

**A-Engrossed**  
**House Bill 2442**

Ordered by the House February 26  
Including House Amendments dated February 26

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber, M.D., 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.

Changes name of State Housing Council to Oregon Housing Stability Council. Increases membership of council.

Abolishes advisory committee on energy, Interagency Council on Hunger and Homelessness and Community Development Incentive Advisory Board.

Transfers responsibility as lead public body administering state policy on hunger **and responsibility for Hunger Task Force** from Housing and Community Services Department to Department of Human Services.

**A BILL FOR AN ACT**

1  
2 Relating to governance of the Housing and Community Services Department; creating new pro-  
3 visions; amending ORS 90.222, 183.530, 183.534, 280.482, 307.181, 307.515, 307.540, 317.097,  
4 426.508, 456.395, 456.515, 456.539, 456.541, 456.548, 456.555, 456.559, 456.561, 456.567, 456.571,  
5 456.572, 456.620, 456.625, 456.665, 456.690, 458.310, 458.510, 458.515, 458.525, 458.528, 458.530,  
6 458.532, 458.545, 458.610, 458.625, 458.630, 458.650, 458.655, 458.715, 458.720, 458.730, 458.735,  
7 458.740, 671.755, 701.015 and 757.612; and repealing ORS 458.535 and 458.710.

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

9  
10 **OREGON HOUSING STABILITY COUNCIL**

11  
12 **SECTION 1.** ORS 456.395 is amended to read:

13 456.395. The Housing and Community Services Department and [*State Housing Council*] **the**  
14 **Oregon Housing Stability Council** shall cooperate with and assist local housing authorities as de-  
15 fined in ORS 456.375 to obtain federal approval, renewal of an existing waiver of federal require-  
16 ments or a new waiver of federal requirements, as necessary to make the use and distribution of  
17 federal rent subsidy and assistance payments under 42 U.S.C. 1437f as efficient and beneficial as  
18 possible to increase the supply of decent, safe, sanitary and affordable housing for persons of low  
19 income and very low income in this state.

20 **SECTION 2.** ORS 456.515 is amended to read:

21 456.515. As used in ORS 456.515 to 456.725 and ORS chapter 458 unless the context requires  
22 otherwise:

23 (1) "Community Action Partnership of Oregon" means an organization described in ORS 458.505.

24 (2) "Construction" includes, but is not limited to, new construction or moderate or substantial  
25 rehabilitation of existing structures or facilities.

**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 (3) "Council" means the [*State Housing Council*] **Oregon Housing Stability Council** established  
2 under ORS 456.567.

3 (4) "Department" means the Housing and Community Services Department established under  
4 ORS 456.555.

5 (5) "Director" means the Director of the Housing and Community Services Department.

6 (6) "Elderly household" means a household whose head is over the age of 55, residing in this  
7 state.

8 (7) "Major life activity" includes but is not limited to self-care, ambulation, communication,  
9 transportation, education, socialization, employment and ability to acquire, rent or maintain prop-  
10 erty.

11 (8)(a) "Multifamily housing" means a structure or facility established primarily to provide  
12 housing that provides more than one living unit, and may also provide facilities that are functionally  
13 related and subordinate to the living units for use by the occupants in social, health, educational  
14 or recreational activities:

15 (A) For the elderly, including but not limited to individual living units within such structures,  
16 mobile home and manufactured dwelling parks and residential facilities licensed under ORS 443.400  
17 to 443.455 and other congregate care facilities with or without domiciliary care.

18 (B) For persons with disabilities, including, but not limited to, individual living units within such  
19 structures, mobile home and manufactured dwelling parks and residential facilities licensed under  
20 ORS 443.400 to 443.455 and other congregate care facilities with or without domiciliary care.

21 (b) "Multifamily housing" does not include nursing homes, hospitals, places primarily engaged  
22 in recreational activities and single-family, detached dwellings, except manufactured dwellings situ-  
23 ated in a mobile home and manufactured dwelling park.

24 (9) "Person with a disability" means a person who has a physical or mental impairment that  
25 substantially limits one or more major life activities.

26 (10) "Target population" means:

27 (a) Elderly households; or

28 (b) Persons with disabilities.

29 **SECTION 3.** 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 [*State Housing Council*] **Oregon Housing Stability**  
41 **Council**, adopt criteria for approval of projects proposed by qualified housing sponsors to finance  
42 multifamily housing for the target population and their family members and such other persons who  
43 reside therein as are necessary to maintain the housing or provide services or companionship for  
44 elderly households and 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) for approval of applications for financing the purchase by elderly households of ownership in-  
10 terests 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 **SECTION 4.** ORS 456.541 is amended to read:

22 456.541. The Housing and Community Services Department shall and the [*State Housing*  
23 *Council*] **Oregon Housing Stability Council** may consult generally with the Department of Human  
24 Services and such other persons as the council or Housing and Community Services Department  
25 may consider appropriate concerning project applications for housing for disabled households. The  
26 Housing and Community Services Department shall seek comment on such project applications  
27 concerning:

28 (1) The need for and design of the project generally, considering the proposed location of the  
29 housing;

30 (2) The means proposed for screening eligibility for occupancy to assure that priority will be  
31 given to members of the target populations of persons with disabilities; and

32 (3) The adequacy of the provisions for assuring the availability of health, mental health and  
33 other supportive services necessary to maintain disabled households in the housing.

34 **SECTION 5.** ORS 456.548 is amended to read:

35 456.548. As used in ORS 456.548 to 456.725, unless the context requires otherwise:

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

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

42 (3) "Consumer housing cooperative" means a cooperative corporation formed under ORS chapter  
43 62 and whose articles of incorporation provide, in addition to the other requirements of ORS chapter  
44 62, that:

45 (a) The consumer housing cooperative has been organized exclusively to provide housing facili-

1 ties for persons and families of lower income and such social, recreational, commercial and com-  
2 munal facilities as may be incidental to such housing facilities.

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

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

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

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

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

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

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

27 (5) "Federally insured security" means an evidence of indebtedness insured or guaranteed as to  
28 repayment of principal and interest by the United States or an agency or instrumentality thereof.

29 (6) "Housing development" means a development that contains housing units for persons or  
30 families of lower income and such other incidental elements of residential, commercial, recreational,  
31 industrial, communal or educational facilities as the department determines improve the quality of  
32 the development as it relates to housing for persons or families of lower income and the financial  
33 feasibility of the development.

34 (7) "Housing finance bond declaration" means a written instrument signed by the Director of the  
35 Housing and Community Services Department and on file with and bearing the certificate of ap-  
36 proval of the State Treasurer or the designee of the State Treasurer, and all housing finance bond  
37 declarations supplemental to that instrument.

38 (8) "Housing Finance Fund" means the Housing Finance Fund established in ORS 456.720 (1).

39 (9) "Lending institution" means any bank, mortgage banking company, trust company, savings  
40 bank, credit union, national banking association, federal savings and loan association or federal  
41 credit unit maintaining an office in this state, or any insurance company authorized to do business  
42 in this state.

43 (10) "Limited dividend housing sponsor" means a corporation, trust, partnership, association or  
44 other entity, or an individual that is a mortgagor.

45 (11) "Manufactured dwelling park nonprofit cooperative" has the meaning given that term in

1 ORS 62.803.

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

9 (13) "Nonprofit housing corporation" means an organization formed under ORS chapter 65 and  
10 whose articles of incorporation provide, in addition to the other requirements of ORS chapter 65,  
11 that:

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

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

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

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

25 (14) "Person of lower income" or "family of lower income" means:

26 (a) A person or family residing in this state whose income is not more than 80 percent of area  
27 median income, adjusted for family size, as determined by the [*State Housing Council*] **Oregon**  
28 **Housing Stability Council** based upon information from the United States Department of Housing  
29 and Urban Development;

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

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

37 (15) "Project cost" or "costs of the project" means the sum of all reasonable expenses incurred  
38 by a qualified housing sponsor in undertaking and completing a housing project approved by the  
39 department. "Project costs" or "costs of the project" include but are not limited to the expenses  
40 incurred by a qualified housing sponsor for:

41 (a) Studies and surveys;

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

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

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

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

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

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

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

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

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

9 (16) "Qualified housing sponsor" includes, subject to the approval of the department:

10 (a) A consumer housing cooperative;

11 (b) A limited dividend housing sponsor;

12 (c) A nonprofit housing corporation;

13 (d) A for-profit housing sponsor including, but not limited to, an individual operating in compli-  
14 ance with the criteria adopted by the department under ORS 456.620 (1);

15 (e) A housing authority created by ORS 456.075;

16 (f) An urban renewal agency created by ORS 457.035; and

17 (g) Any city or county governing body or agency or department designated by the governing  
18 body.

19 (17) "Residential housing" means a specific work or improvement within this state undertaken  
20 primarily to provide dwelling accommodations, including land development and acquisition, con-  
21 struction or rehabilitation of buildings and improvements thereto, for residential housing, and such  
22 other nonhousing facilities as may be incidental or appurtenant thereto and as the department de-  
23 termines improve the quality of the development as it relates to housing for persons or families of  
24 lower income and the financial feasibility of the development. "Residential housing" includes, but  
25 is not limited to, a specific work or improvement within this state undertaken to provide mobile  
26 home or manufactured dwelling parks as defined in ORS 446.003. As used in this subsection, "land  
27 development" includes, but is not limited to, the improvement of streets and alleys and the con-  
28 struction of surface drains, sewers, curbing and sidewalks.

29 (18) "Residential loan" means any of the following:

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

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

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

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

40 (c) A loan for the purchase of a proprietary lease and related cooperative shares in a housing  
41 cooperative formed under ORS chapter 62 secured by a security interest of first priority and a  
42 pledge or an assignment of proprietary leases and related cooperative shares.

43 (19) "Revolving account" means the Housing and Community Services Department Revolving  
44 Account created in ORS 456.574.

45 **SECTION 6.** ORS 456.555 is amended to read:

1 456.555. (1) The Housing and Community Services Department is established.

2 (2) The department shall be under the supervision and control of a director who is responsible  
3 for the performance of the duties imposed upon the department. The Governor shall appoint the  
4 Director of the Housing and Community Services Department. The director shall hold office at the  
5 pleasure of the Governor. The person appointed as director shall be a person who, by training and  
6 experience, is well qualified to perform the duties of the office.

7 (3) The director shall receive such salary as may be provided by law, or, if not so provided, as  
8 may be fixed by the Governor. In addition to the salary of the director, the director shall, subject  
9 to the limitations otherwise provided by law, be reimbursed for all expenses actually and necessarily  
10 incurred by the director in the performance of official duties.

11 (4) The director may establish department divisions including but not limited to divisions for  
12 administration, housing programs and community services programs.

13 (5) The [*State Housing Council*] **Oregon Housing Stability Council** shall:

14 (a) With the advice of the director, set policy and approve or disapprove rules and standards for  
15 housing programs;

16 (b) Approve or disapprove loans, grants and other funding award proposals under ORS 456.561;  
17 [*and*]

18 (c) **Provide policy direction and oversight to the department regarding the department's**  
19 **financial planning and biennial budget proposal prior to its submittal to the Oregon Depart-**  
20 **ment of Administrative Services; and**

21 [*c*] (d) Carry out the provisions of ORS 456.571.

22 (6) The Community Action Partnership of Oregon, **in conjunction with the Oregon Housing**  
23 **Stability Council**, shall advise the [*department and the council*] **Housing and Community Services**  
24 **Department** on community services programs as determined by the director and as set forth in ORS  
25 458.505.

26 (7) The director shall report regularly to the council to keep the council informed on progress  
27 made by the department in carrying out the department's responsibilities for housing programs.

28 (8) The department may adopt rules to carry out the programs that the department is charged  
29 with administering, including, but not limited to, rules regarding:

30 (a) Administration and enforcement.

31 (b) Criteria for the granting of benefits.

32 (c) The establishment of fees and charges.

33 (d) The identification of housing programs and community services programs.

34 (e) The distinguishing of housing programs from community services programs.

35 (9) Subject to the approval of the council, the department shall establish by rule one or more  
36 threshold property purchase prices above which a housing loan proposed by the department requires  
37 council review and approval under ORS 456.561. In establishing or modifying a threshold property  
38 purchase price under this subsection, the department shall consider any maximum acquisition cost  
39 set forth in the Internal Revenue Code or federal rules and regulations implementing the code.

40 (10) Subject to the approval of the council, the department shall establish by rule one or more  
41 threshold amounts above which a housing grant or other housing funding award proposal requires  
42 council review and approval under ORS 456.561.

43 **SECTION 7.** ORS 456.559 is amended to read:

44 456.559. (1) The Housing and Community Services Department shall:

45 (a) Maintain current housing data and information concerning available programs, status of

1 funding, programs planned or undertaken which might conflict with, overlap, duplicate or supersede  
2 other planned or existing programs and call these to the attention of appropriate state agencies,  
3 governmental bodies and public or private housing sponsors.

4 (b) Provide to appropriate state agencies, governmental bodies and public or private housing  
5 sponsors such advisory and educational services as will assist them in the development of housing  
6 plans and projects.

7 (c) Subject to the approval of the [*State Housing Council*] **Oregon Housing Stability Council**,  
8 make noninterest bearing advances, in accordance with ORS 456.710 and the policies of the depart-  
9 ment, to qualified nonprofit sponsors for development costs of housing projects until mortgage funds  
10 are released to repay the advances as provided in ORS 456.710.

11 (d) Advise and assist appropriate state agencies, governmental bodies and public or private  
12 housing sponsors, cities and counties, in all programs and activities which are designed or might  
13 tend to fulfill the purposes of ORS 456.548 to 456.725 and ORS chapter 458.

14 (e) Encourage and assist in the planning, development, construction, rehabilitation and conser-  
15 vation of dwelling units for persons and families of lower income.

16 (f) Be the central state department to apply for, receive and distribute, on behalf of appropriate  
17 state agencies, governmental bodies and public or private housing sponsors in the state, grants, gifts,  
18 contributions, loans, credits or assistance from the federal government or any other source for  
19 housing programs except when the donor, grantor, or lender of such funds specifically directs some  
20 other agency to administer them. Moneys received under this section shall be deposited with the  
21 State Treasurer in an account separate and distinct from the General Fund. Interest earned by the  
22 account shall be credited to the account.

23 (g) For the purposes of acquiring moneys, credits or other assistance from any agency or  
24 instrumentality of the United States or from any public corporation chartered by the United States,  
25 comply with any applicable agreements or restrictions for the receipt of such assistance and become  
26 a member of any such association or public corporation chartered by the United States.

27 (h) Assist individuals, appropriate state agencies, governmental bodies and public or private  
28 housing sponsors through a program which provides housing information, planning, educational  
29 services and technical assistance.

30 (i) Comply with the requirements of ORS 443.225 in assisting in the development of any housing  
31 for residential care, training or treatment for persons with mental retardation, developmental disa-  
32 bilities or mental or emotional disturbances.

