

Enrolled House Bill 3335

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

CHAPTER

AN ACT

Relating to housing; and declaring an emergency.

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

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

- (a) **“Accessory dwelling unit” has the meaning given that term in ORS 215.501.**
 - (b) **“ADU community pilot program” means one or more programs established, implemented and operated by a nonprofit organization to invest in developing accessory dwelling units for eligible homeowners and available for lease by eligible tenants.**
 - (c) **“Area median income” has the meaning given that term in ORS 458.610.**
 - (d) **“Eligible homeowner” means:**
 - (A) **A household that owns and resides in a home and has an income at or below the area median income; or**
 - (B) **A nonprofit organization, including the organization receiving the a grant under this section, that owns a home that is rented to a household with an income at or below the area median income.**
 - (e) **“Eligible tenant” means a person or household with an income that is below 60 percent of the area median income.**
 - (f) **“Nonprofit organization” means an organization or group of organizations that is described in section 501(c)(3) of the Internal Revenue Code and is exempt from income tax under section 501(a) of the Internal Revenue Code.**
- (2) **The Housing and Community Services Department shall provide a grant to a nonprofit organization to fund ADU community pilot programs developed by the organization or its subgrantees that must:**
- (a) **Assess the suitability of an eligible homeowner’s property for siting and construction of an accessory dwelling unit;**
 - (b) **Provide or assist with the financing, documentation, siting, construction and cleanup of an accessory dwelling unit on an eligible homeowner’s property;**
 - (c) **Identify, screen and enter into lease agreements with eligible tenants who will reside in accessory dwelling units developed under the program on an eligible homeowner’s property;**
 - (d) **Provide professional property management services for the eligible homeowner; and**
 - (e) **Require that eligible homeowners maintain the accessory dwelling units as affordable to eligible tenants for a period of no less than 10 years.**

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

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

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

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

(c) Permits the department to conduct audits and monitoring of the grant recipient regarding the purposes for which grant funds have been used; and

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

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

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

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

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

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

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

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

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

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

Passed by House June 21, 2021

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate June 24, 2021

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Peter Courtney, President of Senate

Received by Governor:

.....M,....., 2021

Approved:

.....M,....., 2021

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2021

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Shemia Fagan, Secretary of State