

OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT

DIVISION 55

GENERAL HOUSING ACCOUNT

813-055-0001

Purpose and Objectives

The rules of OAR chapter 813, division 55, are established to administer ORS 456.515 to 456.725 and 458.600 to 458.660, which authorize the Department to govern the allocation of moneys deposited in the General Housing Account to best meet critical housing needs and to build the organizational capacity of partners throughout the state; and require equitable distribution of resources over time based on objective measures or need, including the number and percentage of low and very low income households in an area.

Stat. Auth.: ORS 456.515 - 456.725, 458.600 - 458.660

Stats. Implemented: ORS 458.660

813-055-0010

Definitions

All terms are used in OAR 813, division 55, 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 General Housing Account.
- (2) "Council" means the State Housing Council established in ORS 456.567.
- (3) "Department" means Oregon Housing and Community Services Department established in ORS 456.555.
- (4) "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 the adjustment for areas with unusually high or low incomes or housing costs, all as determined by the council based on information from the U.S. Department of Housing and Urban Development.
- (5) "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.
- (6) "Persons with disabilities" means persons with handicaps described in 42 U.S.C. 3602(h).
- (7) "Very-Low Income" means individuals or households that receive 50 percent or less of the median family 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 U.S. Department of Housing and Urban Development.

Stat. Auth.: ORS 456.515 - 456.725, 458.600 - 458.660

Stats. Implemented: ORS 458.660

813-055-0020

Eligibility for General Housing Account Funds

The Department may disburse moneys in the account by contract, grant, loan or otherwise as the Department determines necessary, subject to the availability of funds and limitations otherwise prescribed by law for any or all of the following purposes:

(1) Multifamily Affordable Housing Development. To organizations, for-profit entities and individuals to construct new housing, to acquire and/or rehabilitate existing structures, and/or to operate housing for low and/or very-low income households.

(2) Affordable Housing Capacity Building. To build the capacity of non-profit entities and housing authorities to develop affordable housing.

Stat. Auth.: ORS 456.515 - 456.725, 458.600 - 458.660

Stats. Implemented: ORS 458.660

813-055-0030

Distribution of Funds

The Department shall develop a distribution method for both Multifamily Affordable Housing Development and Affordable Housing Capacity Building which provides for an equitable distribution of resources statewide over time based on objective measures of need, including, but not limited to:

(1) The number and percentage of low and very-low income households in an area;

(2) The estimated need for affordable housing as determined by the Department and Council; and

(3) The need of a nonprofit or housing authority to build its capacity to develop and operate housing serving low and very low income populations.

Stat. Auth.: ORS 456.515 - 456.725, 458.600 - 458.660

Stats. Implemented: ORS 458.660

813-055-0040

Application Procedure and Requirements

The Department may provide contract, grant and/or loan funds subject to the availability of funds in the Account through a process which may include, but is not limited to, a first-come, first-reviewed or a competitive review process. The applicant shall submit, in an application form and process prescribed by the Department, proposals specific to:

(1) Multifamily Affordable Housing Development which may include, but is not limited to:

(a) A written description of the project including the number of units, unit mix, proposed rents, site location, the proposed program of services to occupants, project amenities, and any other information pertinent to the project;

(b) A statement of project purpose indicating the housing type and residents to be housed, and the length of time the units will be committed to be available for low- or very-low income households;

(c) A pro forma of project expenses and income;

(d) Requested grant or loan funds including proposed repayment terms;

(e) Total project development costs, including a description of all additional project funding and funding sources;

(f) A description of the sponsor/developer/owner/manager experience in developing and operating housing projects; and,

(g) Such other documentation as the Department may require.

(2) Affordable Housing Capacity Building which may include:

- (a) A written description of proposal which describes the use of funds, and the impact to non-profit housing developers and housing authorities and their ability to expand their capacity in delivering affordable housing;
- (b) Documentation that clearly demonstrates the financial need of a non-profit housing developer or housing authority;
- (c) A plan that describes how the non-profit or housing authority developer will use the funds in a way that doesn't create significant reliance on future funding; and
- (d) Such other documentation as the Department may require.

Stat. Auth.: ORS 456.515 - 456.725, 458.600 - 458.660

Stats. Implemented: ORS 458.660

813-055-0050

Criteria for Funding

(1) Specific Criteria for Multifamily Affordable Housing Development includes the following:

- (a) A grant and/or loan may be given preference based on:
 - (A) Providing the greatest number of low and very low income housing units for the least amount of Account funds expended or committed toward matching fund from other loans, grants or eligible In-Kind Contributions.
 - (B) Ensuring the longest possible use as low- or very-low income housing units as established by the Council; and
 - (C) Other subordinate criteria as determined by the Department including, but not limited to, providing housing for specific populations which have historically faced barriers in finding housing, and which are identified as having a priority in the Consolidated Plan or its successor, or in a state-acknowledged initiative.
- (b) Funding to a project development shall be conditioned upon the continued use of the project for the targeted tenant group and provision of supportive services for the duration and to the extent indicated in the grant and/or loan application. The Department, at its discretion, may require repayment of the funding if all or part of the commitments to residents, supportive services, or period of use for low- or very-low income housing is withdrawn from the project.
- (c) Terms and conditions of the award shall be established in the grant or loan agreement or other documents required by the Department and recorded against the property.
 - (A) If the applicant does not own the property at the time of fund disbursement or is a long-term lessee, the applicant or lessor will be required to open an escrow account and have the Use Agreement with Trust Deed placed in escrow and recorded immediately upon obtaining title to or control of the property.

