Chapter 458

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Housing and Community Services Programs; Individual Development Accounts

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458.025 [1989 c.1051 §18; 1991 c.459 §411; 1997 c.541 §437; 2005 c.470 §7; renumbered 307.667 in 2005]

458.035 [1989 c.1051 §19; 2005 c.470 §8; renumbered 307.671 in 2005]

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458.045 [1989 c.1051 §21; 1991 c.459 §412; 1995 c.377 §2; 1997 c.541 §438; 2005 c.470 §11; renumbered 307.681 in 2005]

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458.060 [1989 c.1051 §23; 1991 c.459 §414; 1997 c.541 §439; 2005 c.470 §13; renumbered 307.687 in 2005]

458.065 [1989 c.1051 §24; 1991 c.459 §415; 1995 c.377 §3; 1997 c.541 §440; 2005 c.470 §14; renumbered 307.677 in 2005]

COMMUNITY-BASED HOUSING DEVELOPMENT

458.210 Community development corporations; description. For the purposes of ORS 456.550 and 458.210 to 458.240, a community development corporation is an organization that:

(1) Is established under the provisions of ORS chapter 65;

(2) Has qualified for tax exempt status under section 501(c)(3) of the Internal Revenue Code;

(3) Has a purpose, stated in the articles of incorporation, to serve low and moderate income people's need for community development and community self-help;

(4) Has a board of directors, of not fewer than five members, that is locally controlled by including 51 percent of the board members from the service area; and

(5) Has a defined geographic service area. [1989 c.1030 §1]

458.215 Local capacity building program. The Housing and Community Services Department may establish a program to build local capacity to address any or a combination of the following:

(1) Housing needs of people, with low or moderate incomes, for homeownership and affordable rental housing;

(2) The problem of abandoned houses;

(3) The need for adequate housing for seasonal farm laborers;

(4) Housing problems for low and moderate income elderly and disabled persons;

(5) The need to incorporate social service programs as a component of community economic development; and

(6) The need to incorporate related jobs for low and moderate income persons as a component of community economic revitalization. [1989 c.1030 §2; 1991 c.907 §1; 1993 c.794 §1]

458.220 Community development corporation grants and assistance. In carrying out the provisions of ORS 458.215, the Housing and Community Services Department shall provide any or a combination of the following:

(1) Initial planning grants to qualified nonprofit community-based organizations, including but not limited to housing authorities and community action agencies, to initiate community development corporations. To qualify under this subsection, an organization shall obtain matching funds or in-kind contributions in an amount determined by rule;

(2) Grants to community development corporations for projects intended to extend the capacity of the corporation to meet the housing needs of the service area;

(3) Grants to community development corporations for projects that combine community-based social service programs with related jobs for low and moderate income persons to promote community economic revitalization; and

(4) Technical assistance to community-based organizations, developing community development corporations and existing community development corporations to carry out the provisions of ORS 456.550 and 458.210 to 458.240. For purposes of ORS 456.550 and 458.210 to 458.240, technical assistance includes but is not limited to training and assisting community development corporations with:

(a) Conducting needs assessments;

(b) Training boards of directors;

(c) Recruiting project development teams;

(d) Determining and applying for available assistance;

(e) Conducting feasibility studies;

(f) Financial planning;

(g) Preparing project budgets;

(h) Proposal writing and project packaging;

(i) Organizational structure and design;

(j) Generating local support; and

(k) Obtaining legal and accounting advice. [1989 c.1030 §3; 1991 c.907 §2; 1993 c.794 §2]

458.225 Preference for certain community development corporations. (1) In carrying out the provisions of ORS 456.550

and 458.210 to 458.240, the Housing and Community Services Department shall give preference to a community development corporation that:

(a) Has a defined geographic service area outside an entitlement community or county;

(b) Has a defined geographic service area inside an entitlement community or county but does not include more than 50,000 people in the service area;

(c) Has a defined geographic service area that includes five or fewer nonentitlement counties; and

(d) Can demonstrate support from the community.