33 (2) Except as otherwise provided in ORS 456.625 (7), the department may not itself develop,  
34 construct, rehabilitate or conserve housing units; and neither the department nor any housing  
35 sponsor, including but not limited to any association, corporation, cooperative housing authority or  
36 urban renewal agency organized to provide housing and other facilities pursuant to ORS 456.548 to  
37 456.725, may own, acquire, construct, purchase, lease, operate or maintain utility facilities, including  
38 facilities for the generation of electricity, for the distribution of gas and electricity, and for the  
39 conveyance of telephone and telegraph messages.

40 (3) In accordance with the provisions of this section and with the advice of the council, the  
41 department shall establish statewide priorities for housing programs. State agencies shall coordinate  
42 their housing programs with the department. All state agencies intending to apply for federal funds  
43 for use in planning, developing or managing housing, or rendering assistance to governmental bodies  
44 or sponsors or individuals involved therein shall submit a description of the proposed activity to the  
45 department for review not less than 30 days prior to the intended date of submission of the appli-

1 cation to the federal agency. The department shall determine whether the proposal would result in  
 2 a program that would overlap, duplicate or conflict with any other housing program in the state. If  
 3 the department finds overlapping or duplication or conflict, it shall recommend modifications in the  
 4 application. The Oregon Department of Administrative Services shall consider these recommen-  
 5 dations in making its decision to approve or disapprove the application. The department shall com-  
 6 plete its review and forward its recommendations within 15 working days after receipt of the  
 7 notification. Failure of the department to complete the review within that time shall constitute ap-  
 8 proval of the application by the department.

9 (4) The Director **of the Housing and Community Services Department** may participate in  
 10 discussions and deliberations of the council. The director may suggest policies and rules to the  
 11 council, including those necessary to stimulate and increase the supply of housing for persons and  
 12 families of lower income.

13 **SECTION 8.** ORS 456.561 is amended to read:

14 456.561. (1) The Housing and Community Services Department may effect loans, grants and other  
 15 funding awards to accomplish department housing programs, subject to any requirement under this  
 16 section for review and approval by the [*State Housing Council*] **Oregon Housing Stability Council**  
 17 of proposals for loans, grants or other funding awards.

18 (2) The department shall submit a loan, grant or other funding award proposal arising under  
 19 ORS 456.515 to 456.725 programs to the council for review if the proposal is for:

20 (a) A housing loan on property that has a purchase price in excess of an applicable threshold  
 21 property purchase price established by rule under ORS 456.555 (9); or

22 (b) A housing grant or other housing funding award in excess of an applicable threshold amount  
 23 established by rule under ORS 456.555 (10).

24 (3) The council shall review each loan, grant or other funding award proposal submitted by the  
 25 department under this section and approve or disapprove the loan, grant or other funding award  
 26 proposal.

27 (4) Council review of loan, grant or other funding award proposals under this section shall be  
 28 held at a public hearing of the council. The council meeting notice required by ORS 192.640 shall  
 29 include notice of the loan, grant or other funding award proposal review, the names of the appli-  
 30 cants and the subject of the loan, grant or funding award proposal. The council shall provide notice  
 31 of a loan, grant or other funding award proposal review to the loan, grant or other funding award  
 32 applicant not less than five days before the review hearing.

33 **SECTION 9.** ORS 456.567 is amended to read:

34 456.567. (1) The [*State Housing Council*] **Oregon Housing Stability Council** is established. The  
 35 council shall consist of [*seven*] **nine** members appointed by the Governor subject to confirmation by  
 36 the Senate under ORS 171.562 and 171.565. **In appointing members, the Governor shall seek to**  
 37 **appoint persons from all geographic regions of the state and with expertise in housing pro-**  
 38 **grams and related services to persons experiencing poverty.**

39 (2) The term of office of each member is four years, but a member serves at the pleasure of the  
 40 Governor. Before the expiration of the term of a member, the Governor shall appoint a successor  
 41 whose term begins on July 1 next following. A member is eligible for reappointment. If there is a  
 42 vacancy for any cause, the Governor shall make an appointment to be immediately effective for the  
 43 unexpired term.

44 (3) The Governor shall appoint the chairperson of the council.

45 (4) The members of the council are entitled to compensation and expenses as provided in ORS

1 292.495.

2 (5) The Director of the Housing and Community Services Department shall provide clerical and  
3 other necessary support services to the council.

4 (6) The council shall advise the Housing and Community Services Department regarding the  
5 department's biennial budget proposal prior to its submittal to the Oregon Department of Adminis-  
6 trative Services. [*The council's budget advice shall be limited to personnel, materials and services, and*  
7 *capital outlay items necessary to implement housing programs.*]

8 **SECTION 10.** ORS 456.571 is amended to read:

9 456.571. (1) The [*State Housing Council*] **Oregon Housing Stability Council** shall, with the ad-  
10 vice of the Director of the Housing and Community Services Department, develop policies to [*aid in*  
11 *stimulating and increasing the supply of housing for persons and families of lower income.*]:

12 **(a) Aid in stimulating and increasing the supply of housing for persons and families of**  
13 **lower income;**

14 **(b) Address geographic and racial disparities; and**

15 **(c) Ensure funds distributed by the Housing and Community Services Department con-**  
16 **tribute to addressing other state priorities.**

17 (2) The council shall make special effort to respond to both private and public actions that may  
18 raise the cost of the housing supply in the open market, as the open market is the source of housing  
19 for the preponderance of lower income households.

20 (3) The council is responsible for studying and commenting upon, and advising[,] the department,  
21 Governor, Legislative Assembly, other state agencies and local governments concerning, local, state  
22 and federal legislation or rules that affect the cost and supply of housing, both before and after the  
23 legislation and rules are enacted. For purposes of this subsection, "legislation or rules that affect  
24 the cost and supply of housing" includes but is not limited to legislation or rules that would:

25 (a) Provide financing for the construction or rehabilitation of housing;

26 (b) Subsidize new or existing housing costs for lower income households by income support, tax  
27 credit, or support service methods;

28 (c) Regulate the division of land;

29 (d) Regulate the use of land;

30 (e) Regulate building construction standards;

31 (f) Regulate fees and charges for inspection services, permits, or professional services related  
32 to housing;

33 (g) Encourage alternatives that increase housing choices;

34 (h) Create or avert overlapping jurisdictional functions and the concomitant increased costs that  
35 are reflected in housing prices;

36 (i) Create or avoid conflicting state and federal regulations that deprive lower income house-  
37 holds of assistance; and

38 (j) Help or hinder compliance with the housing goals established by the Land Conservation and  
39 Development Commission under ORS 197.240.

40 (4) The council, with the approval of the Governor, may initiate legal proceedings in the name  
41 of the council to further the council's purposes under this section.

42 (5) The council shall exercise the responsibilities and powers of the council in a manner that  
43 expedites the acquisition, construction, improvement or rehabilitation of housing.

44 **(6) With respect to the Community Development Incentive Project Fund established un-**  
45 **der ORS 458.720, the council shall develop program guidelines, including specific project cri-**

1 **teria and financing mechanisms, review applications seeking funding from the fund and make**  
2 **recommendations for funding approval to the director and review proposals for cooperative**  
3 **agreements or joint projects between the department and other state agencies to facilitate**  
4 **the goals of the fund.**

5 (7) **The council, in conjunction with the Community Action Partnership of Oregon, shall**  
6 **advise and assist the department with rules, policies and programs regarding low income**  
7 **home energy assistance under ORS 458.515.**

8 (8) **The council, in conjunction with the Community Action Partnership of Oregon, shall**  
9 **ensure the coordination of state agency homelessness relief efforts.**

10 **SECTION 11.** ORS 456.620 is amended to read:

11 456.620. In carrying out housing programs, the Housing and Community Services Department  
12 shall:

13 (1) With the approval of the [*State Housing Council*] **Oregon Housing Stability Council**, adopt  
14 standards for the planning, development and management of housing projects for which qualified  
15 housing sponsors receive all or a portion of any required financing under ORS 456.548 to 456.725,  
16 for audits and inspections to determine compliance with such standards and adopt criteria for the  
17 approval of qualified housing sponsors under ORS 456.548 to 456.725.

18 (2) Adopt criteria for the approval of qualified housing sponsors in ORS 456.548 to 456.725.

19 (3) Enter into agreements with qualified housing sponsors to regulate the planning, development  
20 and management of housing projects constructed with the assistance of the department under ORS  
21 456.548 to 456.725.

22 (4) With the approval of the council, establish maximum household income limits for all or a  
23 portion of the units in housing projects, housing developments or other residential housing financed  
24 in whole or in part by the department. A maximum of one-third of the units in a housing project,  
25 housing development or other residential housing financed by the department may be rented to  
26 households with an income level exceeding 120 percent of the median family income level, as de-  
27 termined by the department. If the income level in any unit exceeds 120 percent of the median family  
28 income, the department shall, to the extent practicable, require that the project, development or  
29 other housing financed by the department have a percentage of low income units that is higher than  
30 the minimum percentages established in ORS 456.120 (19) for projects financed by local housing au-  
31 thorities or income limitations that are lower than the limits described in ORS 456.120 (19) or a  
32 combination thereof. Income limits for department programs administered on a statewide basis may  
33 be established by reference to the median family or personal income in the state, or in various re-  
34 gions in the state, as determined by the department. This subsection does not restrict the acquisition  
35 of manufactured dwelling parks.

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

39 **SECTION 12.** ORS 456.625 is amended to read:

40 456.625. The Housing and Community Services Department may:

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

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

1 (3) With the approval of the [*State Housing Council*] **Oregon Housing Stability Council**, assess  
2 fees, charges or interest in connection with housing programs.

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

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

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

13 (7) Make or participate in the making of residential loans to qualified individuals or housing  
14 sponsors to provide for the acquisition, construction, improvement, rehabilitation or permanent fi-  
15 nancing of residential housing or housing development; undertake commitments to make residential  
16 loans; purchase and sell residential loans at public or private sale; modify or alter such mortgages  
17 or loans; foreclose on any such mortgage or security interest or commence any action to protect  
18 or enforce any right conferred upon the department by any law, mortgage, security, agreement,  
19 contract or other agreement and to bid for and purchase property that is subject to such mortgage  
20 or security interest at any foreclosure or other sale; acquire or take possession of any such property  
21 and complete, administer, conserve, improve and otherwise use the property to accomplish the  
22 department's purposes, pay the principal and interest on any obligations incurred in connection with  
23 such property and dispose of such property in such manner as the department determines necessary  
24 to protect its interests under ORS 456.515 to 456.725 and ORS chapter 458.

25 (8) Unless specifically exempted by the State Treasurer, deposit with the State Treasurer any  
26 funds held in reserve or sinking funds under ORS 456.515 to 456.725 and ORS chapter 458 and any  
27 other moneys not required for immediate use or disbursement by the department, subject to the  
28 provisions of any agreement with holders of bonds entered into prior to October 15, 1983.

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

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

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

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

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

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

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

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

17 **SECTION 13.** ORS 456.665 is amended to read:

18 456.665. (1) Neither the State Treasurer, the Director of the Housing and Community Services  
 19 Department, the [*State Housing Council*] **Oregon Housing Stability Council** nor any officer or em-  
 20 ployee of the Housing and Community Services Department shall be liable personally on any bonds  
 21 issued under ORS 456.515 to 456.725 by reason of the issuance thereof.

22 (2) All obligations issued by the State Treasurer under ORS 456.548 to 456.725 shall not consti-  
 23 tute a debt, liability or general obligation of this state or any political subdivision thereof or a  
 24 pledge of the faith and credit of this state or any such political subdivision, but shall be payable  
 25 solely from the revenues or assets of the department acquired pursuant to ORS 456.548 to 456.725.  
 26 Each obligation issued under ORS 456.548 to 456.725 shall contain on the face thereof a statement  
 27 that the department shall not be obligated to pay the same nor the interest thereon except from the  
 28 revenues or assets pledged therefor and that neither the faith and credit nor the taxing power of  
 29 this state or any political subdivision thereof is pledged to the payment of the principal of or the  
 30 interest on such obligation.

31 (3) All bonds issued by the State Treasurer under ORS 456.548 to 456.725 shall be fully negoti-  
 32 able.

33 (4) The interest upon all bonds, including refunding bonds, issued by the State Treasurer under  
 34 ORS 456.548 to 456.725 shall be exempt from personal income taxation in the State of Oregon.

35 **SECTION 14.** ORS 456.690 is amended to read:

36 456.690. (1) Upon a finding made by the [*State Housing Council*] **Oregon Housing Stability**  
 37 **Council** that the supply of funds available through lending institutions for the financing of residen-  
 38 tial loans for the acquisition, construction, improvement or rehabilitation of housing units, manu-  
 39 factured dwellings, manufactured dwelling parks, manufactured dwelling park nonprofit cooperatives  
 40 or housing projects for persons and families whose income does not exceed maximum household in-  
 41 come limits established by the Housing and Community Services Department under ORS 456.620 (4)  
 42 is inadequate, the department may make loans to lending institutions in this state for the purpose  
 43 of providing funds to such institutions for the financing of residential housing units, manufactured  
 44 dwellings, manufactured dwelling parks, manufactured dwelling park nonprofit cooperatives or  
 45 housing projects, for persons and families whose income does not exceed maximum household income

1 limits established by the department under ORS 456.620 (4).

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

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

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

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

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

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

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

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

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

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

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

29 (4) The department shall administer the loan program for rehabilitation or improvement of ex-  
30 isting single-family homes for persons and families of lower income in accordance with the following  
31 requirements and loan criteria:

32 (a) Eligibility for a loan shall be based on current department income limitations.

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

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

35 (d) The maximum principal amount of a single loan is \$15,000.

36 (e) An eligible borrower shall have only one loan outstanding under this program at any one  
37 time.

38 (f) An eligible improvement including, but not limited to, a remodeling project shall be defined  
39 by rule and the provisions of the Revenue Adjustments Act of 1980 (Public Law 96-499), as adopted  
40 December 5, 1980, shall be recognized in that definition.

41 (g) Loans shall be made in accordance with a distribution of population between urban and rural  
42 areas that takes the availability of alternative resources into account.

43 (h) The department shall work with qualified housing sponsors whenever it is appropriate to do  
44 so.

45 (5) All loans made and all rules adopted under this section shall be designed by the department,

1 with the approval of the council, to expand the supply of funds available in this state for the fi-  
2 nancing of residential housing units, manufactured dwellings, manufactured dwelling parks, manu-  
3 factured dwelling park nonprofit cooperatives and housing projects, for persons and families whose  
4 income does not exceed maximum household income limits established by the department under ORS  
5 456.620 (4), to provide an adequate supply of safe and sanitary units of such housing, and to promote  
6 the effective participation of conventional lending institutions in the financing of such housing and  
7 restrict the financial return and benefit to such lenders to that which is necessary and reasonable  
8 to induce their participation under this section.

