeownership Repair and Rehabilitation Program. The process
 17 may include a request for proposals.

18 (5) Upon being awarded a grant under this section, the grant program recipient shall
 19 enter into an agreement with the department that, at a minimum, contains provisions that:

20 (a) Indicate the purposes for which the grant funds may be used;

21 (b) Limit the amount of financial assistance provided by the grant program recipient to
 22 a low income household to a maximum of \$25,000 per low income household;

23 (c) Limit the amount charged by the grant program recipient for administrative costs to
 24 implement the program to a maximum of five percent of the grant funds received;

25 (d) Limit the amount charged by the grant program recipient for program delivery costs
 26 to a maximum of 15 percent of the grant funds received;

27 (e) Include the repayment provisions set forth in subsection (6) of this section;

28 (f) Include the provisions set forth in subsection (8) of this section;

29 (g) Permit the department to conduct audits and investigations of the grant program
 30 recipient regarding the purposes for which grant funds have been used; and

31 (h) Require annual reports by the grant program recipient to the department as set forth
 32 in subsection (7) of this section.

33 (6) A grant program recipient must repay to the department, in whole or in part, grant
 34 funds received under this section to the extent that:

35 (a) The grant program recipient does not use the grant funds in accordance with the
 36 provisions of the grant agreement executed between the department and the grant program
 37 recipient under subsection (5) of this section; or

38 (b) The Director of the Housing and Community Services Department determines that
 39 the grant program recipient must repay all or part of the grant funds on grounds of
 40 defalcation, fraud or similar reasons after auditing or investigating the grant program
 41 recipient's operations and conducting an administrative hearing under ORS 183.413 to 183.470.

42 (7) A grant program recipient shall report to the department by December 31 of each
 43 year concerning the status and use of grant funds received under this section. The depart-
 44 ment by rule shall specify the information that the report must contain. At a minimum, the
 45 report must exclude any personal information about an individual and must include:

1 (a) A detailed description of the grant program recipient's use of grant funds;

2 (b) A list of each loan, grant or other financial assistance that the grant program recip-
3 ient has provided and, where applicable, a full accounting of the repayment status of the
4 loans;

5 (c) The number of low income households that the grant program recipient has provided
6 financial assistance to for the repair and rehabilitation of their residences;

7 (d) The nature and amounts of the administrative expenses the grant program recipient
8 has incurred in providing the financial assistance under the program; and

9 (e) Aggregated data concerning the income, racial or ethnic background, family size and
10 related demographic information of persons in low income households who received financial
11 assistance for repairs and rehabilitation of residences under the program from the grant
12 program recipient.

13 (8)(a) Amounts of loans purchased, leveraged or made by a grant program recipient under
14 this section shall not constitute a debt of the state or a lending of the credit of the state
15 within the meaning of any constitutional or statutory limitation, although nothing in this
16 subsection or in the terms of an agreement between the department and a grant program
17 recipient is intended to impair the rights of the grant program recipient to exercise any
18 rights granted to the grant program recipient against the security for the loan.

19 (b) The department may not pay amounts for grants under this section from any source
20 other than available funds in the Homeownership Repair and Rehabilitation Program Fund
21 established in section 3 of this 2017 Act.

22 **SECTION 3.** (1) There is established in the State Treasury, separate and distinct from the
23 General Fund, the Homeownership Repair and Rehabilitation Program Fund. Interest earned
24 by the Homeownership Repair and Rehabilitation Program Fund shall be credited to the fund.
25 All moneys in the Homeownership Repair and Rehabilitation Program Fund are continuously
26 appropriated to the Housing and Community Services Department to award grants to eligible
27 nonprofit organizations with homeownership assistance programs.

28 (2) Moneys in the Homeownership Repair and Rehabilitation Program Fund may be used
29 by the department to pay for the administrative expenses of the department in establishing,
30 implementing and administering the Homeownership Repair and Rehabilitation Program.

31 (3) The Homeownership Repair and Rehabilitation Program Fund consists of:

32 (a) Moneys appropriated to the fund by the Legislative Assembly;

33 (b) Grant funds repaid under section 2 (6) of this 2017 Act;

34 (c) Moneys transferred to the fund from the federal or state government;

35 (d) Application fees, if any;

36 (e) Interest and other earnings on moneys in the fund; and

37 (f) Gifts, grants and donations received from any source.

38 **SECTION 4.** In addition to and not in lieu of any other appropriation, there is appropri-
39 ated to the Housing and Community Services Department, for the biennium beginning July
40 1, 2017, out of the General Fund, the amount of \$10,000,000, which may be expended to es-
41 tablish and implement the Homeownership Repair and Rehabilitation Program under sections
42 1 to 3 of this 2017 Act.

43 **SECTION 5.** (1) Sections 1 to 3 of this 2017 Act become operative on January 1, 2018.

44 (2) The Director of the Housing and Community Services Department may take any
45 action before the operative date specified in subsection (1) of this section that is necessary

1 to enable the director to exercise, on and after the operative date specified in subsection (1)
2 of this section, all of the duties, functions and powers conferred on the director by sections
3 1 to 3 of this 2017 Act.

4 SECTION 6. This 2017 Act being necessary for the immediate preservation of the public
5 peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect
6 July 1, 2017.

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