

House Bill 3035

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Tina Kotek for Housing and Community Services Department)

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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: This Act grows OHCS' program and lending authority. (Flesch Readability Score: 61.2). Expands Housing and Community Services Department authority regarding homeownership housing projects and lending. Allows the department to refinance housing loans.

A BILL FOR AN ACT

1
2 Relating to housing; amending ORS 456.539, 456.548, 456.620, 456.625 and 456.690.

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

4 **SECTION 1.** ORS 456.620 is amended to read:

5 456.620. In carrying out housing programs, the Housing and Community Services Department
6 shall:

7 (1) With the approval of the Oregon Housing Stability Council, adopt standards for the planning,
8 development and management of housing projects for which qualified housing sponsors receive all
9 or a portion of any required financing under ORS 456.548 to 456.725, for audits and inspections to
10 determine compliance with such standards and adopt criteria for the approval of qualified housing
11 sponsors under ORS 456.548 to 456.725.

12 (2) Adopt criteria by which the department may approve or disqualify qualified housing sponsors.

13 (3) Enter into agreements with qualified housing sponsors to regulate the planning, development
14 and management of housing projects constructed with the assistance of the department under ORS
15 456.548 to 456.725.

16 (4) With the approval of the council, establish maximum household income limits for all or a
17 portion of the units in housing projects, including housing developments [*or other residential*
18 *housing*], financed in whole or in part by the department. The department may finance only the
19 portion of housing projects consisting of units rented to households with an income below 120 per-
20 cent of the area median income, as defined in ORS 458.610. The department shall, by rule, adopt a
21 methodology for allocating the affordable housing portion of a housing project's shared costs, in-
22 cluding infrastructure and parking. For a housing project financed by the department, the council
23 may establish a minimum ratio or number of units that will be rented to households with an income
24 below 120 percent of the area median income. If the income level in any unit exceeds 120 percent
25 of the area median income, the department shall, to the extent practicable, require that the
26 project[, *development or other housing*] **or development** financed by the department have a per-
27 centage of low income units that is higher than the minimum percentages established in ORS 456.120
28 (19) for projects financed by local housing authorities or income limitations that are lower than the
29 limits described in ORS 456.120 (19) or a combination thereof. Income limits for department pro-
30 grams administered on a statewide basis may be established by reference to the area median income.

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 This subsection does not restrict the acquisition of manufactured dwelling parks.

2 (5) With the approval of the council, ensure that financing is provided in the department's pro-
 3 grams for manufactured housing and for the purchase of lots described in ORS 92.840 by manufac-
 4 tured dwelling park tenants.

5 **(6) Establish maximum household income limits for residential housing for**
 6 **homeownership financed in whole or in part by the department.**

7 **SECTION 2.** ORS 456.690 is amended to read:

8 456.690. (1) Upon a finding made by the Oregon Housing Stability Council that the supply of
 9 funds available through lending institutions for the financing of residential loans for the acquisition,
 10 construction, improvement or rehabilitation of housing units, manufactured dwellings, manufactured
 11 dwelling parks, manufactured dwelling park nonprofit cooperatives or housing projects for persons
 12 and families whose income does not exceed maximum median family income limits established by the
 13 Housing and Community Services Department is inadequate, the department may make loans to
 14 lending institutions in this state for the purpose of providing funds to such institutions for the fi-
 15 nancing of residential housing units, manufactured dwellings, manufactured dwelling parks, manu-
 16 factured dwelling park nonprofit cooperatives or housing projects, for persons and families whose
 17 income does not exceed maximum median family income limits established by the department.

18 (2)(a) The department, subject to existing agreements with bondholders, may make privately or
 19 federally insured or guaranteed loans for the rehabilitation or improvement of existing single-family
 20 homes for persons and families of lower income, manufactured dwellings for persons and families of
 21 lower income or manufactured dwelling parks and manufactured dwelling park nonprofit cooper-
 22 atives that the department determines have a significant percentage of residents who are persons
 23 of lower income, if the department finds that:

24 (A) The supply of funds available through private lending institutions for that purpose is inade-
 25 quate; and

26 (B) The housing may be rehabilitated or improved to provide adequate, safe and sanitary resi-
 27 dential housing.