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

12 **SECTION 15.** ORS 458.310 is amended to read:

13 458.310. (1) The [*State Housing Council*] **Oregon Housing Stability Council** shall adopt rules to  
14 develop and administer a housing revitalization program for low and moderate income housing.

15 (2) Applicants for revitalization program funds shall be:

16 (a) A unit of local government;

17 (b) A housing authority;

18 (c) A nonprofit corporation; or

19 (d) An applicant eligible under paragraph (a), (b) or (c) of this subsection who contracts with  
20 another entity, including a private for-profit corporation.

21 (3) Housing revitalization projects shall bring into use vacant and abandoned property or reha-  
22 bilitate substandard property, or both. Eligible project activities include, but are not limited to:

23 (a) Purchase of property;

24 (b) Rehabilitation of housing units;

25 (c) New construction to replace units for which rehabilitation is infeasible;

26 (d) Mortgage interest subsidies or reduction of principal loan amounts; or

27 (e) Other activities that have the effect of making properties available to and occupied by per-  
28 sons of lower income, such as loan guarantees.

29 (4) Projects funded by the housing revitalization program shall be rental or owner-occupied  
30 single or multifamily housing.

31 (5) The housing rehabilitation program shall create affordable housing in which rent levels are  
32 no higher than 30 percent of 80 percent of median income levels.

33 (6) Priority shall be given to projects applied for under subsections (1) to (5) of this section that  
34 provide opportunities for low and moderate income persons to own their housing units.

35 (7) Priority among rental housing projects shall be given to projects applied for under sub-  
36 sections (1) to (5) of this section that:

37 (a) Have rent levels no higher than 30 percent of 50 percent of the median income level, or less;

38 (b) Are owned and operated by a nonprofit or a governmental unit; and

39 (c) Demonstrate a coordinated local effort to integrate housing, job placement and social ser-  
40 vices.

41 (8) In implementing this section and ORS 458.305, the [*State Housing Council*] **council** shall work  
42 to ensure a reasonable geographic distribution of funds among different regions of the state and  
43 shall place special emphasis on ensuring that funds are available to projects in rural areas.

44 **SECTION 16.** ORS 456.572 is amended to read:

45 456.572. (1) The Housing and Community Services Department shall develop a comprehensive

1 state plan for responding to the needs of very low income, low income and moderate income  
2 Oregonians for housing and services, with the goal of providing affordable housing. The [*Housing*  
3 *and Community Services*] department shall [*insure*] **ensure** that the development, annual updating  
4 and implementation of [*this*] **the state housing** plan involve substantial interagency coordination  
5 among appropriate federal, state and local entities. **The department shall provide the Oregon**  
6 **Housing Stability Council with adequate opportunity to review and provide input on the state**  
7 **housing plan to the department prior to the development, annual updating and implementa-**  
8 **tion of the state housing plan.**

9 (2) The state housing plan shall contain, at a minimum:

10 (a) Information on market and inventory conditions including, but not limited to, population  
11 trends, household composition, housing conditions and an inventory of assisted housing and public  
12 housing;

13 (b) A needs assessment that summarizes data on the housing needs of homeless and income-  
14 eligible families and includes a five-year projection;

15 (c) Strategies for a five-year period based upon a review of need and conditions including, but  
16 not limited to, investment priorities, local and state policies, local institutional structure and local  
17 activities for public housing resident management and ownership;

18 (d) A review of resources including, but not limited to, private, federal and nonfederal resources,  
19 tax credits and a summary table of anticipated funding from each federal program and any state or  
20 local resources available to meet matching requirements;

21 (e) A plan for coordination of resources reviewed under paragraph (d) of this subsection; and

22 (f) An implementation program translating the five-year strategy and resource review into plans  
23 and goals for the number of families to be assisted each year, specifying plans for homeless assist-  
24 ance and setting forth details on monitoring, fair housing and relocation.

25 (3) Before issuing the state housing plan, and before each annual update of that plan, the  
26 Housing and Community Services Department shall hold at least one public hearing to receive  
27 comments from public and private interests.

28 **SECTION 17.** ORS 458.510 is amended to read:

29 458.510. (1) There is established an Energy Crisis Trust Fund, separate and distinct from the  
30 General Fund, in the State Treasury. As permitted by federal court decisions, federal statutory re-  
31 quirements and administrative decisions, funds from the Petroleum Violation Escrow Fund made  
32 available to the Housing and Community Services Department for the Energy Crisis Trust Fund and  
33 any gift, grant, appropriation or donation for the purpose of the Energy Crisis Trust Fund shall be  
34 deposited by the State Treasurer and credited to the Energy Crisis Trust Fund. The State Treasurer  
35 shall credit monthly to the fund any interest or other income derived from the fund or the investing  
36 of the fund. All moneys in the fund are continuously appropriated to the Housing and Community  
37 Services Department for the purpose of providing low income home energy assistance.

38 (2) If moneys are donated to the fund for low income energy assistance by a home heating fuel  
39 or energy service provider that allows its customers to contribute to the program, that money so  
40 donated shall be redistributed through the Energy Crisis Trust Fund only within the service area  
41 of that home heating fuel or energy service provider.

42 (3) The Housing and Community Services Department shall contract with a private nonprofit or  
43 public organization or agency for the distribution of moneys in the Energy Crisis Trust Fund. The  
44 department or the contractor shall administer and distribute the funds in accordance with:

45 (a) The Low Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.); **and**

1 (b) The Petroleum Violation Escrow Fund regulations.]; *and*]

2 [(c) *The recommendations of the advisory committee established in ORS 458.515.*]

3 **SECTION 18.** ORS 458.515 is amended to read:

4 458.515. [(1) *The Director of the Housing and Community Services Department shall appoint an*  
5 *advisory committee on energy whose members:*]

6 [(a) *Shall be appointed based on a demonstrated interest in and knowledge of low income energy*  
7 *assistance programs;*]

8 [(b) *Shall be broadly representative of organizations, fuel providers and consumer groups that*  
9 *represent low income persons, particularly elderly persons and persons with disabilities;*]

10 [(c) *Shall have special qualifications with respect to solving the energy consumption problems of*  
11 *low income persons;*]

12 [(d) *Must include a representative from each electric company or Oregon Community Power whose*  
13 *ratepayers contribute funding to the Housing and Community Services Department Low-Income Electric*  
14 *Bill Payment Assistance Fund established in ORS 456.587; and*]

15 [(e) *Must include a representative of the Citizens' Utility Board established under ORS chapter*  
16 *774.*]

17 [(2) *The committee shall meet not less than four times a year to advise and assist the Housing and*  
18 *Community Services Department in regard to rules, policies and programs regarding low income energy*  
19 *assistance programs provided for under ORS 458.510.*] **The Oregon Housing Stability Council, in**  
20 **conjunction with the Community Action Partnership of Oregon, shall advise and assist the**  
21 **Housing and Community Services Department with rules, policies and programs regarding**  
22 **low income home energy assistance provided for under ORS 458.510.**

23 **SECTION 19.** ORS 458.525 is amended to read:

24 458.525. [(1) *The Interagency Council on Hunger and Homelessness is established. The Director*  
25 *of the Housing and Community Services Department shall chair the council. In addition to the director,*  
26 *the council shall consist of 15 members as follows:*]

27 [(a) *One member representing each of the following:*]

28 [(A) *The Housing and Community Services Department.*]

29 [(B) *The Department of Corrections.*]

30 [(C) *The Oregon Business Development Department.*]

31 [(D) *The Early Learning Division.*]

32 [(E) *The Department of Education.*]

33 [(F) *The State Department of Agriculture.*]

34 [(G) *The Employment Department.*]

35 [(H) *The Department of Veterans' Affairs.*]

36 [(I) *The Department of Transportation.*]

37 [(J) *The Oregon Youth Authority.*]

38 [(K) *The Department of Community Colleges and Workforce Development.*]

39 [(L) *The Department of Justice.*]

40 [(M) *The Oregon Health Authority.*]

41 [(b) *Two members representing the Department of Human Services. Of the two members represent-*  
42 *ing that department:*]

43 [(A) *One shall have expertise on issues affecting services to adults and families.*]

44 [(B) *One shall have expertise on issues affecting services to seniors and to persons with*  
45 *disabilities.*]

1        [(2) *Each council member must be the administrative head of the listed agency or an employee of*  
2 *that agency who is designated by the administrative head and who has an agency policy-making role*  
3 *affecting hunger, food programs, nutrition, homelessness or related issues.*]

4        [(3) *The Hunger Relief Task Force shall adopt recommendations and proposals as the task force*  
5 *deems appropriate. The council*] **The Oregon Housing Stability Council** shall be responsible for  
6 receiving the recommendations [*and proposals adopted by the task force and the recommendations*]  
7 of any state body relating to the issue of homelessness, and for forwarding the recommendations and  
8 proposals to state agencies or other public or private organizations for action that the council deems  
9 appropriate:

10        [(a)] (1) To ensure the coordination of state agency [*hunger relief efforts and*] homelessness relief  
11 efforts;

12        [(b)] (2) To ensure that [*food and nutrition programs, other hunger relief efforts and*] homelessness  
13 relief efforts operate efficiently and effectively;

14        [(c)] (3) To monitor the utilization of federal [*hunger relief efforts and*] homelessness relief efforts  
15 and provide outreach to expand underutilized programs; and

16        [(d)] (4) To encourage the coordination of state and local programs[,] **and** public and private  
17 antipoverty programs [*affecting food distribution and programs for assisting the homeless*].

18        [(4) *The Director of the Housing and Community Services Department, in collaboration with the*  
19 *Director of Human Services, shall convene council meetings at least quarterly.*]

20        [(5) *The Director of the Housing and Community Services Department shall provide the council*  
21 *with staff support the director deems appropriate, by using Housing and Community Services Depart-*  
22 *ment employees or by contract. The director shall also provide the council with supplies as the director*  
23 *deems appropriate.*]

24        **SECTION 20.** ORS 458.528 is amended to read:

25        458.528. (1) As used in this section, “homelessness” means the lack of a decent, safe, stable and  
26 permanent place to live that is fit for human habitation.

27        (2) The Legislative Assembly finds and declares that:

28        (a) Homelessness is a detriment to individuals, families and communities. The effects of  
29 homelessness impact quality of life, productivity and self-sufficiency, career and educational oppor-  
30 tunities, health and wellness. Those effects may also extend to future generations.

31        (b) Preventing and ending homelessness is important for all levels of government, business and  
32 the community.

33        (3) The Housing and Community Services Department and the Department of Human Services  
34 shall serve as the lead agencies in administering the state policy regarding homelessness. [*The*  
35 *Interagency Council on Hunger and Homelessness shall advise the departments in carrying out the*  
36 *policy.*]

37        (4) It is the policy of this state that the [*departments and the council*] **Housing and Community**  
38 **Services Department, the Department of Human Services, the Oregon Housing Stability**  
39 **Council and the Community Action Partnership of Oregon** work to encourage innovation by  
40 state, regional and local agencies that will create the comprehensive and collaborative support  
41 system and housing resources vital for a successful campaign to end and prevent homelessness. The  
42 comprehensive and collaborative support system should include, but not be limited to:

43        (a) The redesign of existing response systems to homelessness to include a realignment of ser-  
44 vices with permanent housing.

45        (b) The inclusion of community-based treatment, outreach services, early intervention strategies,

1 housing and service management and an interagency system that can address individuals with com-  
2 pound needs.

3 (c) The coordination of multiagency services provided to people with chronic needs, older adults  
4 and homeless and runaway youths, including but not limited to criminal justice, housing, public  
5 welfare, health, mental health and youth and family services, to create integrated and cost-effective  
6 programs that deliver housing and service needs of homeless persons in a seamless and timely  
7 manner.

8 (d) Programs of care for the homeless that have an accompanying set of outcomes to increase  
9 accountability and further development of more effective methods in reaching client outcome goals  
10 and cost effectiveness. Outcomes for increasing the accountability of programs of care for the  
11 homeless include shortening the length of stay in emergency housing, eliminating repeated periods  
12 of homelessness and addressing the issue of homelessness in all areas of the state.

13 (e) An individualized approach to the homeless person that includes an assessment of individual  
14 needs, identification of appropriate solutions that may include services, coordination and cost-  
15 effective use of support across agencies and appropriate monitoring and evaluation of the homeless  
16 person's individual progress.

17 **SECTION 21.** ORS 458.530 is amended to read:

18 458.530. (1) The [*Housing and Community Services Department*] **Department of Human Services**  
19 shall serve as the lead public body in administering the state policy on hunger.

20 (2) The Legislative Assembly finds and declares that it is the policy of this state that:

21 (a) Hunger is defined as the state of being unable to obtain a nutritionally adequate diet from  
22 nonemergency food channels. Hunger is not one discrete event. Hunger is a series of events that  
23 lead up to and follow a lack of adequate food intake. It is the process in which people become at  
24 risk of hunger, attempt to cope with the problem and suffer a variety of health and social conse-  
25 quences.

26 (b) All persons have the right to be free from hunger.

27 (c) Freedom from hunger means all persons have food security. Persons lack food security if  
28 they are uncertain of having, or being able to acquire in socially acceptable ways, enough accepta-  
29 ble food at all times to meet basic needs because they have insufficient money or other resources  
30 for food.

31 [*(d) Oregon will rank among the top 10 states in providing food security without hunger by*  
32 *2015.*]

33 **(d) Oregon will strive to rank among the top states in the nation in providing food se-**  
34 **curity without hunger.**

35 (3) The Legislative Assembly declares that the policy of this state is to provide and encourage  
36 activities and programs necessary to fulfill the commitment stated in subsection (2) of this section  
37 and that the purpose of policies stated in this section is to provide a guide for the establishment,  
38 implementation and operation of activities and programs designed to alleviate or eradicate hunger  
39 in this state. The Legislative Assembly further declares that the activities and programs shall be  
40 initiated, promoted and developed through:

41 (a) Volunteers and volunteer groups;

42 (b) Public and private not-for-profit organizations;

43 (c) Partnership with local governmental agencies;

44 (d) Coordinated efforts of state agencies;

45 (e) Coordination and cooperation with federal programs;

1 (f) Partnership with private health and social service agencies; and  
2 [(g) *The Interagency Council on Hunger and Homelessness, the Hunger Relief Task Force and*  
3 *other state bodies created to address the issue of homelessness.*]

4 **(g) The Hunger Task Force.**

5 **SECTION 22.** ORS 458.532 is amended to read:

6 458.532. (1) The Hunger [*Relief*] Task Force is established in the [*Housing and Community Ser-*  
7 *vices Department*] **Department of Human Services**. The task force shall consist of not more than  
8 28 members appointed as follows:

9 (a) The President of the Senate shall appoint one member from among members of the Senate.

10 (b) The Senate Minority Leader shall appoint one member from among members of the Senate.

11 (c) The Speaker of the House of Representatives shall appoint one member from among members  
12 of the House of Representatives.