(2) As used in this section, "entitlement community or county" means any area within the state that is:

(a) A "metropolitan city" as defined in 42 U.S.C. 5302(4) (1995); or

(b) An "urban county" as defined in 42 U.S.C. 5302(6) (1995). [1989 c.1030 §4; 1997 c.47 §1]

458.235 Rules. The Housing and Community Services Department shall adopt rules to carry out the provisions of ORS 456.550 and 458.210 to 458.240, including rules to define "persons of low and moderate income." [1989 c.1030 §6]

458.240 Effect of law on other community development corporations. Nothing in ORS 456.550 and 458.210 to 458.240 shall limit the authority or powers of community development corporations authorized pursuant to ORS 708A.150. [1989 c.1030 §9; 1997 c.631 §475]

HOUSING REVITALIZATION PROGRAM

458.305 Legislative findings. The Legislative Assembly finds that:

(1) A critical shortage exists of suitable, affordable housing for households with an income below the median income. This shortage is particularly acute with respect to rental housing.

(2) During the past half decade, the supply of rental housing that is affordable to households at or below the median income level has not kept pace with the demand.

(3) The lack of suitable, affordable housing is a barrier to Oregon's development.

(4) It is in the economic and social interest of the state to encourage public agencies and private parties to efficiently expand the supply of housing in Oregon for households at or below the median income level.

(5) The quantity of public resources available to support the expansion and rehabilitation of low and moderate income housing stock is limited. Consequently, it is the policy of this state to attempt to target the use of these resources so that a maximum amount of usable housing product is delivered to Oregon citizens at the minimum cost required for prudent program administration. [1989 c.1016 §1]

458.310 Housing revitalization program; criteria; rules. (1) The State Housing Council shall adopt rules to develop and administer a housing revitalization program for low and moderate income housing.

(a) Applicants for revitalization program funds shall be:

(A) A unit of local government;

(B) A housing authority;

(C) A nonprofit corporation; or

(D) An applicant eligible under subparagraph (A), (B) or (C) of this paragraph, who contracts with another entity, including a private for-profit corporation.

(b) Housing revitalization projects shall bring into use vacant and abandoned property or rehabilitate substandard property, or both. Eligible project activities include, but are not limited to:

(A) Purchase of property;

(B) Rehabilitation of housing units;

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

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

(E) Other activities that have the effect of making properties available to and occupied by persons of lower income, such as loan guarantees.

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

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

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

(3) Priority among rental housing projects shall be given to projects applied for under subsection (1) of this section that:

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

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

(c) Demonstrate a coordinated local effort to integrate housing, job placement and social services.

(4) In implementing this section and ORS 458.305, the State Housing Council shall work to assure a reasonable geographic distribution of funds among different regions of the state and shall place special emphasis on assuring that funds are available to projects in rural areas. [1989 c.1016 §2; 1995 c.79 §269]

LOW INCOME RENTAL HOUSING FUND

458.350 Low Income Rental Housing Fund established. (1) The Housing and Community Services Department Low Income Rental Housing Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned on the Housing and Community Services Department Low Income Rental Housing Fund shall be credited to the fund.

(2) The Housing and Community Services Department Low Income Rental Housing Fund shall consist of all moneys paid into the fund under the provisions of ORS 105.130, any voluntary contributions made to the fund and any interest thereon.

(3) Costs of administering the program described in ORS 458.350 and 458.360 shall be paid from the fund. [1989 c.916 §4; 1997 c.801 §35a]

458.355 Criteria for use of fund. The Housing and Community Services Department shall adopt criteria for the use of the Housing and Community Services Department Low Income Rental Housing Fund by the department including criteria that:

(1) Restrict the payment of funds to only those programs that defray the cost of rent for dwelling units for very low income households.

(2) Exclude a housing authority established under the provisions of ORS 456.055 to 456.235 from receiving such funds for the purpose of defraying the cost of rents on property owned or actively managed by the housing authority.

(3) Maximize coordination of services at the local level to carry out the provisions of ORS 458.365 and this section. [1989 c.916 §6; 1991 c.716 §3; 1997 c.801 §35b]

458.360 Appropriation. Moneys in the Housing and Community Services Department Low Income Rental Housing Fund are continuously appropriated to the Housing and Community Services Department to administer for the purposes of providing housing for persons and families of lower income. [1989 c.916 §5]

458.365 Housing and Community Services Department to administer Low Income Rental Housing Fund law. The Housing and Community Services Department shall administer the provisions of ORS 458.350 to 458.365. [1989 c.916 §8; 1991 c.716 §5; 1997 c.801 §36]

LOW-INCOME HOUSING INVOLVING STATE PROPERTY

458.405 Legislative findings. The Legislative Assembly finds that:

(1) Safe, affordable and readily available housing options for low-income individuals and families do not match the increasing need for such housing in this state.