28 (b) The department may cooperate with qualified housing sponsors in the development and im-
 29 plementation of such loan programs. Loans made by the department under this subsection shall be
 30 made for single-family homes.

31 (3) Prior to the making of any loan under this section, the department, with the approval of the
 32 council, shall adopt rules governing the making of such loans, including but not limited to:

33 (a) Procedures for the submission, review and approval of requests for loans under this section.

34 (b) Standards and requirements for the allocation of loan moneys available among eligible bor-
 35 rowers and the determination of the terms, conditions and interest rates for such loans.

36 (c) Limitations, if any, on the number of housing units or projects, type of housing units or
 37 projects and any other characteristics for the eligibility of housing units or projects for such fi-
 38 nancing.

39 (d) Restrictions, if any, on the interest rates to be charged by lending institutions on loans made
 40 from such loan proceeds and the return to be realized by the lending institution therefrom.

41 (e) Commitment requirements applied to residential mortgage financing by lending institutions
 42 from the proceeds of such loans.

43 (f) Schedules of fees and charges to be made by the department in accepting, reviewing and
 44 acting upon applications for loans under this section.

45 (4) The department shall administer the loan program for rehabilitation or improvement of ex-

1 isting single-family homes for persons and families of lower income in accordance with the following
 2 requirements and loan criteria:

3 (a) Eligibility for a loan *[shall]* **must** be based on current department income limitations.

4 (b) A loan may be assumed only by another person of lower income.

5 (c) The single-family home for which a loan is made must be owner-occupied.

6 *[(d) The maximum principal amount of a single loan is \$15,000.]*

7 *[(e)]* (d) An eligible borrower *[shall]* **may** have only one loan outstanding under this program
 8 at any one time.

9 *[(f)]* (e) An eligible improvement including, but not limited to, a remodeling project *[shall be*
 10 *defined by rule and the provisions of the Revenue Adjustments Act of 1980 (Public Law 96-499), as*
 11 *adopted December 5, 1980, shall be recognized in that definition]* **must be defined by rule.**

12 *[(g)]* (f) Loans *[shall]* **must** be made in accordance with a distribution of population between
 13 urban and rural areas that takes the availability of alternative resources into account.

14 *[(h)]* (g) The department shall work with qualified housing sponsors whenever it is appropriate
 15 to do so.

16 (5) All loans made and all rules adopted under this section shall be designed by the department,
 17 with the approval of the council, to expand the supply of funds available in this state for the fi-
 18 nancing of residential housing units, manufactured dwellings, manufactured dwelling parks, manu-
 19 factured dwelling park nonprofit cooperatives and housing projects, for persons and families whose
 20 income does not exceed maximum median family income limits established by the department, to
 21 provide an adequate supply of safe and sanitary units of such housing, and to promote the effective
 22 participation of conventional lending institutions in the financing of such housing and restrict the
 23 financial return and benefit to such lenders to that which is necessary and reasonable to induce
 24 their participation under this section.

25 (6) In making loans under this section, the department, with the approval of the council, may
 26 prescribe such terms, conditions, maturity dates and interest rate provisions as it considers neces-
 27 sary.

28 **SECTION 3.** ORS 456.548 is amended to read:

29 456.548. As used in ORS 456.548 to 456.725, unless the context requires otherwise:

30 (1) "Bonds" means any bonds, as defined in ORS 286A.001, or any other evidence of indebt-
 31 edness, issued under ORS 456.515 to 456.725 or issued in anticipation of bonds and payable from the
 32 proceeds of bonds issued.

33 (2) "Capital reserve account" or "capital reserve accounts" means one or more of the special
 34 trust accounts that may be established by the Housing and Community Services Department within
 35 the Housing Finance Fund.

