

HOUSING AND COMMUNITY SERVICES DEPARTMENT

DIVISION 44

HOME OWNERSHIP ASSISTANCE PROGRAM

813-044-0000

Purpose and Objectives

The rules of OAR Chapter 813 Division 044, are established to accomplish the general purpose of both the 1995 Legislative Session law Chapter 174, House Bill 2133, and the 2009 Legislative Session law Chapter 99, House Bill 2436. The Home Ownership Assistance Program (Account) of the Oregon Housing Fund, shall be administered by the Housing and Community Services Department to establish a program to expand the percentage of low and very low income Oregonian families and individuals who own their own homes including, but not limited to, more than 65 years of age, persons with disabilities, minorities and farm workers. These rules describe the Home Ownership Assistance Program and its objective to provide grants to organizations that both sponsor and manage low income home ownership programs, including lease-to-own programs, for the construction of new home ownership housing or for the acquisition or rehabilitation of existing structures for home ownership housing for persons of low and very low income, or both. Program funding will be consistent with the intent to provide eligible home purchasers with assistance for down payment, closing costs, or other means to make ownership feasible, as well as assure home ownership education. Stat. Auth.: ORS 458.600 - ORS 458.655
Stats. Implemented: ORS 458.600, ORS 458.605, ORS 458.610, ORS 458.620, and ORS 458.625

813-044-0010

Definitions All words and terms are used in OAR Chapter 813, Division 44, as defined in the Act, and as provided in 813-005-0005 and herein. As used in these rules, unless the context indicates otherwise:

- (1) "Account" means the Home Ownership Assistance Account of the Oregon Housing Fund.
- (2) "Council" means the State Housing Council established in ORS 456.567.
- (3) "Department" means Housing and Community Services Department established under ORS 456.555.
- (4) "In-Kind Contribution" means a supportive project contribution other than cash. In-Kind Contributions include, but are not limited to, office equipment, working space, office supplies, staff time, telephone, support staff time, auto use, donated project materials or labor, and non-Board volunteer time.
- (5) "Low Income" means individuals or households that receive more than 50 percent and not more than 80 percent of the median family income for the area, subject to adjustment for areas with unusually high or low incomes or housing costs, all as determined by the council based on information from the United States Department of Housing and Urban Development.
- (6) "Minority" means an individual:
 - (a) Who has origins in one of the black racial groups of Africa but who is not Hispanic;

- (b) Who is of Hispanic culture or origin;
- (c) Who has origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent or the Pacific Islands; or
- (d) Who is an American Indian or Alaskan Native having origins in one of the original peoples of North America.

(7) "Organization" means a:

- (a) Nonprofit corporation established under ORS chapter 65;
- (b) Housing authority established under ORS 456.055 to 456.235; or
- (c) Local government as defined in ORS 197.015.

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

(9) "Project" means the deliverables submitted by the Organization in response to the application form and process prescribed by the Department

(10) "Very Low Income" means Individuals or households that receive 50 percent or less of the median family income for the area, subject to adjustment for areas with unusually high or low incomes or housing costs, all as determined by the Council based on information from the United States Department of Housing and Urban Development.

Stat. Auth.: ORS 458.600 - ORS 458.655

Stats. Implemented: ORS 458.610

813-044-0020

Purpose of Home Ownership Assistance Program

(1) The Department shall provide grants from Account revenue subject to the availability of funds and limitations otherwise prescribed by law for any or all of the following purposes:

(a) To aid low income home ownership programs, including program administration, in purchasing land, providing assistance with down payment costs which includes closing costs, or providing home ownership training and qualification services or any combination thereof. Funds may not be used by an organization to pay for its general operations or to pay for more than 25 percent of construction or rehabilitation costs per project;

(b) To match public and private moneys available from other sources for purposes of the provision of Low or Very Low Income home ownership housing.

(2) Eligible applicants are Organizations that both sponsor and manage low and/or very low income home ownership programs.

