

SB 1536 -2 STAFF MEASURE SUMMARY

Senate Committee On Housing and Development

Prepared By: Devin Edwards, LPRO Analyst

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/2, 2/9

WHAT THE MEASURE DOES:

Allows residential tenants to install and use portable cooling devices unless devices would damage premises or violate building codes, state or federal law, or device safety guidelines. Specifies that landlords may not execute termination notices during extreme heat and must provide cooling assistance to tenants in manufactured dwellings, recreational vehicle parks, and multifamily structures with five or more dwelling units where fewer than half of units can install and use portable cooling devices, not including fans. Requires landlords to provide cooled community spaces within or adjacent to premises during extreme heat events or conduct welfare checks on tenants without portable cooling devices. Prohibits planned community and condominium governing documents, and local ordinances regulating historic properties, from restricting installation or use of portable cooling devices under certain conditions. Allows tenants in manufactured dwellings and recreational vehicles to make reasonable modifications for installation and use of cooling technology at tenants' expense. Allows tenants with medical vulnerabilities or mobility challenges, including children and youth with special health care needs and people with disabilities, in addition to tenants over the age of 65 or under 10, to make reasonable modifications for installation and use of cooling technology at tenants' expense. Requires adequate cooling facilities for new or renovated dwelling units to be considered habitable.

Establishes Residential Energy Upgrade Loan Fund, authorizing State Department of Energy (ODOE) to provide loans to owners of residential dwelling units and residential units in manufactured dwelling parks for installation or upgrading of cooling facilities. Appropriates \$5,000,000 in General Funds in biennium ending June 30, 2023 to ODOE for Residential Energy Upgrade Loan Fund. Establishes Residential Heat Pump Rebate Fund, authorizing ODOE to provide rebates to owners of residential dwelling units and rented spaces in manufactured dwelling and recreational vehicle parks for purchase or installation of air-source or ground-source heat pumps. Outlines conditions contractors must meet to prove eligibility for rebate claim. Restricts rebate use to reducing net costs for customers purchasing or installing heat pumps. Appropriates \$10,000,000 in General Funds in biennium ending June 30, 2023 to ODOE for Residential Heat Pump Rebate Fund. Repeals Residential Heat Pump Rebate Fund on January 2, 2025, transferring unexpended funds to Residential Energy Upgrade Loan Fund.

Requires landlords who manage buildings with more than five residential dwelling units, or manage manufactured dwelling parks, to submit proposal to Oregon Housing and Community Services (OHCS) outlining how landlords plan to implement cooling strategy for each building and park. Requires landlords to submit proposal on or before December 31, 2024. Directs OHCS to provide technical assistance to landlords seeking acquisition of cooling technology and devices. Appropriates \$700,000 in General Funds in biennium ending June 30, 2023 to OHCS. Repeals landlord requirement to submit proposals on January 2, 2026.

Expands Department of Human Services (ODHS) grant program for local governments to establish emergency shelters and upgrade public building facilities to include warming and cooling as acceptable uses of grant funds. Appropriates \$2,000,000 in General Funds in biennium ending June 30, 2023 to ODHS.

Declares emergency, effective on passage.

ISSUES DISCUSSED:

This summary has not been adopted or officially endorsed by action of the committee.

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- Size of appropriation to Residential Heat Pump Rebate Fund with respect to demand for heat pumps
- Studying access to cooling in existing housing stock
- Needs-based assessment in grant application process
- Parties responsible for cost of heat pump installation under Residential Heat Pump Rebate Fund
- Natural gas as an alternative to heat pumps
- Future study of extreme weather shelters by Department of Human Services
- Cost of replacing existing heating and cooling devices
- Program sunsets with respect to costs of ongoing construction and renovation projects
- Availability of cooling centers at night

EFFECT OF AMENDMENT:

-2 Defines extreme heat event. Adds exceptions to prohibition on landlord bans on installation or use of portable cooling devices, based on power service constraints, adequate drainage, and risk of device falling from window. Requires landlords to provide written notice to tenants if restrictions on installation or use of devices apply. Clarifies landlord immunity from liability for damages, injury, or death caused by devices installed by tenants. Clarifies landlords restricting installation or use of devices must prioritize allowing devices for people who require them to accommodate a disability. Eliminates general requirement for landlords to offer cooled community spaces or conduct welfare checks. Requires Oregon Housing and Community Services (OHCS) during extreme heat events to post dates, counties affected, and information about relevant programs landlords can use to provide adequate cooling. Requires landlords of dwelling units in buildings where construction permits are issued on or after April 1, 2024 to provide adequate cooling facilities as part of habitability requirements.

Eliminates Residential Energy Upgrade Loan Fund. Differentiates maximum rebate claim amount under Residential Heat Pump Rebate Fund by whether owner has residential dwelling unit, or manufactured dwelling or recreational vehicle. Increases percent of total rebate funds to be reserved for households whose income is less than 80% of area median income from 10 to 25% of total rebate funds. Increases appropriation for rebate fund to \$15,000,000. Clarifies that unexpended funds transfer to General Fund when rebate fund repealed on January 2, 2025.

