

A-Engrossed
House Bill 2802

Ordered by the House April 1
Including House Amendments dated April 1

Sponsored by Representative MARSH; Representatives GOMBERG, KENY-GUYER, NOBLE, SOLLMAN, Senator HANSELL

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.

Establishes Homeownership Repair and Rehabilitation Program within Housing and Community Services Department to provide grants to entities providing financial assistance to persons in low income households for repair and rehabilitation of residences. Establishes [*Homeownership*] **Home Repair and Rehabilitation [Program]** Fund to support program. Requires 50 percent of fund to be administered by community action agency network.

Establishes Healthy Homes Program within department to research housing health hazards and to provide revolving funds for organizations addressing housing health hazards. Establishes Healthy Homes [*Revolving*] Fund to support program.

Appropriates moneys from General Fund to department for deposit into both funds.

Makes programs operative January 1, 2020.

Declares emergency, effective July 1, 2019.

A BILL FOR AN ACT

1
2 Relating to supporting homeownership for low income individuals; and declaring an emergency.

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

4 **SECTION 1. (1) As used in this section:**

5 (a) **"Eligible entity" means a local government, local housing authority, nonprofit organ-**
6 **ization, federally recognized Indian tribe in this state or regional or statewide nonprofit**
7 **housing assistance organization.**

8 (b) **"Grant program recipient" means an eligible entity that has been awarded a grant**
9 **from the Housing and Community Services Department under this section.**

10 (c) **"Homeownership assistance program" means a program established, implemented and**
11 **operated by an eligible entity whereby the entity provides housing-related assistance to per-**
12 **sons in low income households.**

13 (d) **"Low income household" means a household having an income equal to or below 80**
14 **percent of the area median family income as determined by the Housing and Community**
15 **Services Department.**

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

19 (f) **"Repair and rehabilitation" includes actions that:**

20 (A) **Maximize energy efficiency of residences;**

21 (B) **Extend the usable life of the residences; or**

22 (C) **Improve the health and safety of the occupants of the residences.**

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 (g)(A) "Residence" means a single family residence that is intended for occupation by a
2 single family unit and is occupied by an individual who is a member of a low income house-
3 hold as the individual's principal residence.

4 (B) "Residence" includes a site-built home, manufactured home, residential trailer, mo-
5 bile home or condominium unit.

6 (2) The Homeownership Repair and Rehabilitation Program is established within the
7 Housing and Community Services Department. The purpose of the program is to provide
8 grants to eligible entities with homeownership assistance programs that provide financial
9 assistance to persons in low income households to repair and rehabilitate their residences.

10 (3) To be eligible to receive grants from the Homeownership Repair and Rehabilitation
11 Program, an eligible entity must establish that it:

12 (a) Is operating, or will operate, a homeownership assistance program that provides as-
13 sistance to low income households;

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

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

17 (4) The department shall provide grants to eligible entities to provide loans, grants or
18 other financial assistance to eligible low income households for the repair and rehabilitation
19 of their residences. The department may establish by rule the nature and extent of the repair
20 and rehabilitation that may be funded by eligible entities under the program.

21 (5) The department shall establish by rule processes for eligible entities to apply to re-
22 ceive grants from the Homeownership Repair and Rehabilitation Program. The process may
23 include a request for proposals.

24 (6) Upon being awarded a grant under this section, the grant program recipient shall
25 enter into an agreement with the department that contains provisions that:

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

27 (b) Include the repayment provisions set forth in subsection (7) of this section;

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

30 (d) Require the grant program recipient to provide reports as set forth in subsection (8)
31 of this section.

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

34 (a) The grant program recipient does not use the grant funds in accordance with the
35 provisions of the grant agreement executed between the department and the grant program
36 recipient under subsection (6) of this section; or

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

41 (8) A grant program recipient shall report to the department by June 30 of each year
42 concerning the status and use of grant funds received under this section. The department
43 by rule shall specify the information that the report must contain.