13 (d) The House Minority Leader shall appoint one member from among members of the House  
14 of Representatives.

15 (e) [*The Director of the Housing and Community Services Department, with the advice of*] The  
16 Director of Human Services, **with the advice of** [*and*] the Director of the Oregon Health Authority,  
17 shall appoint the following:

18 (A) One member representing the Department of Education who has experience in child nutri-  
19 tion programs.

20 (B) One member representing the Department of Human Services who has experience in the  
21 Supplemental Nutrition Assistance Program.

22 (C) One member representing the Oregon Health Authority who has experience in the Women,  
23 Infants and Children program.

24 (D) One member representing the State Department of Agriculture.

25 (E) One member representing the Oregon Food Bank.

26 (F) One member representing United Way of America or a successor organization.

27 (G) One member representing an Oregon low-income advocacy group.

28 (H) One member who is a student at an institution of higher education.

29 (I) One member representing the Community Action Partnership of Oregon.

30 (J) One member representing the food retailing industry.

31 (K) One member representing the food growing and processing industries.

32 (L) One member who is a direct service provider.

33 (M) One member representing county government.

34 (N) One member representing the migrant community.

35 (O) Three members representing the religious community.

36 (P) One member representing the Housing and Community Services Department.

37 (Q) No more than six additional members having qualifications other than those of members  
38 described in subparagraphs (A) to (P) of this paragraph.

39 (2) A member serves for a three-year term. A member may be reappointed.

40 (3) If there is a vacancy for any cause, the appointing authority shall make an appointment to  
41 become immediately effective for the unexpired term. The appointing authority may appoint a re-  
42 placement for any member of the task force who misses more than two consecutive meetings of the  
43 task force.

44 (4) One-half of the task force membership constitutes a quorum for the transaction of business.

45 [(5) *The Director of the Housing and Community Services Department shall provide the task force*

1 *with staff support the director deems appropriate, by using Housing and Community Services Depart-*  
2 *ment employees or by contract. The director shall also provide for the payment of appropriate task force*  
3 *operating expenses.]*

4 **(5) The Director of Human Services shall provide for the payment of appropriate task**  
5 **force operating expenses, including but not limited to staff support, based upon the avail-**  
6 **ability of legislatively approved funding for such purposes.**

7 **SECTION 23.** ORS 458.545 is amended to read:

8 458.545. The Hunger [*Relief*] Task Force shall:

9 (1) Serve within government and in the state at large as an advocate for hungry persons.

10 (2) Participate in coordinating the effective and efficient provision of services to hungry citizens  
11 so that the services will be readily available to the greatest number over the widest geographic  
12 area; assure that information on these services is available in each locality, utilizing whenever  
13 possible existing information services; and assure that each new service receives maximum publicity  
14 at the time it is initiated.

15 (3) Have authority to study programs and budgets of those public bodies or private entities  
16 willing to cooperate, and all state agencies, that provide services or funding directed at the allevi-  
17 ation or eradication of hunger.

18 (4) Have authority to study any concepts regarding the alleviation or eradication of hunger  
19 within this state.

20 (5) [*Make any recommendations or proposals the task force deems appropriate to the Interagency*  
21 *Council on Hunger and Homelessness, the Governor, the Legislative Assembly or others. Such*] **Make**  
22 **recommendations and proposals that the task force deems appropriate to the agencies and**  
23 **entities with member representatives on the task force. The** recommendations shall be designed  
24 to provide coordination of programs for hungry persons, to avoid unnecessary duplication in pro-  
25 vision of services, to point out gaps in provision of services and to recommend ways of filling gaps  
26 in services. The task force also shall recommend development of a comprehensive plan for delivery  
27 of services to hungry persons. In carrying out these tasks, the task force shall coordinate its efforts  
28 with other advisory groups or entities with similar or related responsibilities to avoid duplication  
29 of effort. **After the recommendations and proposals have been reviewed and approved by the**  
30 **member representatives of the task force, the task force shall submit the recommendations**  
31 **and proposals to the Governor, the Legislative Assembly and others as deemed appropriate**  
32 **by the task force.**

33 (6) Encourage, by expansion of existing activities and programs for the hungry, by school pro-  
34 grams, by meals-on-wheels, by counseling or by other means, public and private development of nu-  
35 trition programs for hungry citizens that prevent or minimize hunger and illness which is related  
36 to hunger or nutritional deficiencies.

37 (7) Conduct research and other appropriate activities to determine:

38 (a) The dimensions of hunger in the state;

39 (b) The availability and accessibility of emergency food in all areas of the state;

40 (c) The opportunities for public and private partnerships in the areas of food and nutrition;

41 (d) The participation rates of eligible persons in all federal food programs, especially the Sup-  
42 plemental Nutrition Assistance Program;

43 (e) The identification of persons needing food and nutrition services who are not eligible under  
44 existing programs;

45 (f) Barriers to the participation of eligible persons in food and nutrition programs; and

1 (g) The impact of economic changes on food and nutrition programs.

2 (8) Prepare and disseminate an annual report on the status of hunger in the state, efforts being  
3 made to alleviate and eradicate hunger, and proposals and recommendations for strengthening  
4 progress toward the eradication of hunger.

5 **SECTION 24.** ORS 458.610 is amended to read:

6 458.610. For purposes of ORS 458.600 to 458.665:

7 (1) "Council" means the [*State Housing Council*] **Oregon Housing Stability Council** established  
8 in ORS 456.567.

9 (2) "Department" means the Housing and Community Services Department established in ORS  
10 456.555.

11 (3) "Low income" means individuals or households that receive more than 50 percent and not  
12 more than 80 percent of the median family income for the area, subject to adjustment for areas with  
13 unusually high or low incomes or housing costs, all as determined by the council based on infor-  
14 mation from the United States Department of Housing and Urban Development.

15 (4) "Minority" means an individual:

16 (a) Who has origins in one of the black racial groups of Africa but who is not Hispanic;

17 (b) Who is of Hispanic culture or origin;

18 (c) Who has origins in any of the original peoples of the Far East, Southeast Asia, the Indian  
19 subcontinent or the Pacific Islands; or

20 (d) Who is an American Indian or Alaskan Native having origins in one of the original peoples  
21 of North America.

22 (5) "Organization" means a:

23 (a) Nonprofit corporation established under ORS chapter 65;

24 (b) Housing authority established under ORS 456.055 to 456.235; or

25 (c) Local government as defined in ORS 197.015.

26 (6) "Persons with disabilities" means persons with handicaps described in 42 U.S.C. 3602(h).

27 (7) "Very low income" means individuals or households that receive 50 percent or less of the  
28 median family income for the area, subject to adjustment for areas with unusually high or low in-  
29 comes or housing costs, all as determined by the council based on information from the United  
30 States Department of Housing and Urban Development.

31 (8) "Veteran" has the meaning given that term in ORS 408.225.

32 **SECTION 25.** ORS 458.625 is amended to read:

33 458.625. (1) The Housing and Community Services Department may use the following to expand  
34 this state's supply of housing for low and very low income families and individuals, including, but  
35 not limited to, housing for persons over 65 years of age, persons with disabilities, farmworkers and  
36 Native Americans:

37 (a) The amount of moneys credited to the Housing Development and Guarantee Account that the  
38 department determines may be used for the purposes identified in this subsection and that is not  
39 used for the purposes set forth in ORS 458.630; and

40 (b) The revenue earned from investment of the principal in the Housing Development and  
41 Guarantee Account.

42 (2) The department may use account moneys and account investment revenue for the following  
43 purposes:

44 (a) In the form of grants or loans as determined by the department:

45 (A) To assist organizations as defined in ORS 458.610 and for-profit business entities in con-

1 structuring new housing or in acquiring or rehabilitating existing structures, or both, for housing for  
2 persons with low or very low incomes, or both.

3 (B) To provide nonprofit organizations, as set forth in ORS 458.210 to 458.240, with technical  
4 assistance or predevelopment costs, or both. Predevelopment costs include, but are not limited to,  
5 site acquisition, architectural services and project consultants. Predevelopment costs do not include  
6 costs described in subparagraph (C) of this paragraph.

7 (C) To pay for costs to develop nonprofit organizations that show sufficient evidence of having  
8 strong community support and a strong likelihood of producing housing for persons with low or very  
9 low incomes. Account moneys and account investment revenue may not be used by an organization  
10 for its general operations.

11 (D) To match public and private moneys available from other sources for production of housing  
12 for persons with low or very low incomes.

13 (b) To pay costs and expenses incurred in the administration of the account as provided for in  
14 the legislatively approved budget, as that term is defined in ORS 291.002, for the department.

15 (3) The department shall give preference in making grants or loans to those entities that the  
16 department determines will:

17 (a) Provide the greatest number of housing units for persons with low or very low incomes that  
18 are constructed, acquired or rehabilitated for the amount of account moneys and account investment  
19 revenue expended by matching account moneys and account investment revenue with other grant,  
20 loan or eligible in-kind contributions;

21 (b) Ensure the longest use for the units as housing for persons with low or very low incomes;  
22 or

23 (c) Include social services to occupants of the proposed housing, including but not limited to,  
24 programs that address home health care, mental health care, alcohol and drug treatment and post-  
25 treatment care, child care and case management.

26 (4)(a) Account investment revenue derived in any calendar year may be used to construct, ac-  
27 quire or rehabilitate housing for persons with low or very low incomes but not more than 25 percent  
28 of the account investment revenue may be used to construct, acquire or rehabilitate housing for  
29 persons with low incomes.

30 (b) Account moneys and account investment revenue not used by the department as grants or  
31 loans to construct, acquire or rehabilitate housing for persons with low or very low incomes may  
32 be retained and credited as account principal.

33 (5) The [*State Housing Council*] **Oregon Housing Stability Council** shall have a policy that  
34 provides for distribution by the department of account moneys and account investment revenue  
35 statewide while concentrating account moneys and account investment revenue in those areas of  
36 this state with the greatest need for housing for persons with low or very low incomes, as deter-  
37 mined by the council.

38 (6) The department may set interest rates on loans made with account moneys and account in-  
39 vestment revenue.

40 **SECTION 26.** ORS 458.630 is amended to read:

41 458.630. (1)(a) The Housing and Community Services Department may hold and use the principal  
42 that is credited to the Housing Development and Guarantee Account as the Guarantee Fund. The  
43 department may use the fund to guarantee repayment of loans made to finance the construction,  
44 development, acquisition or rehabilitation of low income housing, of the commercial component of  
45 a structure that contains both commercial property and low income housing, or of both. The de-

1 partment, by rule, shall specify the grounds on which it may deny loan guarantees for a structure  
2 that contains both commercial and low income housing components. The grounds for denial speci-  
3 fied by the department must include, but need not be limited to, a commercial component that is  
4 excessive in scope or that is designed for commercial activity of a type incompatible with residential  
5 housing. The [*State Housing Council*] **Oregon Housing Stability Council** shall review loans that are  
6 guaranteed by the fund to ensure that the loans meet prudent underwriting standards.

7 (b) A guarantee may not be prepared or construed in such a manner as to violate the provisions  
8 of section 7, Article XI of the Oregon Constitution.

9 (2) The department may not issue any loan guarantee under this section that guarantees the  
10 repayment of more than 50 percent of the original principal balance of any loan.

11 (3) The department may not issue a loan guarantee if the guarantee would cause the aggregate  
12 dollar total of all loan guarantees issued by the department under this section to exceed two times  
13 the total amount then in the Guarantee Fund established under subsection (1) of this section.  
14 Notwithstanding ORS 458.625, whenever payouts on loan guarantees cause the fund principal to  
15 decrease by five percent or more, the interest on the fund shall be deposited only to the principal  
16 account until the amount of the fund principal lost due to payouts on loan guarantees is restored.

17 (4) Subject to council review under subsection (1) of this section, the department shall give  
18 preference for loan guarantees under this section to loans for the construction, development, ac-  
19 quisition or rehabilitation of low income housing, or of structures containing both commercial and  
20 low income housing components, that the department determines will:

21 (a) Provide the greatest number of low income housing units constructed, acquired, developed  
22 or rehabilitated for the amount of guarantee allowed;

23 (b) Ensure the longest possible use for the units as low income housing units. Pursuant to this  
24 end, the [*State Housing Council*] **Oregon Housing Stability Council** may adopt a formula that op-  
25 timizes the interests of the lender and the developer and the working life of the low income units;  
26 or

27 (c) Include a program of services for the occupants of the proposed housing including, but not  
28 limited to, programs that address home health care, mental health services, alcohol and drug treat-  
29 ment and post-treatment care, child care and case management.

30 (5) The council may adopt a policy that gives loan guarantee preference to loans for low income  
31 housing, or structures containing both commercial and low income housing components, for which  
32 the department has provided a grant, loan, tax credit or other investment.

33 **SECTION 27.** ORS 458.650 is amended to read:

34 458.650. (1) The Emergency Housing Account shall be administered by the Housing and Com-  
35 munity Services Department to assist homeless persons and those persons who are at risk of be-  
36 coming homeless. An amount equal to 25 percent of moneys deposited in the account pursuant to  
37 ORS 294.187 is dedicated for expenditure for assistance to veterans who are homeless or at risk of  
38 becoming homeless. For purposes of this section, "account" means the Emergency Housing Account.

39 (2) The [*State Housing Council*] **Oregon Housing Stability Council** shall develop policy for  
40 [*giving*] **awarding** grants to organizations that shall use the funds to provide to low and very low  
41 income persons, including but not limited to, persons more than 65 years of age, persons with disa-  
42 bilities, farmworkers and Native Americans:

43 (a) Emergency shelters and attendant services;

44 (b) Transitional housing services designed to assist persons to make the transition from  
45 homelessness to permanent housing and economic independence;

1 (c) Supportive housing services to enable persons to continue living in their own homes or to  
2 provide in-home services for such persons for whom suitable programs do not exist in their ge-  
3 ographic area;

4 (d) Programs that provide emergency payment of home payments, rents or utilities; or

5 (e) Some or all of the needs described in paragraphs (a) to (d) of this subsection.

6 (3)(a) The council shall require as a condition of awarding a grant that the organization dem-  
7 onstrate to the satisfaction of the council that the organization has the capacity to deliver any  
8 service proposed by the organization.

9 (b) Any funds granted under this section shall not be used to replace existing funds. Funds  
10 granted under this section may be used to supplement existing funds. An organization may use funds  
11 to support existing programs or to establish new programs.

12 (c) The council, by policy, shall give preference in granting funds to those organizations that  
13 coordinate services with those programs established under ORS 458.625.

14 (4) The department may expend funds from the account for administration of the account as  
15 provided for in the legislatively approved budget, as that term is defined in ORS 291.002, for the  
16 department.