Eliminates requirements for landlords to submit cooling strategy proposal and OHCS to provide technical assistance, also eliminating related appropriations. Allows State Department of Energy (ODOE) to provide grants to nongovernmental entity administering public purpose charge funds to assist landlords in creating or operating one or more private community cooling spaces available to tenants during extreme heat events, maintaining temperature of no higher than 80 degrees Fahrenheit in spaces. Specifies that grants must be for spaces accommodating at least five individuals and ODOE must provide landlords with information about cooling providers, programs, services, and best practices. Appropriates \$1,000,000 in General Funds in biennium ending June 30, 2023 to ODOE.

Directs ODOE, with assistance from Building Codes Division of Department of Consumer and Business Services, to study cooling and electrical needs of publicly supported housing, manufactured dwelling parks, and recreational vehicle parks. Appropriates \$500,000 in General Funds in biennium ending June 30, 2023 to ODOE. Repeals study provisions on January 2, 2025. Directs ODOE to report on heat pump grants and rebates, community cooling centers, and cooling study findings to interim committee of Legislative Assembly no later than September 15, 2023.

Clarifies that shelters or facilities receiving grants under Department of Human Services program must notify 211Info regarding shelter location, capacity, and hours and dates of operation.

BACKGROUND:

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According to a 2015 survey, 59 percent of Oregonians do not have air conditioning at home. Census data from 2019 indicates that figure drops to 21 percent in the Portland metro area. None of the people who died in Multnomah County during the most recent heat wave had central air conditioning, according to county data.

In Oregon, air conditioners are considered an amenity rather than a habitability requirement. Landlords must maintain functional air conditioning only if appliances are supplied when the lease begins. If a landlord fails to repair appliances, tenants may do so and deduct the repair costs from their rent.

Senate Bill 1536 allows residential tenants to install and use portable cooling devices unless devices would damage premises or violate building codes, state or federal law, or device safety guidelines. Portable cooling devices are defined as air conditioners, fans, and evaporative coolers, including floor- and window-mounted devices but not devices requiring alteration to the dwelling unit. Termination notices will not run on days when the outdoor temperature at the premises reaches 90 degrees, extending the date of termination one day for each day the outdoor temperature reaches 90 degrees. Landlords will be required to provide cooling assistance to tenants in manufactured dwellings, recreational vehicle parks, and multifamily structures with five or more dwelling units where fewer than half of the units can install and use portable cooling devices, not including fans. Landlords must also provide cooled community spaces within or adjacent to premises during extreme heat events or conduct welfare checks on tenants without portable cooling devices. Planned community and condominium governing documents, as well as local ordinances regulating historic properties, will be restricted from installing or using portable cooling devices under certain conditions. At their expense, tenants will be allowed to make reasonable modifications for installation and use of cooling technology in manufactured dwellings and recreational vehicles. Tenants with medical vulnerabilities or mobility challenges, including children and youth with special health care needs and people with disabilities, in addition to tenants over the age of 65 or under 10, may also make reasonable modifications at their expense. The measure requires adequate cooling facilities for new or renovated dwelling units to be considered habitable.

Senate Bill 1536 establishes the Residential Energy Upgrade Loan Fund, authorizing the State Department of Energy (ODOE) to provide loans to owners of residential dwelling units and residential units in manufactured dwelling parks for installation or upgrading of cooling facilities. \$5,000,000 in General Funds in the biennium ending June 30, 2023 will be appropriated to ODOE for the Residential Energy Upgrade Loan Fund. The measure also establishes the Residential Heat Pump Rebate Fund, authorizing ODOE to provide rebates to owners of residential dwelling units and rented spaces in manufactured dwelling and recreational vehicle parks for purchase or installation of air-source or ground-source heat pumps. Contractors must meet specific conditions to prove eligibility for claiming the rebate. Rebates must be used to reduce the net cost for customers purchasing or installing heat pumps. \$10,000,000 in General Funds in the biennium ending June 30, 2023 will be appropriated to ODOE for the Residential Heat Pump Rebate Fund. The Residential Heat Pump Rebate Fund will be repealed on January 2, 2025, transferring unexpended funds to the Residential Energy Upgrade Loan Fund.

Senate Bill 1536 requires landlords who manage a building with more than five residential dwelling units or manage a manufactured dwelling park to submit a proposal to Oregon Housing and Community Services (OHCS) that outlines how landlords plan to implement a cooling strategy for each building and park. Landlords will be required to submit their proposals on or before December 31, 2024. OHCS will provide technical assistance to landlords seeking acquisition of cooling technology and devices. \$700,000 in General Funds in the biennium ending June 30, 2023 will be appropriated to OHCS. The landlord requirement to submit proposals will be repealed on January 2, 2026.

Senate Bill 1536 expands the Department of Human Services (ODHS) grant program for local governments to establish emergency shelters and upgrade public building facilities to include warming and cooling as acceptable

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uses of grant funds. \$2,000,000 in General Funds in the biennium ending June 30, 2023 will be appropriated to ODHS.