36 (3) "Consumer housing cooperative" means a cooperative corporation formed under ORS chapter
 37 62 and whose articles of incorporation provide, in addition to the other requirements of ORS chapter
 38 62, that:

39 (a) The consumer housing cooperative has been organized exclusively to provide housing facili-
 40 ties for persons and families of lower income and such social, recreational, commercial and com-
 41 munal facilities as may be incidental to such housing facilities.

42 (b) All income and earnings of the consumer housing cooperative shall be used exclusively for
 43 consumer housing cooperative purposes and that no unreasonable part of the net income or net
 44 earnings of the cooperative shall inure to the benefit or profit of any private individual, firm, cor-
 45 poration, partnership or association.

1 (c) The consumer housing cooperative is in no manner controlled or under the direction of or
2 acting in the substantial interest of any private individual, firm, corporation, partnership or associ-
3 ation seeking to derive profit or gain therefrom or seeking to eliminate or minimize losses in any
4 transaction therewith, except that such limitation shall apply to the members of the cooperative only
5 to the extent provided by rules of the department.

6 (d) The operations of the consumer housing cooperative may be supervised by the department
7 and that the consumer housing cooperative shall enter into such agreements with the department
8 as the department may require to provide regulation by the department of the planning, development
9 and management of any housing project undertaken by the cooperative and the disposition of the
10 property and other interests of the cooperative.

11 (4) "Development costs" means the costs that have been approved by the department as appro-
12 priate expenditures and includes, but is not limited to:

13 (a) Payments for options to purchase property for the proposed housing project site, deposits on
14 contracts of purchase, payments for the purchase of property as approved by the department, legal,
15 organizational and marketing expenses including payment of attorney fees, managerial and clerical
16 staff salaries, office rent and other incidental expenses, payment of fees for preliminary feasibility
17 studies, advances for planning, engineering and architectural work;

18 (b) Expenses for surveys as to need and market analyses; and

19 (c) Such other expenses incurred by the qualified housing sponsor as the department may deem
20 necessary under ORS 456.548 to 456.725.

21 (5) "Housing development" means a development that contains housing units for persons or
22 families of lower income and such other incidental elements of residential, commercial, recreational,
23 industrial, communal or educational facilities as the department determines improve the quality of
24 the development as it relates to housing for persons or families of lower income and the financial
25 feasibility of the development.

26 (6) "Housing finance bond declaration" means a written instrument signed by the Director of the
27 Housing and Community Services Department or the designee of the director and on file with and
28 bearing the certificate of approval of the State Treasurer or the designee of the State Treasurer,
29 and all housing finance bond declarations supplemental to that instrument.

30 (7) "Housing Finance Fund" means the Housing Finance Fund established in ORS 456.720 (1).

31 (8) "Lending institution" means any bank, mortgage banking company, trust company, savings
32 bank, credit union, national banking association, federal savings and loan association or federal
33 credit unit maintaining an office in this state, or any insurance company authorized to do business
34 in this state.

35 (9) "Limited dividend housing sponsor" means a corporation, trust, partnership, association or
36 other entity, or an individual that is a mortgagor.

37 (10) "Manufactured dwelling park nonprofit cooperative" has the meaning given that term in
38 ORS 62.803.

39 (11) "Manufactured housing" means a dwelling unit manufactured off-site having a minimum
40 width of 10 feet and a minimum area of 400 square feet built on a permanent chassis and designed
41 to be used for permanent residential occupancy whether or not on a permanent foundation, and that
42 contains permanent eating, cooking, sleeping and sanitary facilities and meets such standards as the
43 department determines, by rule, are reasonable to maintain the quality, safety and durability of the
44 dwelling, the sanitary requirements of the communities in which they are located and the security
45 of the loans that the department may finance for the purchase of the dwellings.

1 (12) "Nonprofit housing corporation" means an organization formed under ORS chapter 65 and
 2 whose articles of incorporation provide, in addition to the other requirements of ORS chapter 65,
 3 that:

4 (a) The corporation has been organized exclusively to provide housing facilities for persons and
 5 families of lower income and such other social, recreational, commercial and communal facilities as
 6 may be incidental to such housing facilities.

