

# HOUSING AND COMMUNITY SERVICES DEPARTMENT

## DIVISION 44

### HOME OWNERSHIP ASSISTANCE PROGRAM OF THE OREGON HOUSING FUND

#### 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 44 establish 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 purchase of land for homeownership housing, for purchase of land for placement of manufactured dwellings, 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 in order to implement the purposes of the Home Ownership Assistance Account of the Oregon Housing Fund described in ORS 458.655. 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. Each biennium, the Department will review and reevaluate the effectiveness of its funding strategies under these rules.~~

Stat. Auth.: ORS ~~458.600–458.655~~ 456.555

Stats. Implemented: ORS ~~458.600, 458.605, 458.610, 458.620, & 458.625~~ and 458.655

#### 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—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—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 amount of a maximum program award to an organization under the Home Ownership Assistance Account is subject to determination by the State Housing Council.

Stat. Auth.: ORS 458.600 – 458.655, 456.555

Stats. Implemented: ORS 458.625, 458.620, 458.655

## 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,~~ An organization may apply for a grant from the Home Ownership Assistance Account under ORS 458.655 if the organization:

(a) Is a nonprofit corporation established under ORS chapter 65, a housing authority established under ORS 456.055 to 456.235 or a local government as defined in ORS 197.015; and

(b) Sponsors and manages low income homeownership programs as required by ORS 458.655.

~~(2) An organization applies for a grant under this rule by submitting to the Department all of the following:~~

~~(a) An application, on a form established by the Department;~~

~~(b) A nonrefundable application charge established by the Department; and~~

~~(c) All project information required by the Department, including, but not limited to:~~

~~(1)(A) A written description of the project purposes for which the grant will be used, including, but not limited to, the proposed *program of* services to *program participants* prospective homeowners, criteria for selecting prospective homeowners, and any other pertinent information pertinent to the Project;~~

~~(2)(B) A statement of Project purpose indicating description of the housing type and target home owners to be housed, how the manner in which 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;~~

~~(3)(C) A proforma of project expenses, income (if applicable) and financing and, if applicable, income;~~

~~(4)(D) The grant amount requested and total project development costs, including a description of all additional project funding and funding sources;~~

~~(5)(E) A description of the sponsor/manager experience of the sponsor or manager in developing, managing, and operating home ownership programs;~~

~~(6)(F) A description of the organization's program management responsibilities; and~~

~~(7)(G) Such Any other documentation as required by the Department may require.~~

(3) An organization that requests additional resources on a project funded by the Home Ownership Assistance Account shall pay all supplemental application charges imposed by the Department for the resources.

Stat. Auth.: ORS ~~458.600—458.605, 458.610, 458.620, 458.625 & 458.655~~ 456.555  
Stats. Implemented: ORS ~~458.625—458.620, 458.655~~

## 813-044-0050

### Criteria for Funding

(1) Grants by the Department under the Home Ownership Assistance Program are subject to the availability of funds in the Home Ownership Assistance Account and to limits established by law. The process by which the Department makes grants may include but is not limited to consideration of individual proposals and the use of a competitive review process.

~~(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) In addition to the criteria in ORS 458.655 for preference in making grants, a grant application is subject to ~~Other~~ subordinate criteria *as determined* established by the Department and included in a competitive proposal solicitation.

(3) ~~Down payment, including closing cost, assistance programs shall include~~ When an organization provides assistance under the Home Ownership Assistance Program for down payments, including closing costs, the organization shall do the following:

(a) Provide education and training in home ownership ~~education/training as a requisite for program participant~~ to recipients of the assistance from a source approved by the Department; and

(b) Require each recipient to take the education and training as a condition of 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—458.655~~456.555

~~Stats. Implemented: ORS 458.600, 458.605, 458.610, 458.620, & 458.625~~ and 458.655

### 813-044-0055

#### Use of Grant Funds

An organization that receives a grant under the Home Ownership Assistance Program:

(1) Is subject to the condition that the organization continue to use the grant for the targeted ownership group for the duration and to the extent authorized by the grant application.

(2) May provide in its agreements with homeowners that when a homeowner sells the home for which the organization's assistance was furnished, the organization may recapture some or all of the assistance from proceeds of the sale;

(3) May use funds recaptured under section (2) of this rule to furnish further assistance under the program; and

(4) May be required by the Department to repay all or part of the grant if the organization withdraws from the project all or part of the commitments to home owner groups or the period of use for low or very low income housing from the project.

Stat. Auth.: ORS 456.555

Stats. Implemented: ORS 458.620, 458.655

### ~~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 458.655, 456.505—456.720 & HB 2436 (2009)~~

~~Stats. Implemented: ORS 458.655 & HB 2436 (2009)~~