17 **SECTION 28.** ORS 458.655 is amended to read:

18 458.655. (1) The Home Ownership Assistance Account shall be administered by the Housing and  
19 Community Services Department to expand this state's supply of homeownership housing for low and  
20 very low income families and individuals, including, but not limited to, persons over 65 years of age,  
21 persons with disabilities, minorities, veterans and farmworkers. An amount equal to 25 percent of  
22 moneys deposited in the account pursuant to ORS 294.187 is dedicated for expenditure to expand this  
23 state's supply of homeownership housing for low and very low income veterans and families of vet-  
24 erans. The [*State Housing Council*] **Oregon Housing Stability Council** shall have a policy of dis-  
25 tributing funds statewide while concentrating funds in those areas of this state with the greatest  
26 need, as determined by the council, for low and very low income homeownership housing. However,  
27 the council's policy of distributing funds may differ from the distribution policy for the Housing  
28 Development and Guarantee Account.

29 (2) Funds in the Home Ownership Assistance Account shall be granted to organizations that  
30 both sponsor and manage low income homeownership programs, including lease-to-own programs, for  
31 the construction of new homeownership housing or for the acquisition or rehabilitation of existing  
32 structures for homeownership housing for persons of low or very low income, or both.

33 (3) The council shall develop a policy for disbursing grants for any or all of the following pur-  
34 poses:

35 (a) To aid low income homeownership programs, including program administration, in purchas-  
36 ing land, providing assistance with down payment costs, or providing homeownership training and  
37 qualification services or any combination thereof. Funds in the Home Ownership Assistance Account  
38 may not be used by an organization to pay for its general operations or to pay for more than 25  
39 percent of construction or rehabilitation costs.

40 (b) To match public and private moneys available from other sources for purposes of the pro-  
41 vision of low or very low income homeownership housing.

42 (c) To administer the Home Ownership Assistance Account as provided for in the legislatively  
43 approved budget, as that term is defined in ORS 291.002, for the department.

44 (4) The council, in developing policy under subsection (3) of this section, shall give preference  
45 in making grants to those entities that propose to:

1 (a) Provide the greatest number of low and very low income homeownership housing units con-  
2 structed, acquired or rehabilitated for the amount of account money expended by matching account  
3 funds with other grant, loan or eligible in-kind contributions;

4 (b) Ensure the longest use for the units as low or very low income homeownership housing units,  
5 such as by including some form of equity recapture, land trust or shared equity provisions, as de-  
6 termined by the council;

7 (c) Include social services for occupants and proposed occupants of the proposed housing, in-  
8 cluding but not limited to, programs that address home health care, mental health care, alcohol and  
9 drug treatment and post-treatment care, child care, homeownership training, mortgage qualification  
10 service, credit repair and case management; and

11 (d) Support a comprehensive strategy to reverse the decreasing rates of homeownership among  
12 minorities, giving priority to activities that support adopted comprehensive community plans that  
13 incorporate recognized best practices or demonstrate proven success in increasing homeownership  
14 for minorities.

15 **SECTION 29.** ORS 458.715 is amended to read:

16 458.715. (1) *[The Community Development Incentive Advisory Board shall]* **The Oregon Housing**  
17 **Stability Council shall, with respect to the Community Development Incentive Project Fund**  
18 **established under ORS 458.720:**

19 (a) Develop program guidelines, including specific project criteria and financing mechanisms.

20 (b) Review applications seeking funding from the *[Community Development Incentive Project]* fund  
21 and make recommendations for funding approval *[to the Director of the Housing and Community*  
22 *Services Department]*.

23 (c) Review proposals for cooperative agreements or joint projects between the *[Housing and*  
24 *Community Services Department]* **council** and other agencies to facilitate the goals of the fund.

25 (2) Subject to available financing, the *[advisory board may recommend, and the director]* **council**  
26 may approve[,] any project that carries out the goals of the fund.

27 (3) Notwithstanding subsections (1) and (2) of this section, the *[department]* **council** may make  
28 loans or grants from the Community Development Incentive Project Fund *[without advisory board*  
29 *review or recommendation]* for the purpose of preserving affordable housing.

30 **SECTION 30.** ORS 458.720 is amended to read:

31 458.720. (1) Pursuant to ORS 286A.560 to 286A.585, lottery bonds may be issued to make grants  
32 or loans to Oregon municipalities, businesses and individuals to encourage real estate developments  
33 that promote downtown and community center areas, provide affordable housing and other infill  
34 developments, and fund projects that promote business opportunities in Oregon's distressed areas  
35 and rural communities.

36 (2) The use of lottery bond proceeds is authorized based on the following findings:

37 (a) The grants and loans made will be used to fund projects that assist Oregon communities in  
38 managing growth, thereby attracting industry and workers and improving Oregon's labor market;  
39 and

40 (b) The projects will bring jobs and economic diversity to Oregon's distressed areas and rural  
41 communities.

42 (3) The aggregate principal amount of lottery bonds issued pursuant to this section may not  
43 exceed the sum of \$25 million and an additional amount estimated by the State Treasurer to be  
44 necessary to pay bond-related costs. Lottery bonds issued pursuant to this section shall be issued  
45 only at the request of the Director of the Housing and Community Services Department, **in con-**

1 **sultation with the Oregon Housing Stability Council.**

2 (4) The net proceeds of lottery bonds issued pursuant to this section shall be deposited in the  
3 Community Development Incentive Project Fund, which is hereby established in the State Treasury  
4 separate and distinct from the General Fund.

5 (5) The proceeds of lottery bonds issued pursuant to this section shall be used only for the  
6 purposes set forth in subsection (1) of this section and for bond-related costs.

7 (6) Interest earned by the Community Development Incentive Project Fund shall be credited to  
8 the fund or to the Housing Development and Guarantee Account, as determined by the [*director*]  
9 **council**. In addition to any other moneys specifically designated by law, the fund shall consist of  
10 any amounts appropriated by the Legislative Assembly and any gifts, grants or donations.

11 **SECTION 31.** ORS 458.730 is amended to read:

12 458.730. (1) The Housing and Community Services Department may use the moneys in the Com-  
13 munity Development Incentive Project Fund in any manner permitted under ORS 458.735. However,  
14 the primary purpose of the fund is to finance developments identified by the [*Community Develop-*  
15 *ment Incentive Advisory Board*] **Oregon Housing Stability Council** if other state or private fi-  
16 nancing sources are inadequate or unavailable. The department shall make the final determination  
17 as to whether financing sources are inadequate or unavailable.

18 (2) In expending moneys from the fund, the department may use financing mechanisms that in-  
19 clude, but are not limited to:

20 (a) Grants or loans for the development of multifamily or single-family affordable housing located  
21 near community centers or employment centers.

22 (b) Grants or loans for the development of mixed-use real estate projects located in downtown  
23 or community center areas.

24 (c) Grants or loans that result in the placement or retention of businesses in downtown or  
25 community center areas.

26 (d) Partial loan guarantees or other credit enhancement tools to private commercial lenders.

27 (e) Grants or loans to finance infrastructure development that creates jobs or housing in com-  
28 munities identified by the Oregon Business Development Department as rural or distressed.

29 (f) Interim ownership by the Housing and Community Services Department of real estate located  
30 within downtown or community center areas.

31 (g) Other financial tools or incentives that the [*Community Development Incentive Advisory*  
32 *Board*] **council** determines would further the intended purposes of the fund.

33 **SECTION 32.** ORS 458.735 is amended to read:

34 458.735. The Housing and Community Services Department shall:

35 (1) Administer the Community Development Incentive Project Fund in accordance with rules  
36 adopted by the department. Notwithstanding ORS 456.555, department administration of the fund is  
37 not subject to [*State Housing Council*] **Oregon Housing Stability Council** policy, rules or standards.

38 (2) Verify documentation and approve or disapprove funding recommended by the [*Community*  
39 *Development Incentive Advisory Board*] **council** under ORS 458.715.

40 (3) Seek to leverage local, federal and private financial resources for use in conjunction with  
41 fund expenditures.

42 (4) Emphasize use of the fund to fill funding gaps in projects identified by the [*advisory board*]  
43 **council** that are designed to achieve the objectives of the fund.

44 (5) If making a fund expenditure as a loan, establish lending criteria that allow the fund to  
45 create quality development patterns and produce a sound loan portfolio. In establishing the criteria,

1 the department shall permit the assumption of an appropriate level of risk, maintain a reserve for  
2 losses and provide for the periodic monitoring of reserve adequacy. Loan repayments may be used  
3 by the department in any financially prudent manner consistent with fund goals.

4 **SECTION 33.** ORS 458.740 is amended to read:

5 458.740. In addition to any other power or authority granted to the Housing and Community  
6 Services Department, the department may:

7 (1) Acquire property and hold, conserve, improve, lease, sell or otherwise use or exercise control  
8 over the property for the purpose of facilitating the use of the property as part of a community de-  
9 velopment project.

10 (2) Enter into cooperative agreements or joint projects with other agencies as [*recommended by*  
11 *the advisory board and*] approved by the [*Director of the Housing and Community Services*  
12 *Department*] **Oregon Housing Stability Council.**

13 (3) To the extent authorized by law, enter into contracts for the purchase of land and improve-  
14 ments and exercise control over purchased land and improvements.

15 (4) To the extent authorized by law, enter into contracts for the completion of site development  
16 functions including, but not limited to, design services, design review with local governments and  
17 completion of the permitting process.

18  
19 **REPEALS AND ABOLISHED ENTITIES**

20  
21 **SECTION 34.** ORS 458.535 and 458.710 are repealed.

22 **SECTION 35.** The advisory committee on energy established under ORS 458.515, the  
23 Interagency Council on Hunger and Homelessness established under ORS 458.525 and the  
24 Community Development Incentive Advisory Board created under ORS 458.710 are abolished.  
25 On the effective date of this 2015 Act, the tenure of office of the members of the committee,  
26 the council and the board ceases.

27 **SECTION 36.** (1) The members of the advisory committee on energy established under  
28 ORS 458.515, the Interagency Council on Hunger and Homelessness established under ORS  
29 458.525 and the Community Development Incentive Advisory Board created under ORS  
30 458.710 shall deliver to the Oregon Housing Stability Council any records and property in the  
31 possession of the committee, the Interagency Council on Hunger and Homelessness and the  
32 board on the effective date of this 2015 Act that relate to the duties, functions and powers  
33 of the committee, the Interagency Council on Hunger and Homelessness and the board as  
34 exercised until the effective date of this 2015 Act.

35 (2) The Oregon Housing Stability Council shall assume responsibility for any outstanding  
36 obligations and activities of the committee, the Interagency Council on Hunger and  
37 Homelessness and the board remaining on the effective date of this 2015 Act.

38 **SECTION 37.** Any balance in the Hunger Relief Account established under ORS 458.535  
39 that is unexpended and unobligated on the effective date of this 2015 Act, and all moneys that  
40 would have been deposited in the Hunger Relief Account had ORS 458.535 remained in effect,  
41 shall revert to the General Fund and be available for general governmental purposes.

42  
43 **CONFORMING AMENDMENTS**

44  
45 **SECTION 38.** ORS 90.222 is amended to read:

1 90.222. (1) A landlord may require a tenant to obtain and maintain renter's liability insurance  
2 in a written rental agreement. The amount of coverage may not exceed \$100,000 per occurrence or  
3 the customary amount required by landlords for similar properties with similar rents in the same  
4 rental market, whichever is greater.

5 (2) Before entering a new tenancy, a landlord:

6 (a) Shall advise an applicant in writing of a requirement to obtain and maintain renter's liability  
7 insurance and the amount of insurance required.

8 (b) May require an applicant to provide documentation of renter's liability insurance coverage  
9 before the tenancy begins.

10 (3) For an existing month-to-month tenancy, the landlord may amend a written rental agreement  
11 to require renter's liability insurance after giving the tenant at least 30 days' written notice of the  
12 requirement. If the tenant does not obtain renter's liability insurance within the 30-day period:

13 (a) The landlord may terminate the tenancy pursuant to ORS 90.392; and

14 (b) The tenant may cure the cause of the termination as provided by ORS 90.392 by obtaining  
15 insurance.

16 (4) A landlord may require documentation that the tenant maintains the renter's liability insur-  
17 ance on a periodic basis related to the coverage period of the renter's liability insurance policy or  
18 more frequently if the landlord reasonably believes that the insurance policy is no longer in effect.

19 (5) A landlord may require that a tenant obtain or maintain renter's liability insurance only if  
20 the landlord obtains and maintains comparable liability insurance and provides documentation to  
21 any tenant who requests the documentation, orally or in writing. The landlord may provide doc-  
22 umentation to a tenant in person, by mail or by posting in a common area or office. The documen-  
23 tation may consist of a current certificate of coverage. A written rental agreement that requires a  
24 tenant to obtain and maintain renter's liability insurance must include a description of the require-  
25 ments of this subsection.

26 (6) Neither a landlord nor a tenant shall make unreasonable demands that have the effect of  
27 harassing the other with regard to providing documentation of insurance coverage.

28 (7) A landlord may not:

29 (a) Require that a tenant obtain renter's liability insurance from a particular insurer;

30 (b) Require that a tenant name the landlord as an additional insured or as having any other  
31 special status on the tenant's renter's liability insurance policy;

32 (c) Require that a tenant waive the insurer's subrogation rights; or

33 (d) Make a claim against the tenant's renter's liability insurance unless:

34 (A) The claim is for damages or costs for which the tenant is legally liable and not for damages  
35 or costs that result from ordinary wear and tear, acts of God or the conduct of the landlord;

36 (B) The claim is greater than the security deposit of the tenant, if any; and

37 (C) The landlord provides a copy of the claim to the tenant contemporaneous with filing the  
38 claim with the insurer.

39 (8) A landlord may not require a tenant to obtain or maintain renter's liability insurance if the  
40 household income of the tenant is equal to or less than 50 percent of the area median income, ad-  
41 justed for family size as measured up to a five-person family, as determined by the [State Housing  
42 Council] **Oregon Housing Stability Council** based on information from the United States Depart-  
43 ment of Housing and Urban Development.

44 (9) A landlord may not require a tenant to obtain or maintain renter's liability insurance if the  
45 dwelling unit of the tenant has been subsidized with public funds:

1 (a) Including federal or state tax credits, federal block grants authorized in the HOME Invest-  
2 ment Partnerships Act under Title II of the Cranston-Gonzalez National Affordable Housing Act, as  
3 amended, or the Community Development Block Grant program authorized in the Housing and  
4 Community Development Act of 1974, as amended, and tax-exempt bonds.

5 (b) Not including federal rent subsidy payments under 42 U.S.C. 1437f.

6 (10) Subsection (9) of this section does not apply to a dwelling unit that is not subsidized even  
7 if the unit is on premises in which some dwelling units are subsidized.

8 (11) If a landlord files a frivolous claim against the renter's liability insurance of a tenant, the  
9 tenant may recover from the landlord the actual damages of the tenant plus \$500.

10 (12) This section does not:

11 (a) Affect rights or obligations otherwise provided in this chapter or in the rental agreement.

12 (b) Apply to tenancies governed by ORS 90.505 to 90.840.