7 (b) All the income and earnings of the corporation shall be used exclusively for corporation
 8 purposes and that no part of the net income or net earnings of the corporation may inure to the
 9 benefit of any private individual, firm, corporation, partnership or association.

10 (c) The corporation is in no manner controlled or under the direction or acting in the substan-
 11 tial interest of any private individual, firm, partnership or association seeking to derive profit or
 12 gain therefrom or seeking to eliminate or minimize losses in transactions therewith.

13 (d) The operations of the corporation may be supervised by the department and that the corpo-
 14 ration shall enter into such agreements with the department as the department may require to reg-
 15 ulate the planning, development and management of any housing project undertaken by the
 16 corporation and the disposition of the property and other interests of the corporation.

17 (13) "Person of lower income" or "family of lower income" means:

18 (a) A person or family residing in this state whose income is not more than 80 percent of area
 19 median income, adjusted for family size, as determined by the Housing and Community Services
 20 Department based on information from the United States Department of Housing and Urban Devel-
 21 opment;

22 (b) A person or family residing in this state whose income, adjusted for family size, is below the
 23 level the Housing and Community Services Department has determined to be necessary in order to
 24 obtain in the open market decent, safe and sanitary housing, including the cost of utilities and taxes,
 25 for not more than 25 percent of the gross income of the person or family; or

26 (c) Any person or family the department determines is appropriate to treat as a person of lower
 27 income or a family of lower income incidental to the accomplishment of department programs for
 28 persons and families of lower income described in paragraphs (a) and (b) of this subsection.

29 (14) "Project cost" or "costs of the project" means the sum of all reasonable expenses incurred
 30 by a qualified housing sponsor in undertaking and completing a housing project approved by the
 31 department. "Project costs" or "costs of the project" include but are not limited to the expenses
 32 incurred by a qualified housing sponsor for:

33 (a) Studies and surveys;

34 (b) Plans, specifications, architectural and engineering services;

35 (c) Legal, organizational and other special services;

36 (d) Financing, acquisition, demolition, construction, equipment and site development of new and
 37 rehabilitated housing units;

38 (e) Movement of existing buildings to new sites; the cost of acquisition, or estimated fair market
 39 value, of land and other interests in real estate;

40 (f) Rehabilitation, reconstruction, repair or remodeling of existing buildings;

41 (g) Estimated carrying charges during construction and for a reasonable period thereafter;

42 (h) Placement of tenants or occupants and relocation services in connection with the housing
 43 project;

44 (i) Reasonable builder's or sponsor's profit and risk allowance; and

45 (j) Development costs not otherwise included in this subsection.

1 (15) “Qualified housing sponsor” means the following entities if approved by the department
 2 under ORS 456.620 (2):

- 3 (a) A consumer housing cooperative;
- 4 (b) A limited dividend housing sponsor;
- 5 (c) A nonprofit housing corporation;
- 6 (d) A for-profit housing sponsor;
- 7 (e) A housing authority;
- 8 (f) An urban renewal agency created by ORS 457.035; and
- 9 (g) Any city or county governing body or agency or department designated by the governing
 10 body.

11 (16)(a) “Residential housing” means a specific work or improvement within this state undertaken
 12 primarily to provide dwelling accommodations[, *including*].

13 **(b) “Residential housing” includes** land development and acquisition, construction or rehabil-
 14 itation of buildings and improvements thereto, for [*residential housing*] **dwelling accommodations**,
 15 and such other nonhousing facilities as may be incidental or appurtenant thereto and as the de-
 16 partment determines improve the quality of the development as it relates to housing for persons or
 17 families of lower income and the financial feasibility of the development.

18 [*(b) “Residential housing” includes, but is not limited to, a specific work or improvement within*
 19 *this state undertaken to provide mobile home or manufactured dwelling parks as defined in ORS*
 20 *446.003.*]

21 (c) As used in this subsection[,]:

22 **(A) “Dwelling accommodations” includes:**

23 **(i) Multifamily and single-unit housing;**

24 **(ii) Mobile home or manufactured dwelling parks;**

25 **(iii) Accessory units that:**

26 **(I) Are created within or detached from a single-unit dwelling, and that together consti-**
 27 **tute a single interest in real estate; and**

28 **(II) Have a separate additional living unit, including kitchen, sleeping and bathroom fa-**
 29 **cilities; and**

30 **(iv) Other accommodations as defined by the department by rule.**

31 **(B)** “Land development” includes, but is not limited to, the improvement of streets and alleys
 32 and the construction of surface drains, sewers, curbing and sidewalks.