(2) Much state-owned property is unused and could be made available to increase housing options for low-income individuals and families.

(3) Unused property kept for long periods of time generally decreases in value.

(4) A method to dispose of or transfer such property and have it utilized for a public purpose is in the interests of the people of this state.

(5) It will further the public interest to put unused state-owned real property at the disposal of nonprofit housing providers and housing authorities to address the housing needs of low-income individuals and families in this state. [1989 c.440 §1]

458.410 Purposes. The purposes of ORS 458.405 to 458.460 are to provide low-income housing options including but not limited to:

(1) Transitional and emergency housing for low-income individuals and families as long as this type of housing is accompanied by adequate supporting social services; and

(2) Permanent low-income housing units. [1989 c.440 §2]

458.415 Rules. In carrying out ORS 458.405 to 458.460, the state shall act by and through its duly constituted board, commission or agency. The state by statute or through its respective board, commission or agency, may provide rules necessary to carry out ORS 458.405 to 458.460. [1989 c.440 §3; 1995 c.79 §270]

458.420 Conveyance of certain state real property for low-income housing. Whenever the state or any state agency possesses or controls real property that might be used to further the public use of providing housing options for low-income individuals and families that is unused for any other public purpose and in which no long-term policy exists to use it for another public purpose, then the state or its agency may sell, convey or lease for a period not to exceed 99 years, all or any part of its interest

in the property to a nonprofit organization involved with providing low-income housing options or to a housing authority. The consideration for the transfer may be cash or real property, or both. [1989 c.440 §4]

458.425 Restriction on conveyance of certain state real property. Real property needed for a public use other than low-income housing shall not be sold, exchanged, leased or conveyed under the authority of ORS 458.405 to 458.460. [1989 c.440 §5]

458.430 Authority of state to lease property not owned by state. (1) The authority to lease property granted by ORS 458.420 includes authority to lease property not owned or controlled by the state at the time of entering the lease. Such lease shall be conditioned upon the subsequent acquisition of the interest covered by the lease.

(2) Any lease of state real property to be used for the purposes of ORS 458.405 to 458.460 exceeding five years shall be approved in advance by the Oregon Department of Administrative Services. [1989 c.440 §6]

458.440 Authorization to lease; terms and conditions. Every lease entered into pursuant to ORS 458.405 to 458.460 shall be authorized by order of the state agency executing the lease and shall provide such terms and conditions as may be fixed by the government body executing the lease. [1989 c.440 §7]

458.445 Authority to relinquish title to property; purpose. The state is hereby granted express power to relinquish the title to any of its property not needed for another public purpose to the United States Government or any other governmental body, political subdivision, housing authority or nonprofit organization involved with providing low-income housing, in order to promote the public purpose of increasing housing options for low-income individuals and families in this state. [1989 c.440 §8]

458.450 Approval required by governing body where property located. Before the transfer of any state-owned real property under the provisions of ORS 458.405 to 458.460 to a housing authority or a nonprofit organization involved with providing low-income housing to individuals and families in this state, the state or its agency, board or commission shall obtain approval of the governing body in which such property is located. [1989 c.440 §9]

458.460 Bidding procedure for multiple applicants. In the event that more than one housing authority or appropriate nonprofit organization is interested in a building available for transfer under ORS 458.405 to 458.460, the state or its agency shall conduct a bidding process that takes into account:

(1) The entity most capable of delivering services and housing options to conform with the purpose of ORS 458.405 to 458.460;

(2) The fiduciary obligation of the state and its agencies to bondholders; and

(3) Financial prudence. [1989 c.440 §10]

COMMUNITY SERVICES PROGRAMS

458.505 Community action agency network as delivery system for federal antipoverty programs; duties of Housing and Community Services Department. (1) The community action agency network, established initially under the federal Economic Opportunity Act of 1964, shall be the delivery system for federal antipoverty programs in Oregon, including the Community Services Block Grant, Low Income Energy Assistance Program, State Department of Energy Weatherization Program and such others as may become available.

(2) Funds for such programs shall be distributed to the community action agencies by the Housing and Community Services Department with the advice of the Community Action Directors of Oregon.

(3) In areas not served by a community action agency, funds other than federal community services funds may be distributed to and administered by organizations that are found by the Housing and Community Services Department to serve the antipoverty purpose of the community action agency network.

(4) In addition to complying with all applicable requirements of federal law, a community action agency shall:

(a) Be an office, division or agency of the designating political subdivision or a not for profit organization in compliance with ORS chapter 65.