Stat. Auth.: ORS 458.600 - ORS 458.655

Stats. Implemented: ORS 458.625

813-044-0030

Distribution of Funds

(1) The Department shall distribute funds statewide and shall concentrate funds in those areas of the state with the greatest housing need, as determined by the Council.

(2) The Council will determine the maximum program award to an Organization.

Stat. Auth.: ORS 458.600 - ORS 458.655

Stats. Implemented: ORS 458.625

813-044-0040

Application Procedure and Requirements

- (1) The Department may provide grant funds subject to the availability of funds in the Account through a process which may include, but is not limited to, receipt and response to individual proposals or submission of proposals subject to a competitive review process. The applicant organization shall submit, in an application form and process prescribed by the Department, project information including, but not limited to:
- (a) A written description of the Project including, but not limited to, the proposed program of services to program participants, criteria for selecting prospective homeowners, and any other information pertinent to the Project;
 - (b) A statement of Project purpose indicating the housing type and target home owners to be housed, how the Project may expand the percentage of home ownership for Oregonians and how the project will provide home ownership opportunities for Low or Very Low Income households, persons with disabilities, minorities and farm workers;
 - (c) A proforma of Project expenses, income (if applicable) and financing;
 - (d) Grant amount requested and total Project development costs, including a description of all additional Project funding and funding sources;
 - (e) A description of the sponsor/manager experience in developing, managing, and operating home ownership programs;
 - (f) A description of the Organization's program management responsibilities; and
 - (g) Such other documentation as the Department may require.

Stat. Auth.: ORS 458.600 - ORS 458.605, ORS 458.610, ORS 458.620, ORS 458.625 & ORS 458.655

Stats. Implemented: ORS 458.625

813-044-0050

Criteria For Funding

- (1) A grant award may be given preference based on:
- (a) Providing the greatest number of Low and Very Low Income home ownership housing units for the least amount of Account funds expended or committed toward leveraged funds from other loans, grants, or eligible In-Kind Contributions;
 - (b) Ensuring the longest possible use as Low or Very Low Income home ownership housing units such as including some form of equity recapture, land trust or shared equity provisions as determined by the Council;
 - (c) Including a program of services for home owners and proposed home owners of proposed housing including, but not limited to, programs that address home health care, mental health services, alcohol and drug treatment and post-treatment care, child care, case management, home ownership education training, mortgage qualification, credit repair, home owner budgeting and foreclosure counseling.
 - (d) Supporting a comprehensive strategy to reverse the decreasing rates of home ownership among minorities, giving priority to activities that support adopted comprehensive community plans that incorporate recognized best practices or demonstrate proven success in increasing home ownership for minorities;
- (2) Other subordinate criteria as determined by the Department and included in a competitive proposal solicitation.
- (3) Down payment, including closing cost, assistance programs shall include home ownership education/training as a requisite for program participant eligibility to receive assistance funds. The Department will establish and maintain a list of approved home ownership education/training programs.

(4) A grant shall be conditioned upon the continued use of the program for the targeted ownership group for the duration and to the extent indicated in the grant application. Programs should target recapture of assistance resulting from owner's home sale. Recycling recaptured funds is an acceptable program provision. The Department, at its discretion, may require repayment of the grant if all or part of the commitments to home owner groups, supportive services, or period of use for Low or Very Low Income housing are withdrawn from the project. Grant terms and conditions shall be established in a program use agreement and recorded (if applicable).

Stat. Auth.: ORS 458.600 - ORS 458.650

Stats. Implemented: ORS 458.625

813-044-0060

Charges

(1) The Department may require a non-refundable application charge from any applicant requesting Home Ownership Assistance Program Account funds.

(2) A supplemental application charge from applicants requesting additional resources on the project funded by the Department may be required.

Stat. Auth.: ORS 458.600 - ORS 458.650

Stats. Implemented: ORS 458.625