44 (9) The department may not pay amounts for grants under this section from any source
45 other than available funds in the Home Repair and Rehabilitation Fund established in section

1 **2 of this 2019 Act.**

2 **SECTION 2. (1) There is established in the State Treasury, separate and distinct from the**
3 **General Fund, the Home Repair and Rehabilitation Fund. Interest earned by the Home Re-**
4 **pair and Rehabilitation Fund is credited to the fund.**

5 **(2) All moneys in the fund are appropriated to the Housing and Community Services De-**
6 **partment to:**

7 **(a) Award grants to eligible entities with homeownership assistance programs under**
8 **section 1 of this 2019 Act;**

9 **(b) Distribute moneys to the community action agency network with the advice of the**
10 **Community Action Partnership of Oregon for community action agencies to provide loans,**
11 **grants or other financial assistance to eligible low income households for the repair and re-**
12 **habilitation of their residences consistent with section 1 of this 2019 Act; and**

13 **(c) Pay for the administrative expenses of the department in establishing, implementing**
14 **and administering the Homeownership Repair and Rehabilitation Program under section 1**
15 **of this 2019 Act.**

16 **(3) Each biennium, the department shall distribute no less than 50 percent of the amount**
17 **in the fund less the amounts paid under subsection (2)(c) of this section to the community**
18 **action agency network under subsection (2)(b) of this section.**

19 **(4) The fund consists of:**

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

21 **(b) Grant funds repaid under section 1 (7) of this 2019 Act;**

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

23 **(d) Application fees, if any; and**

24 **(e) Gifts, grants and donations received from any source.**

25 **SECTION 3. (1) The Healthy Homes Program is established within the Housing and**
26 **Community Services Department. The purpose of the program is to develop methods for ad-**
27 **dresssing home health hazards and to provide financial assistance to eligible organizations to**
28 **address home health hazards.**

29 **(2) Under the program the department may develop, or contract with public institutions**
30 **of higher education or nonprofit organizations to assist in developing:**

31 **(a) Methods for evaluating health hazards in housing;**

32 **(b) Methods for preventing and reducing health hazards in housing;**

33 **(c) Measures of evaluating housing related health impacts and the long-term cost-**
34 **effectiveness of methods used under paragraph (b) of this subsection;**

35 **(d) Performance measures for the work being performed through the loans made under**
36 **this program; and**

37 **(e) Recommendations for promoting the incorporation of healthy housing into ongoing**
38 **practices and systems, including housing codes.**

39 **(3) Under the program the department may make no-interest loans to eligible entities,**
40 **as defined in section 1 of this 2019 Act, to take steps to prevent and reduce health hazards**
41 **in housing for low income households, as defined in section 1 of this 2019 Act.**

42 **(4) The department may adopt guidelines, requirements and forms to administer the**
43 **loans and loan applications under the program and may adopt rules to implement and carry**
44 **out the program.**

45 **(5) All moneys received from servicing loans made under this section shall be deposited**

1 into the Healthy Homes Fund.

2 **SECTION 4.** (1) There is established in the State Treasury, separate and distinct from the
3 General Fund, the Healthy Homes Fund. Interest earned by the Healthy Homes Fund is
4 credited to the fund.

5 (2) All moneys in the fund are continuously appropriated to the Housing and Community
6 Services Department to:

7 (a) Award loans under section 3 (3) of this 2019 Act to eligible entities.

8 (b) Pay for the administrative expenses of the department in establishing, implementing
9 and administering the Healthy Homes Program under section 3 of this 2019 Act.

10 (3) The fund consists of:

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

12 (b) Loan funds repaid under section 3 (5) of this 2019 Act;

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

14 (d) Application fees, if any; and

15 (e) Gifts, grants and donations received from any source.

16 **SECTION 5.** Sections 1 to 4 of this 2019 Act are added to and made a part of ORS chapter
17 458.

18 **SECTION 6.** In addition to and not in lieu of any other appropriation, there is appropri-
19 ated to the Housing and Community Services Department, for the biennium beginning July
20 1, 2019, out of the General Fund:

21 (1) The amount of \$13,000,000, for deposit into the Home Repair and Rehabilitation Fund
22 established in section 2 of this 2019 Act; and

23 (2) The amount of \$2,000,000, for deposit into the Healthy Homes Fund established in
24 section 4 of this 2019 Act.

25 **SECTION 7.** (1) Sections 1 and 3 of this 2019 Act become operative on January 1, 2020.

26 (2) The Director of the Housing and Community Services Department may take any
27 action before the operative date specified in subsection (1) of this section that is necessary
28 to enable the director to exercise, on and after the operative date specified in subsection (1)
29 of this section, all of the duties, functions and powers conferred on the director by sections
30 1 and 3 of this 2019 Act.

31 **SECTION 8.** This 2019 Act being necessary for the immediate preservation of the public
32 peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect
33 July 1, 2019.

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