

A-Engrossed
House Bill 2959

Ordered by the House April 27
Including House Amendments dated April 27

Sponsored by Representatives WHISNANT, BUEHLER, Senator KNOPP

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.

Requires Housing and Community Services Department, *[to dedicate and use portion]* **in making distributions** of moneys *[deposited in certain housing accounts]* from County Assessment and Taxation Fund **that were deposited in certain housing accounts**, *[for benefit of county from which fees deposited into fund]* **to take into account counties from which fees deposited into housing accounts** were charged and collected.

A BILL FOR AN ACT

1
2 Relating to use of fees charged by counties for certain housing programs; creating new provisions;
3 and amending ORS 458.620, 458.650, 458.655 and 458.665.

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

5 **SECTION 1.** ORS 458.665 is amended to read:

6 458.665. (1) The Housing and Community Services Department shall administer the General
7 Housing Account.

8 (2)(a) The department shall disburse moneys credited to the account to accomplish the purposes
9 described in ORS 456.515 to 456.725, except that **an amount equal to 25 percent** of moneys depos-
10 ited in the account pursuant to ORS 294.187 **(2)(b)** is dedicated for expenditure to meet the critical
11 housing needs of veterans in this state.

12 **(b) In making the distributions under paragraph (a) of this subsection, the department**
13 **shall take into account the counties from which the fees deposited in the account were**
14 **charged and collected.**

15 (3) The department may disburse moneys in the account by contract, grant, loan or otherwise
16 as the department determines necessary.

17 (4) The department may set interest rates on loans made with moneys in the account.

18 (5) The department shall establish guidelines for the types of loans financed with moneys in the
19 account by rule.

20 (6) The department may use moneys in the account to pay allowable administrative expenses
21 incurred under ORS 456.515 to 456.725.

22 (7) The department may, in the director's discretion, return moneys received for deposit in the
23 account to the original source of the moneys.

24 (8) The department may accept moneys for deposit in the account pursuant to ORS 458.620 (4)
25 and enter into agreements regarding the use of moneys deposited with the original source of the
26 moneys.

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 (9) The department shall adopt rules that:

2 (a) Subject to subsection (2) of this section, govern the allocation of moneys deposited in the
3 account to best meet critical housing needs and build organizational capacity of partners throughout
4 this state; and

5 (b) Require equitable distribution of resources over time based on objective measures of need,
6 including the number and percentage of low and very low income households in an area.

7 **SECTION 2.** ORS 458.650 is amended to read:

8 458.650. (1)(a) The Emergency Housing Account shall be administered by the Housing and
9 Community Services Department to assist homeless persons and those persons who are at risk of
10 becoming homeless[.], **except that** an amount equal to 25 percent of moneys deposited in the ac-
11 count pursuant to ORS 294.187 (2)(b) is dedicated for expenditure for assistance to veterans who
12 are homeless or at risk of becoming homeless. [*For purposes of this section, "account" means the*
13 *Emergency Housing Account.*]

14 **(b) In administering the account and making distributions pursuant to paragraph (a) of**
15 **this subsection, the department shall take into account the counties from which the fees**
16 **deposited in the account were charged and collected.**

17 (2) The State Housing Council shall develop policy for giving grants to organizations that shall
18 use the funds to provide to low and very low income persons, including but not limited to, persons
19 more than 65 years of age, persons with disabilities, farmworkers and Native Americans:

20 (a) Emergency shelters and attendant services;

21 (b) Transitional housing services designed to assist persons to make the transition from
22 homelessness to permanent housing and economic independence;

23 (c) Supportive housing services to enable persons to continue living in their own homes or to
24 provide in-home services for such persons for whom suitable programs do not exist in their ge-
25 ographic area;

26 (d) Programs that provide emergency payment of home payments, rents or utilities; or

27 (e) Some or all of the needs described in paragraphs (a) to (d) of this subsection.

28 (3)(a) The council shall require as a condition of awarding a grant that the organization dem-
29 onstrate to the satisfaction of the council that the organization has the capacity to deliver any
30 service proposed by the organization.

31 (b) Any funds granted under this section shall not be used to replace existing funds. Funds
32 granted under this section may be used to supplement existing funds. An organization may use funds
33 to support existing programs or to establish new programs.

34 (c) The council, by policy, shall give preference in granting funds to those organizations that
35 coordinate services with those programs established under ORS 458.625.

36 (4) The department may expend funds from the account for administration of the account as
37 provided for in the legislatively approved budget, as that term is defined in ORS 291.002, for the
38 department.

39 **SECTION 3.** ORS 458.655 is amended to read:

40 458.655. (1)(a) The Home Ownership Assistance Account shall be administered by the Housing
41 and Community Services Department to expand this state's supply of homeownership housing for low
42 and very low income families and individuals, including, but not limited to, persons over 65 years
43 of age, persons with disabilities, minorities, veterans and farmworkers[.], **except that** an amount
44 equal to 25 percent of moneys deposited in the account pursuant to ORS 294.187 (2)(b) is dedicated
45 for expenditure to expand this state's supply of homeownership housing for low and very low income

1 veterans and families of veterans. [*The State Housing Council shall have a policy of distributing funds*
2 *statewide while concentrating funds in those areas of this state with the greatest need, as determined*
3 *by the council, for low and very low income homeownership housing. However, the council's policy of*
4 *distributing funds may differ from the distribution policy for the Housing Development and Guarantee*
5 *Account.*]

6 **(b) In administering the account and making distributions pursuant to paragraph (a) of**
7 **this subsection, the department shall take into account the counties from which the fees**
8 **deposited in the account were charged and collected.**

9 (2) Funds in the Home Ownership Assistance Account shall be granted to organizations that
10 both sponsor and manage low income homeownership programs, including lease-to-own programs, for
11 the construction of new homeownership housing or for the acquisition or rehabilitation of existing
12 structures for homeownership housing for persons of low or very low income, or both.