13 **SECTION 39.** ORS 183.530 is amended to read:

14 183.530. A housing cost impact statement shall be prepared upon the proposal for adoption or  
15 repeal of any rule or any amendment to an existing rule by:

16 (1) The [State Housing Council] **Oregon Housing Stability Council**;

17 (2) A building codes division of the Department of Consumer and Business Services or any board  
18 associated with the department with regard to rules adopted under ORS 455.610 to 455.630;

19 (3) The Land Conservation and Development Commission;

20 (4) The Environmental Quality Commission;

21 (5) The Construction Contractors Board;

22 (6) The Occupational Safety and Health Division of the Department of Consumer and Business  
23 Services; or

24 (7) The State Department of Energy.

25 **SECTION 40.** ORS 183.534 is amended to read:

26 183.534. (1) A housing cost impact statement is an estimate of the effect of a proposed rule or  
27 ordinance on the cost of development of a 6,000 square foot parcel and the construction of a 1,200  
28 square foot detached single family dwelling on that parcel. The [State Housing Council] **Oregon**  
29 **Housing Stability Council** shall adopt rules prescribing the form to be used when preparing the  
30 estimate and other such rules necessary to the implementation of this section and ORS 183.530 and  
31 183.538.

32 (2) A housing cost impact statement:

33 (a) For an agency listed in ORS 183.530 shall be incorporated in the:

34 (A) Fiscal impact statement required by ORS 183.335 (2)(b)(E) for permanent rule adoption; or

35 (B) Statements required by ORS 183.335 (5) for temporary rule adoption.

36 (b) Shall not be required for the adoption of any procedural rule by an agency listed in ORS  
37 183.530.

38 **SECTION 41.** ORS 280.482 is amended to read:

39 280.482. A city shall report to the [State Housing Council] **Oregon Housing Stability Council**  
40 and the Legislative Assembly, not later than February 1 of each odd-numbered year on the disposi-  
41 tion within that city of the proceeds of bonds issued for the purposes of making mortgage loans  
42 under ORS 280.425 (3) and 280.430 (5). The report shall, as a minimum, identify the population, in-  
43 come levels and areas served by the housing program, the length of residence in dwellings purchased  
44 under the program and the degree to which the city considers the program's initial objectives have  
45 been achieved. The report shall be reviewed by the [State Housing Council] **Oregon Housing Sta-**

1 **bility Council** and the council shall make its comments on the report known to the city and the  
2 Legislative Assembly.

3 **SECTION 42.** ORS 307.181 is amended to read:

4 307.181. (1) Land acquired by an Indian tribe by purchase, gift or without consideration is ex-  
5 empt from taxation if:

6 (a) The land is located within the ancient tribal boundaries of the tribe; and

7 (b) Acquisition of the land by the United States in trust status has been requested or is in pro-  
8 cess.

9 (2) The exemption under subsection (1) of this section ceases if the federal government enters  
10 a final administrative determination denying the request for acquisition of the land in trust status  
11 and:

12 (a) The deadlines for all available federal administrative appeals and federal judicial review ex-  
13 pire with no appeal or review initiated; or

14 (b) All federal administrative and judicial proceedings arising from or related to the request for  
15 or process of acquisition of the land in trust status that have been initiated are completed without  
16 overturning the administrative denial of the request.

17 (3)(a) Notwithstanding subsections (1) and (2) of this section, property that is owned exclusively  
18 by an eligible Indian tribe or by an entity wholly owned by an eligible Indian tribe, or a portion of  
19 the property, is exempt from taxation if the property, or the portion of the property, respectively,  
20 is used exclusively for government services.

21 (b) Property described in paragraph (a) of this subsection that may be exempt from taxation as  
22 property used exclusively for low income rental housing includes, without limitation, property that:

23 (A) Is held under lease or a lease purchase agreement by an eligible Indian tribe;

24 (B)(i) Is the property of a partnership, nonprofit corporation or limited liability company of  
25 which an eligible Indian tribe is a general partner, limited partner, director, member, manager or  
26 general manager; and

27 (ii) Is leased or rented to low income persons for housing purposes; or

28 (C) Is used exclusively for an activity that qualifies as an affordable housing activity under 25  
29 U.S.C. 4132.

30 (c) Property described in paragraph (a) of this subsection may not be exempt from taxation as  
31 property that is used exclusively for low income rental housing unless:

32 (A) For purposes of ORS 307.540 to 307.548, the requirements of ORS 307.543 have been satisfied;

33 (B) The property is offered for rent or is held for the purpose of developing low income rental  
34 housing;

35 (C) If occupied, the property is occupied solely by low income persons; and

36 (D) The property is located in a county in which more than 10 percent of the enrolled members  
37 of the eligible Indian tribe reside.

38 (4) As used in this section:

39 (a) "Eligible Indian tribe" means the Burns Paiute Tribe, the Confederated Tribes of Coos,  
40 Lower Umpqua and Siuslaw Indians, the Confederated Tribes of the Grand Ronde Community of  
41 Oregon, the Confederated Tribes of Siletz Indians of Oregon, the Confederated Tribes of the  
42 Umatilla Indian Reservation, the Confederated Tribes of Warm Springs Reservation of Oregon, the  
43 Coquille Indian Tribe, the Cow Creek Band of Umpqua Tribe of Indians or the Klamath Tribes.

44 (b) "Government services" means services provided by an eligible Indian tribe that:

45 (A) Are equivalent to services that a state or local government or the federal government cus-

1 tomarily provides to its citizens;

2 (B) Are related to:

3 (i) Tribal administration;

4 (ii) Tribal facilities or tribal health facilities;

5 (iii) Elementary or secondary education or higher education, including community colleges;

6 (iv) Transportation;

7 (v) Fire or police;

8 (vi) Low income rental housing;

9 (vii) Utility services provided to an Indian reservation or to land held in trust by the United  
10 States for the benefit of an eligible Indian tribe; or

11 (viii) Cemeteries; and

12 (C) Other than government services related to the uses of property described in subsection (3)(c)  
13 of this section, do not generate income.

14 (c) "Low income":

15 (A) Means income at or below 60 percent of the area median income as determined by the [*State*  
16 *Housing Council*] **Oregon Housing Stability Council** based on information from the United States  
17 Department of Housing and Urban Development.

18 (B) For purposes of projects undertaken pursuant to the Native American Housing Assistance  
19 and Self-Determination Act of 1996 (P.L. 104-330), includes income that qualifies under 24 C.F.R.  
20 5.609.

21 (d) "Utility services" means services related to sanitation, sewer, storm drainage and water.

22 **SECTION 43.** ORS 307.181, as amended by section 5, chapter 42, Oregon Laws 2012, is amended  
23 to read:

24 307.181. (1) Land acquired by an Indian tribe by purchase, gift or without consideration is ex-  
25 empt from taxation if:

26 (a) The land is located within the ancient tribal boundaries of the tribe; and

27 (b) Acquisition of the land by the United States in trust status has been requested or is in pro-  
28 cess.

29 (2) The exemption under subsection (1) of this section ceases if the federal government enters  
30 a final administrative determination denying the request for acquisition of the land in trust status  
31 and:

32 (a) The deadlines for all available federal administrative appeals and federal judicial review ex-  
33 pire with no appeal or review initiated; or

34 (b) All federal administrative and judicial proceedings arising from or related to the request for  
35 or process of acquisition of the land in trust status that have been initiated are completed without  
36 overturning the administrative denial of the request.

37 (3)(a) Notwithstanding subsections (1) and (2) of this section, property that is owned exclusively  
38 by an eligible Indian tribe or by an entity wholly owned by an eligible Indian tribe, or a portion of  
39 the property, is exempt from taxation if the property, or the portion of the property, respectively,  
40 is used exclusively for government services.

41 (b) Property described in paragraph (a) of this subsection that may be exempt from taxation as  
42 property used exclusively for low income rental housing includes, without limitation, property that:

43 (A) Is held under lease or a lease purchase agreement by an eligible Indian tribe;

44 (B)(i) Is the property of a partnership, nonprofit corporation or limited liability company of  
45 which an eligible Indian tribe is a general partner, limited partner, director, member, manager or

1 general manager; and

2 (ii) Is leased or rented to low income persons for housing purposes; or

3 (C) Is used exclusively for an activity that qualifies as an affordable housing activity under 25  
4 U.S.C. 4132.

5 (c) Property described in paragraph (a) of this subsection may not be exempt from taxation as  
6 property that is used exclusively for low income rental housing unless:

7 (A) All agreements necessary for the construction and operation of the property as low income  
8 rental housing are executed before July 1, 2017;

9 (B) For purposes of ORS 307.540 to 307.548, the requirements of ORS 307.543 have been satisfied;

10 (C) The property is offered for rent or is held for the purpose of developing low income rental  
11 housing;

12 (D) If occupied, the property is occupied solely by low income persons; and

13 (E) The property is located in a county in which more than 10 percent of the enrolled members  
14 of the eligible Indian tribe reside.

15 (4) As used in this section:

16 (a) "Eligible Indian tribe" means the Burns Paiute Tribe, the Confederated Tribes of Coos,  
17 Lower Umpqua and Siuslaw Indians, the Confederated Tribes of the Grand Ronde Community of  
18 Oregon, the Confederated Tribes of Siletz Indians of Oregon, the Confederated Tribes of the  
19 Umatilla Indian Reservation, the Confederated Tribes of Warm Springs Reservation of Oregon, the  
20 Coquille Indian Tribe, the Cow Creek Band of Umpqua Tribe of Indians or the Klamath Tribes.

21 (b) "Government services" means services provided by an eligible Indian tribe that:

22 (A) Are equivalent to services that a state or local government or the federal government cus-  
23 tomarily provides to its citizens;

24 (B) Are related to:

25 (i) Tribal administration;

26 (ii) Tribal facilities or tribal health facilities;

27 (iii) Elementary or secondary education or higher education, including community colleges;

28 (iv) Transportation;

29 (v) Fire or police;

30 (vi) Low income rental housing;

31 (vii) Utility services provided to an Indian reservation or to land held in trust by the United  
32 States for the benefit of an eligible Indian tribe; or

33 (viii) Cemeteries; and

34 (C) Other than government services related to the uses of property described in subsection (3)(c)  
35 of this section, do not generate income.

36 (c) "Low income":

37 (A) Means income at or below 60 percent of the area median income as determined by the [*State*  
38 *Housing Council*] **Oregon Housing Stability Council** based on information from the United States  
39 Department of Housing and Urban Development.

40 (B) For purposes of projects undertaken pursuant to the Native American Housing Assistance  
41 and Self-Determination Act of 1996 (P.L. 104-330), includes income that qualifies under 24 C.F.R.  
42 5.609.

43 (d) "Utility services" means services related to sanitation, sewer, storm drainage and water.

44 **SECTION 44.** ORS 307.515 is amended to read:

45 307.515. As used in ORS 307.515 to 307.523:

1 (1) "Governing body" means the city or county legislative body having jurisdiction over the  
2 property for which an exemption may be applied for under ORS 307.515 to 307.523.

3 (2) "Lender" means the provider of a loan secured by the recorded deed of trust or recorded  
4 mortgage made to finance the purchase, construction or rehabilitation of a property used for low  
5 income housing under the criteria listed in ORS 307.517 or 307.518.

6 (3) "Low income" means income at or below 60 percent of the area median income as determined  
7 by the [*State Housing Council*] **Oregon Housing Stability Council** based on information from the  
8 United States Department of Housing and Urban Development.

9 **SECTION 45.** ORS 307.540 is amended to read:

10 307.540. As used in ORS 307.540 to 307.548:

11 (1) "Governing body" means the city or county legislative body having jurisdiction over the  
12 property for which an exemption may be applied for under ORS 307.540 to 307.548.

13 (2) "Low income" means income at or below 60 percent of the area median income as determined  
14 by the [*State Housing Council*] **Oregon Housing Stability Council** based on information from the  
15 United States Department of Housing and Urban Development.

16 **SECTION 46.** ORS 317.097, as amended by section 26, chapter 52, Oregon Laws 2014, is  
17 amended to read:

18 317.097. (1) As used in this section:

19 (a) "Annual rate" means the yearly interest rate specified on the note, and not the annual per-  
20 centage rate, if any, disclosed to the applicant to comply with the federal Truth in Lending Act.

21 (b) "Finance charge" means the total of all interest, loan fees, interest on any loan fees financed  
22 by the lending institution, and other charges related to the cost of obtaining credit.

23 (c) "Lending institution" means any insured institution, as that term is defined in ORS 706.008,  
24 any mortgage banking company that maintains an office in this state or any community development  
25 corporation that is organized under the Oregon Nonprofit Corporation Law.

26 (d) "Manufactured dwelling park" has the meaning given that term in ORS 446.003.

27 (e) "Nonprofit corporation" means a corporation that is exempt from income taxes under section  
28 501(c)(3) or (4) of the Internal Revenue Code as amended and in effect on December 31, 2013.

29 (f) "Preservation project" means housing that was previously developed as affordable housing  
30 with a contract for rent assistance from the United States Department of Housing and Urban De-  
31 velopment or the United States Department of Agriculture and that is being acquired by a spon-  
32 soring entity.

33 (g) "Qualified assignee" means any investor participating in the secondary market for real estate  
34 loans.

35 (h) "Qualified borrower" means any borrower that is a sponsoring entity that has a controlling  
36 interest in the real property that is financed by a qualified loan. A controlling interest includes, but  
37 is not limited to, a controlling interest in the general partner of a limited partnership that owns the  
38 real property.

39 (i) "Qualified loan" means:

40 (A) A loan that meets the criteria stated in subsection (5) of this section or that is made to re-  
41 finance a loan that meets the criteria described in subsection (5) of this section; or

42 (B) The purchase by a lending institution of bonds, as defined in ORS 286A.001, issued on behalf  
43 of the Housing and Community Services Department, the proceeds of which are used to finance or  
44 refinance a loan that meets the criteria described in subsection (5) of this section.

45 (j) "Sponsoring entity" means a nonprofit corporation, nonprofit cooperative, state governmental

1 entity, local unit of government as defined in ORS 466.706, housing authority or any other person,  
2 provided that the person has agreed to restrictive covenants imposed by a nonprofit corporation,  
3 nonprofit cooperative, state governmental entity, local unit of government or housing authority.

4 (2) The Department of Revenue shall allow a credit against taxes otherwise due under this  
5 chapter for the taxable year to a lending institution that makes a qualified loan certified by the  
6 Housing and Community Services Department as provided in subsection (7) of this section. The  
7 amount of the credit is equal to the difference between:

8 (a) The amount of finance charge charged by the lending institution during the taxable year at  
9 an annual rate less than the market rate for a qualified loan that is made before January 1, 2020,  
10 that complies with the requirements of this section; and

11 (b) The amount of finance charge that would have been charged during the taxable year by the  
12 lending institution for the qualified loan for housing construction, development, acquisition or re-  
13 habilitation measured at the annual rate charged by the lending institution for nonsubsidized loans  
14 made under like terms and conditions at the time the qualified loan for housing construction, de-  
15 velopment, acquisition or rehabilitation is made.