(b) Have a community action board of at least nine but no more than 33 members, constituted so that:

(A) One-third of the members of the board are elected public officials currently serving or their designees. If the number of elected officials reasonably available and willing to serve is less than one-third of the membership, membership of appointed public officials may be counted as meeting the one-third requirement;

(B) At least one-third of the members are persons chosen through democratic selection procedures adequate to assure that they are representatives of the poor in the area served; and

(C) The remainder of the members are officials or members of business, industry, labor, religious, welfare, education or other

major groups and interests in the community.

(c) If the agency is a private not for profit organization, be governed by the Community Action Board. The board shall have all duties, responsibilities and powers normally associated with such boards, including, but not limited to:

(A) Selection, appointment and dismissal of the executive director of the agency;

(B) Approval of all contracts, grant applications and budgets and operational policies of the agency;

(C) Evaluation of programs; and

(D) Securing an annual audit of the agency.

(d) If the organization is an office, division or agency of a political subdivision, be administered by the board which shall provide for the operation of the agency and be directly responsible to the governing board of the political subdivision. The administering board at a minimum, shall:

(A) Review and approve program policy;

(B) Be involved in and consulted on the hiring and firing of the agency director;

(C) Monitor and evaluate program effectiveness;

(D) Ensure the effectiveness of community involvement in the planning process; and

(E) Assume all duties delegated to it by the governing board.

(e) Have a clearly defined, specified service area. Community action service areas shall not overlap.

(f) Have an accounting system which meets generally accepted accounting principles and be so certified by an independent certified accountant.

(g) Provide assurances against the use of government funds for political activity by the community action agency.

(h) Provide assurances that no person shall, on the grounds of race, color, national origin or sex, be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity funded in whole or in part with funds made available through the community action program.

(i) Provide assurances the community action agency shall comply with any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified individual with disabilities as provided in section 504 of the Rehabilitation Act of 1973.

(5) For the purposes of this section, the Oregon Human Development Corporation is eligible to receive federal community service funds and low-income energy assistance funds.

(6) The Housing and Community Services Department shall:

(a) Administer federal and state antipoverty programs.

(b) Apply for all available antipoverty funds on behalf of eligible entities as defined in this section.

(c) In conjunction with the Community Action Directors of Oregon, develop a collaborative role in advocating for, and addressing the needs of, all low income Oregonians.

(d) Biennially produce and make available to the public a status report on efforts by it and state agencies to reduce the incidence of poverty in Oregon. This report shall contain figures regarding the numbers and types of persons living in poverty in Oregon.

(e) On a regular basis provide information to the Community Action Directors of Oregon on the activities and expenditures of the Housing and Community Services Department.

(f) As resources are available, provide resources for technical assistance, training and program assistance to eligible entities.

(g) As resources are available, provide resources for the training and technical assistance needs of the Community Action Directors of Oregon.

(h) Conduct a planning process to meet the needs of low income people in Oregon. That process shall fully integrate the Oregon Human Development Corporation into the antipoverty delivery system. The planning process shall include development of a plan for minimum level of services and funding for low income migrant and seasonal farmworkers from the antipoverty programs administered by the agency.

(i) Limit its administrative budget in an effort to maximize the availability of antipoverty federal and state funds for expenditures by local eligible entities. [Formerly 184.802; 1997 c.249 §156; 2003 c.14 §289; 2003 c.186 §15]

458.510 Energy Crisis Trust Fund. (1) There is established an Energy Crisis Trust Fund, separate and distinct from the General Fund, in the State Treasury. As permitted by federal court decisions, federal statutory requirements and administrative decisions, funds from the Petroleum Violation Escrow Fund made available to the Housing and Community Services Department for the Energy Crisis Trust Fund and any gift, grant, appropriation or donation for the purpose of

the Energy Crisis Trust Fund shall be deposited by the State Treasurer and credited to the Energy Crisis Trust Fund. The State Treasurer shall credit monthly to the fund any interest or other income derived from the fund or the investing of the fund. All moneys in the fund are continuously appropriated to the Housing and Community Services Department for the purpose of providing low income home energy assistance.

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

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

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

(b) The Petroleum Violation Escrow Fund regulations; and

(c) The recommendations of the advisory committee established in ORS 458.515. [Formerly 184.803; 1997 c.249 §157]

458.515 Advisory committee. (1) The Director of the Housing and Community Services Department shall appoint an advisory committee whose members shall be appointed based on a demonstrated interest in and knowledge of low income energy assistance programs and broadly representative of organizations, fuel providers and consumer groups that represent low income persons, particularly elderly and disabled persons and have special qualifications with respect to solving the energy consumption problems of low income persons.

