

# House Bill 2802

Sponsored by Representative MARSH; Representatives GOMBERG, NOBLE, 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 **as introduced**.

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 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 a person that has been awarded a grant from the**  
9 **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 median household income, adjusted for family size, for the county in which**  
15 **the low income household is located as determined by the Housing and Community Services**  
16 **Department. In making the determination, the department shall give consideration to any**  
17 **data on area household income published by the United States Department of Housing and**  
18 **Urban Development.**

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

22 (f) **“Repair and rehabilitation” includes actions that:**

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

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

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

26 (g)(A) **“Residence” means a single family residence that is intended for occupation by a**

**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 single family unit and is occupied by an individual who is a member of a low income house-  
 2 hold as the individual's principal residence.

3 (B) "Residence" includes a manufactured home, residential trailer, mobile home or con-  
 4 dominium unit.

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

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

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

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

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

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

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

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

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

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

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

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

32 (e) Include the repayment provisions set forth in subsection (7) of this section;

33 (f) Permit the department to conduct audits and investigations of the grant program re-  
 34 cipient regarding the purposes for which grant funds have been used; and

35 (g) Require the grant program recipient to provide reports as set forth in subsection (8)  
 36 of this section.

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

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

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

1 (8) A grant program recipient shall report to the department by June 30 of each year  
2 concerning the status and use of grant funds received under this section. The department  
3 by rule shall specify the information that the report must contain. At a minimum, the report  
4 must exclude any personal information about an individual and must include:

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

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

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

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

13 (e) Aggregated data concerning the income, racial or ethnic background, family size and  
14 related demographic information of persons in low income households who received financial  
15 assistance for repair and rehabilitation of residences under the program from the grant  
16 program recipient.

17 (9) The department may not pay amounts for grants under this section from any source  
18 other than available funds in the Homeownership Repair and Rehabilitation Program Fund  
19 established in section 2 of this 2019 Act.

20 **SECTION 2.** (1) There is established in the State Treasury, separate and distinct from the  
21 General Fund, the Homeownership Repair and Rehabilitation Program Fund. Interest earned  
22 by the fund is credited to the fund.

23 (2) All moneys in the fund are appropriated to the Housing and Community Services De-  
24 partment to:

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

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

31 (c) Pay for the administrative expenses of the department in establishing, implementing  
32 and administering the Homeownership Repair and Rehabilitation Program under section 1  
33 of this 2019 Act.

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

37 (4) The fund consists of:

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

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

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

41 (d) Application fees, if any; and

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

43 **SECTION 3.** (1) The Healthy Homes Program is established within the Housing and  
44 Community Services Department. The purpose of the program is to develop methods for ad-  
45 dressing home health hazards and to provide financial assistance to eligible organizations to

1 address home health hazards.

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

4 (a) Methods for evaluating health hazards in housing;

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

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

8 (d) Performance measures for the work being performed through the loans made under  
9 this program; and

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

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

15 (4) The department may adopt guidelines, requirements and forms to administer the  
16 loans and loan applications under the program and may adopt rules to implement and carry  
17 out the program.

18 (5) All moneys received from servicing loans made under this section shall be deposited  
19 into the Healthy Homes Revolving Fund.

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

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

25 (a) Award loans to eligible entities under section 3 of this 2019 Act; and

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

28 (3) The fund consists of:

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

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

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

32 (d) Application fees, if any; and

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

34 SECTION 5. Sections 1 to 4 of this 2019 Act are added to and made a part of ORS chapter  
35 458.

36 SECTION 6. In addition to and not in lieu of any other appropriation, there is appropri-  
37 ated to the Housing and Community Services Department, for the biennium beginning July  
38 1, 2019, out of the General Fund:

39 (1) The amount of \$13,000,000, for deposit into the Homeownership Repair and Rehabili-  
40 tation Program Fund established in section 2 of this 2019 Act; and

41 (2) The amount of \$2,000,000, for deposit into the Healthy Homes Revolving Fund estab-  
42 lished in section 4 of this 2019 Act.

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

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 and 3 of this 2019 Act.

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

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