(2) Specific Criteria for Affordable Housing Capacity Building may include the following:

- (a) A grant and/or loan may be given preference based on:
 - (A) Demonstration that the funds will enhance the ongoing capacity of the nonprofit or housing authority developer;
 - (B) The financial need of a non-profit or housing authority; and
 - (C) Other subordinate criteria as determined by the Department.
- (b) Funding awards are not to become an ongoing subsidy.
- (c) Terms and conditions of the award shall be established in the grant or loan agreement or other documents required by the Department.

Stat. Auth.: ORS 456.515 - 456.725, 458.600 - 458.660
Stats. Implemented: ORS 458.660

813-055-0060

Application Review

(1) The Department shall consider all applications and make application approval, deny application approval, forward for State Housing Council review, or request additional information within the timeframe set forth in the application materials.

(2) A grant, loan or other funding award in excess of an applicable threshold, as established by the State Housing Council, requires Council review and approval under ORS 456.561. The Council shall approve or disapprove the application at a public hearing of the Council, pursuant to ORS 456.571(2).

(3) In reviewing applications for assistance, the Department and the Council, as appropriate, may consider, in addition to any special evaluation criteria, the following:

(a) Amount of available funds in the Program;

(b) Ability of the applicant to meet proposed terms of loan repayment in cases where funding is awarded as a loan;

(c) Availability of other sources of assistance; and

(d) Applicant's efforts to leverage public or private funds.

(4) The Department shall select those applications which, in the judgment of the Department, best achieve the purposes of the Program and any evaluation criteria outlined in the Program application forms and handbooks.

Stat. Auth.: ORS 456.515 - 456.725, 458.600 - 458.660

Stats. Implemented: ORS 458.660

813-055-0070

Charges

(1) The Department may impose a charge from any applicant requesting General Housing Account funds.

(2) For Multifamily Affordable Housing Development awards, the Department may require a transfer application charge from owners of projects that receive contracts, grants, loans, or tax credits through the Department, who request the Department's approval of a change in project ownership. The Department may assess a transfer review charge to project owners and transferees who effect a change in project ownership without prior written Department approval.

(3) The Department may charge for Department of Justice time required for review of applicant requested changes to proscribed documents.

Stat. Auth.: ORS 456.515 - 456.725, 458.600 - 458.660

Stats. Implemented: ORS 458.660

813-055-0080

General Administrative and Monitoring Requirements

(1) The Department's monitoring of Program compliance may require annual reports from the recipient.

(2) The Department may perform such reviews or field inspections as it deems necessary to ensure Program compliance. The Department may require that a recipient take such

remedial actions as described in the terms and conditions of the award and OAR 813-52-0090.

(3) Financial records, supporting documents, and all other pertinent records shall be retained by a General Housing Account recipient for six years after the project is complete, or after any litigation or audit claim is resolved, whichever is later. The Department shall have access to all books, accounts, documents, records and other property belonging to or in use by the recipient which relate to the use of General Housing Account funds.

Stat. Auth.: ORS 456.515 - 456.725, 458.600 - 458.660

Stats. Implemented: ORS 458.660

813-055-0090

Remedies for Noncompliance

At any time before the expiration of the affordability period, the Department may find that a recipient is not in compliance with the requirements of the Program for reasons including but not limited to use of funds for activities not approved in the Use Agreement, failure to complete activities in a timely manner, failure to comply with applicable rules or regulations, or the lack of a continued capacity by the recipient to carry out the approved activities. Remedies for noncompliance may include penalties imposed by the Department, including but not limited to, repayment of General Housing Account funds.

Stat. Auth.: ORS 456.515 - 456.725, 458.600 - 458.660

Stats. Implemented: ORS 458.660

813-055-0100

Sanctions

(1) The Department may invoke sanctions against a recipient that fails to comply with the provisions of its grant or loan agreements. The following circumstances may warrant sanctions:

(a) General Housing Account funds have not been disbursed within one year of award by the Department or the recipient;

(b) Any local or private party funding agreements related to the project are not executed within six months of the award of General Housing Account funds;

(c) There is a material breach of the Use Agreement;

(d) The Use Agreement was not recorded on the property required by OAR 813-042-0050(3) or as agreed; or

(e) The Department finds that significant corrective actions are necessary to protect the integrity of the project funds, and those corrective actions are not, or will not be, made within a reasonable time (the funds were used for costs not eligible under the General Housing Account program or the project has not served the population stated in the Use Agreement).

(2) One or more of the following sanctions may be imposed by the Department:

(a) Prohibit a recipient from applying for future General Housing Account assistance or other Department assistance;

(b) Revoke an existing General Housing Account award;

(c) Withhold unexpended General Housing Account funds;

(d) Require return of General Housing Account funds that have been disbursed to the recipient but not expended by the recipient;

- (e) Require repayment of expended General Housing Account funds; and
 - (f) Invoke other remedies that may be incorporated into the Use Agreement.
- (3) Sanctions will not be imposed by the Department until the recipient has been notified in writing of its deficiencies and given a reasonable time to respond and correct the deficiencies noted. The sanctions and remedies set forth in this OAR 813-042-0100 are cumulative and not exclusive and are in addition to any other rights and remedies provided by law or under the Use Agreement.

Stat. Auth.: ORS 456.515 - 456.725, 458.600 - 458.660

Stats. Implemented: ORS 458.660

813-055-0110

Waiver

The Director may waive or modify any requirements of these Program rules, unless such waiver or modification would violate applicable federal or state statutes or regulations.

Stat. Auth.: ORS 456.515 - 456.725, 458.600 - 458.660

Stats. Implemented: ORS 458.660

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