16 (3) The maximum amount of credit for the difference between the amounts described in sub-  
17 section (2)(a) and (b) of this section may not exceed four percent of the average unpaid balance of  
18 the qualified loan during the tax year for which the credit is claimed.

19 (4) Any tax credit allowed under this section that is not used by the taxpayer in a particular  
20 year may be carried forward and offset against the taxpayer's tax liability for the next succeeding  
21 tax year. Any credit remaining unused in the next succeeding tax year may be carried forward and  
22 used in the second succeeding tax year, and likewise, any credit not used in that second succeeding  
23 tax year may be carried forward and used in the third succeeding tax year, and any credit not used  
24 in that third succeeding tax year may be carried forward and used in the fourth succeeding tax year,  
25 and any credit not used in that fourth succeeding tax year may be carried forward and used in the  
26 fifth succeeding tax year, but may not be carried forward for any tax year thereafter.

27 (5) To be eligible for the tax credit allowable under this section, a lending institution must make  
28 a qualified loan by either purchasing bonds, as defined in ORS 286A.001, issued on behalf of the  
29 Housing and Community Services Department, the proceeds of which are used to finance or refi-  
30 nance a loan that meets the criteria stated in this subsection, or by making a loan directly to:

31 (a) An individual or individuals who own a dwelling, participate in an owner-occupied commu-  
32 nity rehabilitation program and are certified by the local government or its designated agent as  
33 having an income level when the loan is made of less than 80 percent of the area median income;

34 (b) A qualified borrower who:

35 (A) Uses the loan proceeds to finance construction, development, acquisition or rehabilitation  
36 of housing; and

37 (B) Provides a written certification executed by the Housing and Community Services Depart-  
38 ment that the:

39 (i) Housing created by the loan is or will be occupied by households earning less than 80 percent  
40 of the area median income; and

41 (ii) Full amount of savings from the reduced interest rate provided by the lending institution is  
42 or will be passed on to the tenants in the form of reduced housing payments, regardless of other  
43 subsidies provided to the housing project;

44 (c) Subject to subsection (14) of this section, a qualified borrower who:

45 (A) Uses the loan proceeds to finance construction, development, acquisition or rehabilitation

1 of housing consisting of a manufactured dwelling park; and

2 (B) Provides a written certification executed by the Housing and Community Services Depart-  
3 ment that the housing will continue to be operated as a manufactured dwelling park during the pe-  
4 riod for which the tax credit is allowed; or

5 (d) A qualified borrower who:

6 (A) Uses the loan proceeds to finance acquisition or rehabilitation of housing consisting of a  
7 preservation project; and

8 (B) Provides a written certification executed by the Housing and Community Services Depart-  
9 ment that the housing preserved by the loan:

10 (i) Is or will be occupied by households earning less than 80 percent of the area median income;  
11 and

12 (ii) Is the subject of a rent assistance contract with the United States Department of Housing  
13 and Urban Development or the United States Department of Agriculture that will be maintained by  
14 the qualified borrower.

15 (6) A loan made to refinance a loan that meets the criteria stated in subsection (5) of this sec-  
16 tion must be treated the same as a loan that meets the criteria stated in subsection (5) of this sec-  
17 tion.

18 (7) For a qualified loan to be eligible for the tax credit allowable under this section, the Housing  
19 and Community Services Department must execute a written certification for the qualified loan that:

20 (a) Specifies the period, not to exceed 20 years, as determined by the Housing and Community  
21 Services Department, during which the tax credit is allowed for the qualified loan; and

22 (b) States that the qualified loan is within the limitation imposed by subsection (8) of this sec-  
23 tion.

24 (8) The Housing and Community Services Department may certify qualified loans that are eligi-  
25 ble under subsection (5) of this section if the total credits attributable to all qualified loans eligible  
26 for credits under this section and then outstanding do not exceed \$17 million for any fiscal year. In  
27 making loan certifications under subsection (7) of this section, the Housing and Community Services  
28 Department shall attempt to distribute the tax credits statewide, but shall concentrate the tax  
29 credits in those areas of the state that are determined by the [*State Housing Council*] **Oregon**  
30 **Housing Stability Council** to have the greatest need for affordable housing.

31 (9) The tax credit provided for in this section may be taken whether or not:

32 (a) The financial institution is eligible to take a federal income tax credit under section 42 of  
33 the Internal Revenue Code with respect to the project financed by the qualified loan; or

34 (b) The project receives financing from bonds, the interest on which is exempt from federal  
35 taxation under section 103 of the Internal Revenue Code.

36 (10) For a qualified loan defined in subsection (1)(i)(B) of this section financed through the pur-  
37 chase of bonds, the interest of which is exempt from federal taxation under section 103 of the  
38 Internal Revenue Code, the amount of finance charge that would have been charged under sub-  
39 section (2)(b) of this section is determined by reference to the finance charge that would have been  
40 charged if the federally tax exempt bonds had been issued and the tax credit under this section did  
41 not apply.

42 (11) A lending institution may sell a qualified loan for which a certification has been executed  
43 to a qualified assignee whether or not the lending institution retains servicing of the qualified loan  
44 so long as a designated lending institution maintains records, annually verified by a loan servicer,  
45 that establish the amount of tax credit earned by the taxpayer throughout each year of eligibility.

1 (12) Notwithstanding any other provision of law, a lending institution that is a community de-  
2 velopment corporation organized under the Oregon Nonprofit Corporation Law may transfer all or  
3 part of a tax credit allowed under this section to one or more other lending institutions that are  
4 stockholders or members of the community development corporation or that otherwise participate  
5 through the community development corporation in the making of one or more qualified loans for  
6 which the tax credit under this section is allowed.

7 (13) The lending institution shall file an annual statement with the Housing and Community  
8 Services Department, specifying that it has conformed with all requirements imposed by law to  
9 qualify for a tax credit under this section.

10 (14) Notwithstanding subsection (1)(h) and (j) of this section, a qualified borrower on a loan to  
11 finance the construction, development, acquisition or rehabilitation of a manufactured dwelling park  
12 under subsection (5)(c) of this section must be a nonprofit corporation, manufactured dwelling park  
13 nonprofit cooperative, state governmental entity, local unit of government as defined in ORS 466.706  
14 or housing authority.

15 (15) The Housing and Community Services Department and the Department of Revenue may  
16 adopt rules to carry out the provisions of this section.

17 **SECTION 47.** ORS 426.508 is amended to read:

18 426.508. (1) Notwithstanding ORS 421.611 to 421.630 or any actions taken under ORS 421.611 to  
19 421.630, the Department of Corrections shall transfer the real property known as the F. H.  
20 Dammasch State Hospital and all improvements to the Oregon Department of Administrative Ser-  
21 vices to be sold for the benefit of the Oregon Health Authority.

22 (2)(a) Notwithstanding ORS 270.100 to 270.190, and except as provided in subsection (4) of this  
23 section, the Oregon Department of Administrative Services shall sell or otherwise convey the real  
24 property known as the F. H. Dammasch State Hospital in a manner consistent with the provisions  
25 of this section. Conveyance shall not include transfer to a state agency. The sale price of the real  
26 property shall equal or exceed the fair market value of the real property. The Oregon Department  
27 of Administrative Services shall engage the services of a licensed real estate broker or principal real  
28 estate broker to facilitate the sale of the real property.

29 (b) The Oregon Department of Administrative Services shall retain from the sale or other  
30 conveyance of the real property those costs incurred by the state in selling or conveying the real  
31 property, including costs incurred by the Department of Corrections in transferring the real prop-  
32 erty to the Oregon Department of Administrative Services. The remaining proceeds from the sale  
33 or other conveyance shall be transferred to the Community Housing Trust Account created under  
34 ORS 426.506 (3).

35 (3) Redevelopment of the real property formerly occupied by the F. H. Dammasch State Hospital  
36 shall be consistent with the Dammasch Area Transportation Efficient Land Use Plan developed by  
37 Clackamas County, the City of Wilsonville, the Oregon Department of Administrative Services, the  
38 Department of Land Conservation and Development, the Department of Transportation, the [*State*  
39 *Housing Council*] **Oregon Housing Stability Council**, the Oregon Health Authority and the De-  
40 partment of State Lands.

41 (4) The Oregon Department of Administrative Services shall reserve from the sale of the real  
42 property under subsection (2) of this section not more than 10 acres. The real property reserved  
43 from sale shall be transferred to the Oregon Health Authority for use by the authority to develop  
44 community housing for persons with chronic mental illness. The department and the authority shall  
45 jointly coordinate with the City of Wilsonville to identify the real property reserved from sale under

1 this subsection.

2 **SECTION 48.** ORS 671.755 is amended to read:

3 671.755. (1) As used in this section:

4 (a) "Business license tax" means any fee paid by a person to a city or county for any form of  
5 license that is required by the city or county in order to conduct business in that city or county.  
6 "Business license tax" does not mean a franchise fee or privilege tax imposed by a city upon a  
7 public utility under ORS 221.420 or 221.450 or under a city charter.

8 (b) "Conducting business" means engaging directly, or through officers, agents and employees,  
9 in an activity in pursuit of gain.

10 (c) "Principal place of business" means the location in this state of the central administrative  
11 office of a person conducting business in this state.

12 (d) "Within a metropolitan service district" means that city limits are wholly or partially inside  
13 district boundaries.

14 (2) A landscape contracting business shall pay directly to any city within a metropolitan service  
15 district any business license tax imposed by the city if:

16 (a) The landscape contracting business has its principal place of business within the city; or

17 (b) The landscape contracting business does not have its principal place of business within the  
18 city but derives gross receipts of \$250,000 or more from conducting business within the city during  
19 the calendar year for which the tax is owed.

20 (3) A landscape contracting business may apply for a business license from a metropolitan ser-  
21 vice district if the business conducts business in a city that is within the district but that is not a  
22 city to which the business directly pays a business license tax for that year.

23 (4) The metropolitan service district shall issue a business license to a landscape contracting  
24 business if:

25 (a) The business proves to the district that the business has directly paid the business license  
26 tax imposed by each city within the district to which the business must directly pay a business li-  
27 cense tax; and

28 (b) The business pays a license fee to the district.

29 (5) The license fee charged under subsection (4) of this section shall be twice the average busi-  
30 ness license tax charged to landscape contracting businesses by cities located within the metropol-  
31 itan service district plus an amount that is sufficient to reimburse the district for the administrative  
32 expenses of the district incurred in carrying out its duties under this section.

33 (6) If a landscape contracting business is issued a business license by the metropolitan service  
34 district under subsection (4) of this section, and a city within the district other than a city described  
35 in subsection (2) of this section demands that the business pay a business license tax, the demanding  
36 city shall waive payment of the tax if the business proves by possession or otherwise that the  
37 business has a business license issued by the metropolitan service district for the calendar year for  
38 which the tax is owed.

39 (7) The metropolitan service district shall distribute the business license fees collected by the  
40 district under this section, less administrative expenses, to the cities within the district that collect  
41 a business license tax. In any year, each of the cities shall receive a share of the license fees based  
42 upon the proportion that the number of residential building permits the city issued during the year  
43 bears to the total number of residential building permits issued during the year by all of the cities  
44 within the district. The district shall determine the number of residential building permits issued by  
45 cities within the district from statistics [*and other data published by the State Housing Council*]. A

1 district shall distribute moneys under this subsection at least once each year.

2 **SECTION 49.** ORS 701.015 is amended to read:

3 701.015. (1) A contractor shall pay directly to any city within the boundaries of a metropolitan  
4 service district any business license tax imposed by the city when:

5 (a) The principal place of business of the contractor is within the city; or

6 (b) The principal place of business of the contractor is not within the city but the contractor  
7 derives gross receipts of \$250,000 or more from business conducted within the boundaries of the city  
8 during the calendar year for which the business license tax is owed.

9 (2) A contractor who conducts business during any year in any city within the boundaries of the  
10 metropolitan service district other than a city to which the contractor has paid a business license  
11 tax for that year may apply for a business license from the metropolitan service district.

12 (3) When a contractor obtains a business license from the metropolitan service district under  
13 subsection (2) of this section, if a city within the boundaries of the metropolitan service district  
14 other than a city to which the contractor is required to directly pay a business license tax under  
15 subsection (1) of this section demands payment of a business license tax by the contractor, the city  
16 shall waive such payment upon presentation of proof by the contractor that the contractor has a  
17 business license issued by the metropolitan service district. Possession by the contractor of a cur-  
18 rent business license issued by the metropolitan service district under subsection (2) of this section  
19 shall be proof sufficient to obtain the waiver described in this subsection.

20 (4) The metropolitan service district shall issue a business license to a contractor when:

21 (a) The contractor presents proof to the district that the contractor has paid the business li-  
22 cense tax imposed by each city within the boundaries of the district to which the contractor must  
23 directly pay a business license tax under subsection (1) of this section; and

24 (b) The contractor pays a license fee to the district. The license fee charged under this para-  
25 graph shall be twice the average business license tax charged contractors by cities located within  
26 the metropolitan service district plus an amount that is sufficient to reimburse the district for the  
27 administrative expenses of the district incurred in carrying out its duties under this section.

28 (5) The metropolitan service district shall distribute the business license fees collected by the  
29 district under this section, less administrative expenses, to the cities that are located wholly or  
30 partly within the district and that collect a business license tax. In any year, each such city shall  
31 receive such share of the license fees as the number of residential building permits that it issued  
32 during that year bears to the total number of residential building permits that were issued during  
33 that year by all of the cities located wholly or partly within the district. Distribution of moneys  
34 under this subsection shall be made at least once in each year. The metropolitan service district  
35 shall determine the number of residential building permits issued by cities within the district from  
36 statistics [*and other data published by the State Housing Council*].

37 (6) As used in this section:

38 (a) "Business license tax" means any fee paid by a person to a city or county for any form of  
39 license that is required by the city or county in order to conduct business in that city or county.  
40 The term does not include any franchise fee or privilege tax imposed by a city upon a public utility  
41 under ORS 221.420 or 221.450 or any provision of a city charter.

42 (b) "Conducting business" means to engage in any activity in pursuit of gain including activities  
43 carried on by a person through officers, agents and employees as well as activities carried on by a  
44 person on that person's own behalf.

45 (c) "Principal place of business" means the location in this state of the central administrative

1 office of a person conducting business in this state.

2 **SECTION 50.** ORS 757.612 is amended to read:

3 757.612. (1) There is established an annual public purpose expenditure standard for electric  
4 companies and Oregon Community Power to fund new cost-effective local energy conservation, new  
5 market transformation efforts, the above-market costs of new renewable energy resources and new  
6 low-income weatherization. The public purpose expenditure standard shall be funded by the public  
7 purpose charge described in subsection (2) of this section.