33 (17) “Residential loan” means any of the following:

34 (a) A loan that is for the acquisition, construction, improvement or rehabilitation of residential
 35 housing and, if the loan is for acquisition or construction of residential housing, that is secured by
 36 a first lien on real property located in the state and:

37 (A) Improved by a newly constructed, existing or rehabilitated residential structure for persons
 38 or families of lower income; or

39 (B) Unimproved if the proceeds of such loan shall be used for the erection of a residential
 40 structure thereon, whether or not such loan is insured or guaranteed by the United States or any
 41 instrumentality or agency thereof.

42 (b) An insured or guaranteed loan for the acquisition of manufactured housing or for the ac-
 43 quisition of a lot described in ORS 92.840 by a manufactured dwelling park tenant.

44 (c) A loan for the purchase of a proprietary lease and related cooperative shares in a housing
 45 cooperative formed under ORS chapter 62 secured by a security interest of first priority and a

1 pledge or an assignment of proprietary leases and related cooperative shares.

2 (d) A loan, secured by such lien as may be approved by the department, made for the acquisition
 3 of a residential structure and made solely to provide down payment or closing cost assistance to
 4 allow low and moderate income households to qualify for a first position purchase loan on the
 5 structure.

6 (e) **A loan to refinance any loan described in this subsection, whether or not the original**
 7 **loan was made by the department.**

8 **SECTION 4.** ORS 456.625 is amended to read:

9 456.625. The Housing and Community Services Department may:

10 (1) Undertake and carry out studies and analyses of housing needs within the state and ways
 11 of meeting such needs and make the results of such studies and analyses available to the public,
 12 qualified housing sponsors and the private housing sector.

13 (2) Prepare proposals on measures it considers necessary to address administration, housing
 14 programs or community services programs.

15 (3) With the approval of the Oregon Housing Stability Council, assess fees, charges or interest
 16 in connection with housing programs.

17 (4) Encourage community organizations to assist in initiating housing projects for persons and
 18 families of lower income.

19 (5) Encourage the salvage of usable housing scheduled for demolition or dislocation because of
 20 highway, school, urban renewal or other public projects by seeking authority for the public agencies
 21 involved in such programs to use the funds provided for the demolition or relocation of such
 22 buildings to enable qualified housing sponsors to relocate and rehabilitate such buildings for use by
 23 persons and families of lower income.

24 (6) Encourage research and demonstration projects to develop techniques and methods for in-
 25 creasing the supply of adequate, decent, safe and sanitary housing for persons and families of lower
 26 income.

27 (7)(a) Make or participate in the making of residential loans to *[qualified]* individuals or **quali-**
 28 **fied** housing sponsors to provide for the acquisition, construction, improvement, **refinancing**, reha-
 29 bilitation or permanent financing of residential housing or housing development;

30 (b) Undertake commitments to make residential loans;

31 (c) Purchase and sell residential loans at public or private sale;

32 (d) Modify or alter *[such]* mortgages or loans **described in this subsection**;

33 (e) Foreclose on any *[such]* mortgage or security interest **described in this subsection** or
 34 commence any action to protect or enforce any right conferred upon the department by any law,
 35 mortgage, security, agreement, contract or other agreement *[and to]*;

36 (f) Bid for and purchase property that is subject to *[such]* a mortgage or security interest **de-**
 37 **scribed in this subsection** at any foreclosure or other sale; **and**

38 (g) Acquire or take possession of any *[such]* property **described in this subsection** and com-
 39 plete, administer, conserve, improve and otherwise use the property to accomplish the department's
 40 purposes, pay the principal and interest on any obligations incurred in connection with *[such]* **the**
 41 property and dispose of *[such]* **the** property in such manner as the department determines necessary
 42 to protect its interests under ORS 456.515 to 456.725 and ORS chapter 458.

