

A-Engrossed
House Bill 3335

Ordered by the House April 7
Including House Amendments dated April 7

Sponsored by Representative MEEK; Representatives BYNUM, FAHEY, LEIF, PHAM, RUIZ, SALINAS, ZIKA,
Senators FREDERICK, JAMA

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.

Authorizes Housing and Community Services Department to grant moneys to nonprofit organization for ADU community pilot programs that develop accessory dwelling units for income-eligible homeowners and that are available for lease by income-eligible tenants. Sunsets January 2, 2024.

Requires department to report on ADU community pilot programs to interim committee of Legislative Assembly no later than September 15, 2023.

Appropriates moneys to department for grant to be awarded to Hacienda Community Development Corporation.

Declares emergency, effective July 1, 2021.

A BILL FOR AN ACT

1
2 Relating to housing; 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) "Accessory dwelling unit" has the meaning given that term in ORS 215.501.

6 (b) "ADU community pilot program" means one or more programs established, imple-
7 mented and operated by a nonprofit organization to invest in developing accessory dwelling
8 units for eligible homeowners and available for lease by eligible tenants.

9 (c) "Area median income" has the meaning given that term in ORS 458.610.

10 (d) "Eligible homeowner" means:

11 (A) A household that owns and resides in a home and has an income at or below the area
12 median income; or

13 (B) A nonprofit organization, including the organization receiving the a grant under this
14 section, that owns a home that is rented to a household with an income at or below the area
15 median income.

16 (e) "Eligible tenant" means a person or household with an income that is below 60 per-
17 cent of the area median income.

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

21 (2) The Housing and Community Services Department shall provide a grant to a nonprofit
22 organization to fund ADU community pilot programs developed by the organization or its
23 subgrantees that must:

24 (a) Assess the suitability of an eligible homeowner's property for siting and construction

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 of an accessory dwelling unit;

2 (b) Provide or assist with the financing, documentation, siting, construction and cleanup
3 of an accessory dwelling unit on an eligible homeowner's property;

4 (c) Identify, screen and enter into lease agreements with eligible tenants who will reside
5 in accessory dwelling units developed under the program on an eligible homeowner's prop-
6 erty;

7 (d) Provide professional property management services for the eligible homeowner; and

8 (e) Require that eligible homeowners maintain the accessory dwelling units as affordable
9 to eligible tenants for a period of no less than 10 years.

10 (3) The nonprofit organization receiving a grant under subsection (2) of this section may
11 distribute grant funds to subgrantees that are nonprofit organizations for ADU community
12 pilot programs described in subsection (2) of this section.

13 (4) Upon being awarded a grant under this section, the grant recipient shall enter into
14 an agreement with the department that:

15 (a) Indicates the purposes for which the grant funds may be used;

16 (b) Includes the repayment provisions set forth in subsection (5) of this section;

17 (c) Permits the department to conduct audits and monitoring of the grant recipient re-
18 garding the purposes for which grant funds have been used; and

19 (d) Requires the grant recipient to report on the use of funds in a manner described by
20 the department.

21 (5)(a) The grant recipient shall repay to the department, in whole or in part, grant funds
22 received under this section, to the extent that:

23 (A) The grant recipient does not use the grant funds in accordance with the provisions
24 of the grant agreement executed between the department and the grant recipient under
25 subsection (4) of this section; or

26 (B) The Director of the Housing and Community Services Department determines that
27 the grant recipient must repay all or part of the grant funds on grounds of misappropriation,
28 fraud or similar reasons after monitoring the grant recipient's operations and conducting
29 an administrative hearing under ORS 183.413 to 183.470.

30 (b) Funds received by the department under this subsection shall be paid into the State
31 Treasury and credited to the General Housing Account created under ORS 458.620.

32 **SECTION 1a.** Section 1 of this 2021 Act is added to and made a part of ORS chapter 458.

33 **SECTION 2.** No later than September 15, 2023, the Housing and Community Services
34 Department shall provide a report to an appropriate interim committee of the Legislative
35 Assembly in the manner provided under ORS 192.245 on the ADU community pilot programs
36 established under section 1 of this 2021 Act, including the amounts expended and information
37 reported by the grant recipient.

38 **SECTION 3.** Section 1 of this 2021 Act is repealed on January 2, 2024.

39 **SECTION 4.** In addition to and not in lieu of any other appropriation, there is appropri-
40 ated to the Housing and Community Services Department, for the biennium beginning July
41 1, 2021, out of the General Fund, the amount of \$1,000,000, to award a grant under section 1
42 (2) of this 2021 Act to the Hacienda Community Development Corporation.

43 **SECTION 5.** This 2021 Act being necessary for the immediate preservation of the public
44 peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect
45 July 1, 2021.

