

# Senate Bill 516

Sponsored by Senator KNOPP, Representatives BUEHLER, WHISNANT

## 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**.

Requires Housing and Community Services Department to dedicate and use portion of moneys deposited in certain housing accounts from County Assessment and Taxation Fund for benefit of county from which fees deposited into fund 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) The department shall disburse moneys credited to the account to accomplish the purposes  
9 described in ORS 456.515 to 456.725, except that:

10 (a) **An amount equal to 25 percent** of moneys deposited in the account pursuant to ORS  
11 294.187 (2)(b) is dedicated for expenditure to meet the critical housing needs of veterans in this  
12 state; **and**

13 (b) **An amount equal to 75 percent of moneys deposited in the account pursuant to ORS**  
14 **294.187 (2)(b) is dedicated and must be used for the benefit of the county from which the fees**  
15 **deposited in the account were charged and collected pursuant to ORS 205.323 (4)(c).**

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

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

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

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

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

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

28 (9) The department shall adopt rules that:

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

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

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

4 458.650. (1) The Emergency Housing Account shall be administered by the Housing and Com-  
5 munity Services Department to assist homeless persons and those persons who are at risk of be-  
6 coming homeless[.], **except that:**

7 (a) An amount equal to 25 percent of moneys deposited in the account pursuant to ORS 294.187  
8 (2)(b) is dedicated for expenditure for assistance to veterans who are homeless or at risk of be-  
9 coming homeless; **and**

10 (b) **An amount equal to 75 percent of moneys deposited in the account pursuant to ORS**  
11 **294.187 (2)(b) is dedicated and must be used for the benefit of the county from which the fees**  
12 **deposited in the account were charged and collected pursuant to ORS 205.323 (4)(c).** [*For*  
13 *purposes of this section, "account" means the Emergency Housing Account.*]

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

17 (a) Emergency shelters and attendant services;

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

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

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

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

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

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

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

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

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

37 458.655. (1) The Home Ownership Assistance Account shall be administered by the Housing and  
38 Community Services Department to expand this state's supply of homeownership housing for low and  
39 very low income families and individuals, including, but not limited to, persons over 65 years of age,  
40 persons with disabilities, minorities, veterans and farmworkers[.], **except that:**

41 (a) An amount equal to 25 percent of moneys deposited in the account pursuant to ORS 294.187  
42 (2)(b) is dedicated for expenditure to expand this state's supply of homeownership housing for low  
43 and very low income veterans and families of veterans; **and**

44 (b) **An amount equal to 75 percent of moneys deposited in the account pursuant to ORS**  
45 **294.187 (2)(b) is dedicated and must be used for the benefit of the county from which the fees**

1 **deposited in the account were charged and collected pursuant to ORS 205.323 (4)(c).** [*The State*  
 2 *Housing Council shall have a policy of distributing funds statewide while concentrating funds in those*  
 3 *areas of this state with the greatest need, as determined by the council, for low and very low income*  
 4 *homeownership housing. However, the council's policy of distributing funds may differ from the dis-*  
 5 *tribution policy for the Housing Development and Guarantee Account.*]

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

10 (3) The council shall develop a policy for disbursing grants for any or all of the following pur-  
 11 poses:

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

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

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

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

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

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

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

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

37 **SECTION 4.** ORS 458.620 is amended to read:

38 458.620. (1) There is created, separate and distinct from the General Fund of the State Treasury,  
 39 the Oregon Housing Fund, which consists of five separate revolving accounts:

40 (a) The Housing Development and Guarantee Account;

41 (b) The Emergency Housing Account;

42 (c) The Home Ownership Assistance Account;

43 (d) The Farmworker Housing Development Account; and

44 (e) The General Housing Account.

45 (2) Earnings on investment of moneys in:

1 (a) The Housing Development and Guarantee Account accrue to that account.

2 (b) The Emergency Housing Account accrue to that account.

3 (c) The Home Ownership Assistance Account accrue to that account.

4 (d) The Farmworker Housing Development Account accrue to that account.

5 (e) The General Housing Account accrue to that account.

6 (3)(a) Moneys in the Housing Development and Guarantee Account are appropriated contin-  
7 uously to the Housing and Community Services Department to carry out the provisions of ORS  
8 458.625 and 458.630.

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

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

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

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

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

19 (a) The Housing Development and Guarantee Account; or

20 (b) The General Housing Account.

21 **SECTION 5. The amendments to ORS 458.620, 458.650, 458.655 and 458.665 by sections 1**  
22 **to 4 of this 2015 Act apply to moneys deposited in the General Housing Account, the Emer-**  
23 **gency Housing Account and the Home Ownership Assistance Account on or after the effec-**  
24 **tive date of this 2015 Act.**

25 \_\_\_\_\_