8 (2)(a) Beginning on the date an electric company or Oregon Community Power offers direct ac-  
9 cess to its retail electricity consumers, except residential electricity consumers, the electric com-  
10 pany or Oregon Community Power shall collect a public purpose charge from all of the retail  
11 electricity consumers located within its service area until January 1, 2026. Except as provided in  
12 paragraph (b) of this subsection, the public purpose charge shall be equal to three percent of the  
13 total revenues collected by the electric company, Oregon Community Power or the electricity ser-  
14 vice supplier from its retail electricity consumers for electricity services, distribution, ancillary  
15 services, metering and billing, transition charges and other types of costs included in electric rates  
16 on July 23, 1999.

17 (b) For an aluminum plant that averages more than 100 average megawatts of electricity use  
18 per year, beginning on March 1, 2002, the electric company or Oregon Community Power whose  
19 territory abuts the greatest percentage of the site of the aluminum plant shall collect from the alu-  
20 minum company a public purpose charge equal to one percent of the total revenue from the sale of  
21 electricity services to the aluminum plant from any source.

22 (3)(a) The Public Utility Commission shall establish rules implementing the provisions of this  
23 section relating to electric companies and Oregon Community Power.

24 (b) Subject to paragraph (e) of this subsection, funds collected by an electric company or Oregon  
25 Community Power through public purpose charges shall be allocated as follows:

26 (A) Sixty-three percent for new cost-effective conservation, new market transformation.

27 (B) Nineteen percent for the above-market costs of constructing and operating new renewable  
28 energy resources with a nominal electric generating capacity, as defined in ORS 469.300, of 20  
29 megawatts or less.

30 (C) Thirteen percent for new low-income weatherization.

31 (D) Five percent shall be transferred to the Housing and Community Services Department  
32 Electricity Public Purpose Charge Fund established by ORS 456.587 (1) and used for the purpose of  
33 providing grants as described in ORS 458.625 (2).

34 (c) The costs of administering subsections (1) to (6) of this section for an electric company or  
35 Oregon Community Power shall be paid out of the funds collected through public purpose charges.  
36 The commission may require that an electric company or Oregon Community Power direct funds  
37 collected through public purpose charges to the state agencies responsible for implementing sub-  
38 sections (1) to (6) of this section in order to pay the costs of administering such responsibilities.

39 (d) The commission shall direct the manner in which public purpose charges are collected and  
40 spent by an electric company or Oregon Community Power and may require an electric company  
41 or Oregon Community Power to expend funds through competitive bids or other means designed to  
42 encourage competition, except that funds dedicated for low-income weatherization shall be directed  
43 to the Housing and Community Services Department as provided in subsection (7) of this section.  
44 The commission may also direct that funds collected by an electric company or Oregon Community  
45 Power through public purpose charges be paid to a nongovernmental entity for investment in public

1 purposes described in subsection (1) of this section. Notwithstanding any other provision of this  
2 subsection:

3 (A) At least 80 percent of the funds allocated for conservation shall be spent within the service  
4 area of the electric company that collected the funds; or

5 (B) If Oregon Community Power collected the funds, at least 80 percent of the funds allocated  
6 for conservation shall be spent within the service area of Oregon Community Power.

7 (e)(A) The first 10 percent of the funds collected annually by an electric company or Oregon  
8 Community Power under subsection (2) of this section shall be distributed to school districts that  
9 are located in the service territory of the electric company or Oregon Community Power. The funds  
10 shall be distributed to individual school districts according to the weighted average daily member-  
11 ship (ADMw) of each school district for the prior fiscal year as calculated under ORS 327.013. The  
12 commission shall establish by rule a methodology for distributing a proportionate share of funds  
13 under this paragraph to school districts that are only partially located in the service territory of the  
14 electric company or Oregon Community Power.

15 (B) A school district that receives funds under this paragraph shall use the funds first to pay  
16 for energy audits for schools located within the school district. A school district may not expend  
17 additional funds received under this paragraph on a school facility until an energy audit has been  
18 completed for that school facility. To the extent practicable, a school district shall coordinate with  
19 the State Department of Energy and incorporate federal funding in complying with this paragraph.  
20 Following completion of an energy audit for an individual school, the school district may expend  
21 funds received under this paragraph to implement the energy audit. Once an energy audit has been  
22 conducted and completely implemented for each school within the school district, the school district  
23 may expend funds received under this paragraph for any of the following purposes:

24 (i) Conducting energy audits. A school district shall conduct an energy audit prior to expending  
25 funds on any other purpose authorized under this paragraph unless the school district has performed  
26 an energy audit within the three years immediately prior to receiving the funds.

27 (ii) Weatherization and upgrading the energy efficiency of school district facilities.

28 (iii) Energy conservation education programs.

29 (iv) Purchasing electricity from environmentally focused sources and investing in renewable  
30 energy resources.

31 (f) The commission may not establish a different public purpose charge than the public purpose  
32 charge described in subsection (2) of this section.

33 (g) If the commission directs funds collected through public purpose charges to a nongovern-  
34 mental entity, the entity shall:

35 (A) Include on the entity's board of directors an ex officio member designated by the commis-  
36 sion, who shall also serve on the entity's nominating committee for filling board vacancies.

37 (B) Require the entity's officers and directors to provide an annual disclosure of economic in-  
38 terest to be filed with the commission on or prior to April 15 of each calendar year for public review  
39 in a form similar to the statement of economic interest required for public officials under ORS  
40 244.060.

41 (C) Require the entity's officers and directors to declare actual and potential conflicts of interest  
42 at regular meetings of the entity's governing body when such conflicts arise, and require an officer  
43 or director to abstain from participating in any discussion or vote on any item where that officer  
44 or director has an actual conflict of interest. For the purposes of this subparagraph, "actual conflict  
45 of interest" and "potential conflict of interest" have the meanings given those terms in ORS 244.020.

1 (D) Arrange for an independent auditor to audit the entity's financial statements annually, and  
2 direct the auditor to file an audit opinion with the commission for public review.

3 (E) File with the commission annually the entity's budget, action plan and quarterly and annual  
4 reports for public review.

5 (F) At least once every five years, contract for an independent management evaluation to review  
6 the entity's operations, efficiency and effectiveness, and direct the independent reviewer to file a  
7 report with the commission for public review.

8 (h) The commission may remove from the board of directors of a nongovernmental entity an of-  
9 ficer or director who fails to provide an annual disclosure of economic interest or declare actual  
10 or potential conflict of interest, as described in paragraph (g)(B) and (C) of this subsection, in con-  
11 nection with the allocation or expenditure of funds collected through public purpose charges and  
12 directed to the entity.

13 (4)(a) An electric company that satisfies its obligations under this section shall have no further  
14 obligation to invest in conservation, new market transformation or new low-income weatherization  
15 or to provide a commercial energy conservation services program and is not subject to ORS 469.631  
16 to 469.645 and 469.860 to 469.900.

17 (b) Oregon Community Power, for any period during which Oregon Community Power collects  
18 a public purpose charge under subsection (2) of this section:

19 (A) Shall have no other obligation to invest in conservation, new market transformation or new  
20 low-income weatherization or to provide a commercial energy conservation services program; and

21 (B) Is not subject to ORS 469.631 to 469.645 and 469.860 to 469.900.

22 (5)(a) A retail electricity consumer that uses more than one average megawatt of electricity at  
23 any site in the prior year shall receive a credit against public purpose charges billed by an electric  
24 company or Oregon Community Power for that site. The amount of the credit shall be equal to the  
25 total amount of qualifying expenditures for new energy conservation, not to exceed 68 percent of the  
26 annual public purpose charges, and the above-market costs of purchases of new renewable energy  
27 resources incurred by the retail electricity consumer, not to exceed 19 percent of the annual public  
28 purpose charges, less administration costs incurred under this subsection. The credit may not ex-  
29 ceed, on an annual basis, the lesser of:

30 (A) The amount of the retail electricity consumer's qualifying expenditures; or

31 (B) The portion of the public purpose charge billed to the retail electricity consumer that is  
32 dedicated to new energy conservation, new market transformation or the above-market costs of new  
33 renewable energy resources.

34 (b) To obtain a credit under this subsection, a retail electricity consumer shall file with the  
35 State Department of Energy a description of the proposed conservation project or new renewable  
36 energy resource and a declaration that the retail electricity consumer plans to incur the qualifying  
37 expenditure. The State Department of Energy shall issue a notice of precertification within 30 days  
38 of receipt of the filing, if such filing is consistent with this subsection. The credit may be taken after  
39 a retail electricity consumer provides a letter from a certified public accountant to the State De-  
40 partment of Energy verifying that the precertified qualifying expenditure has been made.

41 (c) Credits earned by a retail electricity consumer as a result of qualifying expenditures that  
42 are not used in one year may be carried forward for use in subsequent years.

43 (d)(A) A retail electricity consumer that uses more than one average megawatt of electricity at  
44 any site in the prior year may request that the State Department of Energy hire an independent  
45 auditor to assess the potential for conservation investments at the site. If the independent auditor

1 determines there is no available conservation measure at the site that would have a simple payback  
2 of one to 10 years, the retail electricity consumer shall be relieved of 54 percent of its payment  
3 obligation for public purpose charges related to the site. If the independent auditor determines that  
4 there are potential conservation measures available at the site, the retail electricity consumer shall  
5 be entitled to a credit against public purpose charges related to the site equal to 54 percent of the  
6 public purpose charges less the estimated cost of available conservation measures.

7 (B) A retail electricity consumer shall be entitled each year to the credit described in this sub-  
8 section unless a subsequent independent audit determines that new conservation investment oppor-  
9 tunities are available. The State Department of Energy may require that a new independent audit  
10 be performed on the site to determine whether new conservation measures are available, provided  
11 that the independent audits shall occur no more than once every two years.

12 (C) The retail electricity consumer shall pay the cost of the independent audits described in this  
13 subsection.

14 (6) Electric utilities and retail electricity consumers shall receive a fair and reasonable credit  
15 for the public purpose expenditures of their energy suppliers. The State Department of Energy shall  
16 adopt rules to determine eligible expenditures and the methodology by which such credits are ac-  
17 counted for and used. The rules also shall adopt methods to account for eligible public purpose  
18 expenditures made through consortia or collaborative projects.

19 (7)(a) In addition to the public purpose charge provided under subsection (2) of this section, an  
20 electric company or Oregon Community Power shall collect funds for low-income electric bill pay-  
21 ment assistance in an amount determined under paragraph (b) of this subsection.

22 (b) The commission shall establish the amount to be collected by each electric company in cal-  
23 endar year 2008 from retail electricity consumers served by the company, and the rates to be  
24 charged to retail electricity consumers served by the company, so that the total anticipated col-  
25 lection for low-income electric bill payment assistance by all electric companies in calendar year  
26 2008 is \$15 million. In calendar year 2009 and subsequent calendar years, the commission may not  
27 change the rates established for retail electricity consumers, but the total amount collected in a  
28 calendar year for low-income electric bill payment assistance may vary based on electricity usage  
29 by retail electricity consumers and changes in the number of retail electricity consumers in this  
30 state. In no event shall a retail electricity consumer be required to pay more than \$500 per month  
31 per site for low-income electric bill payment assistance.

32 (c) Funds collected by the low-income electric bill payment assistance charge shall be paid into  
33 the Housing and Community Services Department Low-Income Electric Bill Payment Assistance  
34 Fund established by ORS 456.587 (2). Moneys deposited in the fund under this paragraph shall be  
35 used by the Housing and Community Services Department for the purpose of funding low-income  
36 electric bill payment assistance. The department's cost of administering this subsection shall be paid  
37 out of funds collected by the low-income electric bill payment assistance charge. Moneys deposited  
38 in the fund under this paragraph shall be expended solely for low-income electric bill payment as-  
39 sistance. Funds collected from an electric company or Oregon Community Power shall be expended  
40 in the service area of the electric company or Oregon Community Power from which the funds are  
41 collected.

42 (d)(A) The Housing and Community Services Department[, *in consultation with the advisory*  
43 *committee on energy established by ORS 458.515,*] shall determine the manner in which funds col-  
44 lected under this subsection will be allocated by the department to energy assistance program pro-  
45 viders for the purpose of providing low-income bill payment and crisis assistance.

1 (B) The department shall investigate and may implement alternative delivery models [*specified*  
2 *by the advisory committee on energy,*] in consultation with electric companies[,] to effectively reduce  
3 service disconnections and related costs to retail electricity consumers and electric utilities.

4 (C) Priority assistance shall be directed to low-income electricity consumers who are in danger  
5 of having their electricity service disconnected.

6 (D) The department shall maintain records and provide those records upon request to an electric  
7 company, Oregon Community Power and the Citizens' Utility Board established under ORS chapter  
8 774 on a quarterly basis. Records maintained must include the numbers of low-income electricity  
9 consumers served, the average amounts paid and the type of assistance provided. Electric companies  
10 and Oregon Community Power shall, if requested, provide the department with aggregate data re-  
11 lating to consumers served on a quarterly basis to support program development.

12 (e) Interest on moneys deposited in the Housing and Community Services Department Low-  
13 Income Electric Bill Payment Assistance Fund established by ORS 456.587 (2) may be used to pro-  
14 vide bill payment and crisis assistance to electricity consumers whose primary source of heat is not  
15 electricity.

16 (f) Notwithstanding ORS 757.310, the commission may allow an electric company or Oregon  
17 Community Power to provide reduced rates or other payment or crisis assistance or low-income  
18 program assistance to a low-income household eligible for assistance under the federal Low Income  
19 Home Energy Assistance Act of 1981, as amended and in effect on July 23, 1999.

20 (8) For purposes of this section, "retail electricity consumers" includes any direct service in-  
21 dustrial consumer that purchases electricity without purchasing distribution services from the elec-  
22 tric utility.

23 (9) For purposes of this section, amounts collected by Oregon Community Power through public  
24 purpose charges are not considered moneys received from electric utility operations.

25  
26 **NAME CHANGES**  
27

28 **SECTION 51. (1)(a) The amendments to ORS 456.567 by section 9 of this 2015 Act are in-**  
29 **tended to change the name of the "State Housing Council" to the "Oregon Housing Stability**  
30 **Council."**

31 **(b) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel**  
32 **may substitute for words designating the "State Housing Council," wherever they occur in**  
33 **statutory law, other words designating the "Oregon Housing Stability Council."**

34 **(2)(a) The amendments to ORS 458.532 and 458.545 by sections 22 and 23 of this 2015 Act**  
35 **are intended to change the name of the "Hunger Relief Task Force" to the "Hunger Task**  
36 **Force."**

37 **(b) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel**  
38 **may substitute for words designating the "Hunger Relief Task Force," wherever they occur**  
39 **in statutory law, other words designating the "Hunger Task Force."**

40  
41 **UNIT CAPTIONS**  
42

43 **SECTION 52. The unit captions used in this 2015 Act are provided only for the conven-**  
44 **ience of the reader and do not become part of the statutory law of this state or express any**  
45 **legislative intent in the enactment of this 2015 Act.**