13 (3) The **State Housing** Council shall develop a policy for disbursing grants for any or all of the
14 following purposes:

15 (a) To aid low income homeownership programs, including program administration, in purchas-
16 ing land, providing assistance with down payment costs, or providing homeownership training and
17 qualification services or any combination thereof. Funds in the Home Ownership Assistance Account
18 may not be used by an organization to pay for its general operations or to pay for more than 25
19 percent of construction or rehabilitation costs.

20 (b) To match public and private moneys available from other sources for purposes of the pro-
21 vision of low or very low income homeownership housing.

22 (c) To administer the Home Ownership Assistance Account as provided for in the legislatively
23 approved budget, as that term is defined in ORS 291.002, for the department.

24 (4) The council, in developing policy under subsection (3) of this section, shall give preference
25 in making grants to those entities that propose to:

26 (a) Provide the greatest number of low and very low income homeownership housing units con-
27 structed, acquired or rehabilitated for the amount of account money expended by matching account
28 funds with other grant, loan or eligible in-kind contributions;

29 (b) Ensure the longest use for the units as low or very low income homeownership housing units,
30 such as by including some form of equity recapture, land trust or shared equity provisions, as de-
31 termined by the council;

32 (c) Include social services for occupants and proposed occupants of the proposed housing, in-
33 cluding but not limited to, programs that address home health care, mental health care, alcohol and
34 drug treatment and post-treatment care, child care, homeownership training, mortgage qualification
35 service, credit repair and case management; and

36 (d) Support a comprehensive strategy to reverse the decreasing rates of homeownership among
37 minorities, giving priority to activities that support adopted comprehensive community plans that
38 incorporate recognized best practices or demonstrate proven success in increasing homeownership
39 for minorities.

40 **SECTION 4. (1) Any moneys in the General Housing Account on the effective date of this**
41 **2015 Act that were deposited pursuant to ORS 294.187 (2)(b), that are not used or committed**
42 **for use as provided in ORS 458.665 (2)(a), as amended by section 1 of this 2015 Act, within two**
43 **years after the effective date of this 2015 Act, shall be paid over to the county treasurer of**
44 **the county from which the fees were charged and collected, and shall be credited to the**
45 **general fund of the county for purposes of affordable housing.**

1 **(2) Any moneys in the Emergency Housing Account on the effective date of this 2015 Act**
2 **that were deposited pursuant to ORS 294.187 (2)(b), that are not used or committed for use**
3 **as provided in ORS 458.650 (1)(a), as amended by section 2 of this 2015 Act, within two years**
4 **after the effective date of this 2015 Act, shall be paid over to the county treasurer of the**
5 **county from which the fees were charged and collected, and shall be credited to the general**
6 **fund of the county for purposes of affordable housing.**

7 **(3) Any moneys in the Home Ownership Assistance Account on the effective date of this**
8 **2015 Act that were deposited pursuant to ORS 294.187 (2)(b), that are not used or committed**
9 **for use as provided in ORS 458.655 (1)(a), as amended by section 3 of this 2015 Act, within two**
10 **years after the effective date of this 2015 Act, shall be paid over to the county treasurer of**
11 **the county from which the fees were charged and collected, and shall be credited to the**
12 **general fund of the county for purposes of affordable housing.**

13 **SECTION 5.** ORS 458.620 is amended to read:

14 458.620. (1) There is created, separate and distinct from the General Fund of the State Treasury,
15 the Oregon Housing Fund, which consists of five separate revolving accounts:

- 16 (a) The Housing Development and Guarantee Account;
17 (b) The Emergency Housing Account;
18 (c) The Home Ownership Assistance Account;
19 (d) The Farmworker Housing Development Account; and
20 (e) The General Housing Account.

21 (2) Earnings on investment of moneys in:

- 22 (a) The Housing Development and Guarantee Account accrue to that account.
23 (b) The Emergency Housing Account accrue to that account.
24 (c) The Home Ownership Assistance Account accrue to that account.
25 (d) The Farmworker Housing Development Account accrue to that account.
26 (e) The General Housing Account accrue to that account.

27 (3)(a) Moneys in the Housing Development and Guarantee Account are appropriated contin-
28 uously to the Housing and Community Services Department to carry out the provisions of ORS
29 458.625 and 458.630.

30 (b) Moneys in the Emergency Housing Account are appropriated continuously to the department
31 to carry out the provisions of ORS 458.650.

32 (c) Moneys in the Home Ownership Assistance Account are appropriated continuously to the
33 department to carry out the provisions of ORS 458.655.

34 (d) Moneys in the Farmworker Housing Development Account are appropriated continuously to
35 the department to carry out the provisions of ORS 458.660.

36 (e) Moneys in the General Housing Account are appropriated continuously to the department
37 to carry out the provisions of ORS [456.515 to 456.725] **458.665**.

38 (4) Individuals and corporations, both for profit or nonprofit, may make monetary contributions
39 to be credited to:

- 40 (a) The Housing Development and Guarantee Account; or
41 (b) The General Housing Account.

42 **SECTION 6. The amendments to ORS 458.620, 458.650, 458.655 and 458.665 by sections 1**
43 **to 3 and 5 of this 2015 Act apply to moneys deposited in the General Housing Account, the**
44 **Emergency Housing Account and the Home Ownership Assistance Account on or after the**
45 **effective date of this 2015 Act.**