43 (8) Unless specifically exempted by the State Treasurer, deposit with the State Treasurer any
 44 funds held in reserve or sinking funds under ORS 456.515 to 456.725 and ORS chapter 458 and any
 45 other moneys not required for immediate use or disbursement by the department, subject to the

1 provisions of any agreement with holders of bonds entered into prior to October 15, 1983.

2 (9) Advise and assist in the creation of any nonprofit housing corporation, consumer housing
3 cooperative or limited dividend housing sponsor and give approval of the articles of incorporation
4 and bylaws of any such organization in carrying out ORS 456.515 to 456.725.

5 (10) Cooperate with and exchange services, personnel and information with any federal, state
6 or local governmental agency.

7 (11) With the approval of the State Treasurer, contract for the services of and consultation with
8 trustees, investment and financial advisors, paying agents, remarketing agents and other profes-
9 sional persons or organizations in carrying out ORS 456.515 to 456.725 and ORS chapter 458.

10 (12) Contract for, act on or perform any other duties that the department considers necessary
11 or appropriate to carry out housing programs and community services programs, including but not
12 limited to contracting to provide compliance monitoring or other administrative functions with re-
13 spect to housing developments and affordable housing, whether or not the housing developments or
14 affordable housing receives department funding and whether or not the housing developments or
15 affordable housing is located within this state. For purposes of this subsection, "affordable
16 housing" has the meaning given that term in ORS 456.055.

17 (13) Purchase, service, sell and make commitments to purchase, service and sell residential loans
18 to the extent permitted by ORS 456.635 and 456.640 (1) to (3).

19 (14) Initiate or assist appropriate state agencies, governmental bodies and public or private
20 housing sponsors in the development, construction, acquisition, ownership, leasing, rehabilitation or
21 management of housing to carry out the purposes of ORS 456.515 to 456.725 and ORS chapter 458
22 where such housing is not otherwise affordable or available in the area.

23 (15) Execute and record written instruments that contain terms, including but not limited to
24 restrictive covenants or equitable servitudes, pertaining to the use and enjoyment of housing
25 projects. Notwithstanding any other provision of law, the executed instruments shall constitute and
26 create restrictive covenants affecting and running with the property according to the terms of the
27 instruments when recorded in the records of the county where the property is located. County clerks
28 shall accept the instruments for recording when presented by or on behalf of the department.

29 (16) Subject to the provisions of any agreement then existing with bondholders, make available
30 funds by contract, grant, loan or otherwise, including loan guarantees, insurance or other financial
31 leveraging techniques, from moneys made available by the department to carry out the purposes of
32 ORS 456.515 to 456.725, if such moneys are not needed for the operations of the department or oth-
33 erwise determined by the Director of the Housing and Community Services Department to be a
34 necessary or prudent reserve.

35 (17) Notwithstanding ORS 456.561, award grants to private or public entities to support or de-
36 velop programs and services that build on successful or innovative strategies to prevent and end
37 homelessness, and may adopt rules for implementing such programs and services, including the fol-
38 lowing:

39 (a) Tenant education services for low-income tenants, including Rent Guarantee Program train-
40 ing under ORS 456.608 (3);

41 (b) Fair housing training and outreach for tenants and landlords;

42 (c) Technological innovations and investments that help low-income individuals find and access
43 available rental housing and services;

44 (d) Acquisition, construction, renovation and operation of emergency shelters and transitional
45 housing, outreach and attendant services, as well as supportive housing services designed to sustain

1 housing, including those that support the diverse needs of those experiencing homelessness;

2 (e) Homelessness system improvements such as capacity building resources, planning resources,
 3 implementation and operation of advisory groups, technical assistance resources and investments to
 4 improve and obtain qualitative and quantitative data about housing and homelessness, including
 5 through direct engagement with people with lived experience of homelessness or housing instability;

6 (f) Services designed to prevent evictions and homelessness, including long term and emergency
 7 rental assistance, legal services for those facing eviction, eviction prevention mediation services and
 8 case management;

9 (g) Individualized and culturally responsive interventions designed to provide support to specific
 10 populations of people experiencing homelessness or housing instability;

11 (h) Delivery of programs and services designed to reduce poverty, including those programs and
 12 services that are in alignment with federal resources such as the Community Services Block Grant;
 13 and

14 (i) Other education, services or resources for low-income tenants and prospective tenants and
 15 for landlords who serve low-income tenants, including landlord incentive programs to encourage
 16 greater access to units for low-income tenants.

17 (18) Procure and supervise the procurement of goods, services and personal services that are
 18 acquired in connection with the exercise of the department's duties prescribed in this chapter and
 19 ORS chapter 458.

20 (19) For goods, services and personal services that are unrelated to the duties prescribed in this
 21 chapter and ORS chapter 458, subject to any rule that may be adopted by the department for the
 22 administration of such procurements:

23 (a) Procure and supervise the procurement of information technology products and systems and
 24 related goods, services and personal services; and

25 (b) Conduct sole-source procurements as provided under ORS 279B.075, and special procure-
 26 ments as provided under ORS 279B.085, except that the Director of the Housing and Community
 27 Services Department may take any action that the Director of the Oregon Department of Adminis-
 28 trative Services is authorized to take under ORS 279B.075 and 279B.085.

29 **SECTION 5.** ORS 456.539 is amended to read:

30 456.539. (1) The Housing and Community Services Department shall be the agency for the State
 31 of Oregon for the administration of the Elderly and Disabled Housing Fund. Except as otherwise
 32 provided in ORS 456.515 to 456.725 the provisions of ORS 456.515 to 456.725 are applicable to the
 33 administration of the Elderly and Disabled Housing Fund.

34 (2) The department is authorized to use the Elderly and Disabled Housing Fund to advance
 35 funds, by contract, grant, loan or otherwise, as provided by Article XI-I(2) of the Oregon Constitu-
 36 tion to finance multifamily housing for elderly households, persons with disabilities and their family
 37 members and such other persons who reside therein as are necessary to maintain the housing or
 38 provide services or companionship for elderly households and persons with disabilities.

39 (3) In carrying out the provisions specified in Article XI-I(2) of the Oregon Constitution, the
 40 department shall, with the concurrence of the Oregon Housing Stability Council, adopt criteria for
 41 approval of projects proposed by qualified housing sponsors to finance multifamily housing for the
 42 target population and their family members and such other persons who reside therein as are nec-
 43 essary to maintain the housing or provide services or companionship for elderly households and
 44 persons with disabilities. The criteria shall:

45 (a) Assure that health, mental health and other supportive services as may be necessary to

1 maintain elderly and disabled households living in the housing are available to the occupants onsite
2 or in the community;

3 (b) Give priority to members of the target populations; and

4 (c) Allow occupancy by such family members or other persons as the department determines
5 necessary to maintain the housing and provide services or companionship for elderly households and
6 persons with disabilities.

7 (4) The department shall:

8 (a) Adopt criteria consistent with the maximum household income restrictions in ORS 456.620
9 (4) **and (6)** for approval of applications for financing the purchase by elderly households of owner-
10 ship interests within a multifamily structure or facility.

11 (b) Provide means for allocating funds to finance multifamily housing units for the target popu-
12 lation and to establish limitations on the interest and fees to be charged on loans made by the de-
13 partment.

14 (c) Adopt rules necessary for efficient administration of the Elderly and Disabled Housing Fund.

15 (d) Adopt rules to assure that each of the target populations has access to a reasonable portion
16 of the bond authority under ORS 456.515 to 456.725, and that a reasonable portion of the funds for
17 elderly households is made available to finance the purchase by elderly households of ownership
18 interests within multifamily housing structures or facilities.

19 (5) Loans made by the department under this section for the interim construction financing of
20 multifamily housing shall be subject to the provisions of ORS 456.717.

21