(2) The committee shall meet not less than twice a year to advise and assist the Housing and Community Services Department in regard to rules, policies and programs regarding low income energy assistance programs provided for under ORS 458.510. [Formerly 184.804; 1997 c.249 §158]

458.525 Duties of Housing and Community Services Department to meet problems of hunger; other agencies. (1) The Housing and Community Services Department shall serve as the lead agency to coordinate state efforts in meeting the problem of hunger. The Director of the Housing and Community Services Department shall establish an interagency coordinating council consisting of representatives of the Housing and Community Services Department, the Department of Corrections, the Economic and Community Development Department, the State Commission on Children and Families, the Department of Education, the State Department of Agriculture and the Department of Human Services.

(2) The administrative heads of the agencies listed in subsection (1) of this section shall serve on the council or shall designate an agency representative who has an agency policy-making role affecting hunger, food programs, nutrition and related areas.

(3) The council shall be responsible for:

(a) Implementing recommendations of the Hunger Relief Task Force;

(b) Ensuring that food and nutrition programs operate efficiently and effectively;

(c) Monitoring federal programs;

(d) Encouraging coordination of state and local programs and of public and private organizations engaged in food distribution programs; and

(e) Making recommendations to affected agencies and programs.

(4) The Director of the Housing and Community Services Department shall convene council meetings at least quarterly. [1993 c.271 §1; 1997 c.249 §159; 2001 c.109 §1; 2001 c.900 §202]

458.530 Policy on hunger. (1) The Legislative Assembly finds and declares that it is the policy of this state that:

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

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

(c) Freedom from hunger means all persons have food security, that is, the means to obtain a nutritionally adequate diet through conventional food sources at all times.

(d) All persons in Oregon have food security by the year 2000.

(2) The Legislative Assembly declares that the policy of this state is to provide and encourage activities and programs necessary to fulfill the commitment stated in subsection (1) of this section and that the purpose of policies stated in this section is to provide a guide for the establishment, implementa-

tion and operation of activities and programs designed to alleviate or eradicate hunger in this state. It further declares that the activities and programs shall be initiated, promoted and developed through:

(a) Volunteers and volunteer groups;

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

(c) Partnership with local governmental agencies;

(d) Coordinated efforts of state agencies;

(e) Coordination and cooperation with federal programs;

(f) Partnership with private health and social service agencies; and

(g) A designated state agency that will encourage and work with the hungry and organizations working with the hungry, that will coordinate state, local and private programs, that will encourage and monitor federal programs and that will act as an advocate for the hungry in Oregon. [Formerly 411.848]

Note: 458.530, 458.532 and 458.545 were added to and made a part of ORS chapter 411 by legislative action but were not added to or made a part of ORS chapter 458 or any series therein. See Preface to Oregon Revised Statutes for further explanation.

458.532 Hunger Relief Task Force; members; terms; meetings; Hunger Relief Account established. (1) The Hunger Relief Task Force is established in the Housing and Community Services Department. The task force shall consist of 24 members appointed as follows:

(a) Two Senators, one each appointed by the President of the Senate and the Minority Leader of the Senate;

(b) Two Representatives, one each appointed by the Speaker of the House of Representatives and the Minority Leader of the House of Representatives; and

(c) The Director of the Housing and Community Services Department shall appoint one member, unless otherwise indicated, from each of the following:

(A) The Department of Education Child Nutrition Program;

(B) The Department of Human Services Food Stamp Program;

(C) The Department of Human Services Women, Infants and Children (WIC) Program;

(D) The State Department of Agriculture;

(E) Oregon Food Bank;

(F) United Way of the Columbia-Willamette;

(G) The Human Rights Coalition;

(H) A student from an institution of higher education;

(I) The Community Action Directors of Oregon;

(J) The retail food industry;

(K) The grower and processor food industry;

(L) A direct service provider;

(M) The Association of Oregon Counties;

(N) The migrant community;

(O) Three members from the religious community; and

(P) No more than six additional persons.

(2) Of the members described in subsection (1)(c) of this section, at least one member shall be a member of a minority ethnic group and at least two members shall be representatives of rural areas and areas of eastern Oregon.

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

(4) If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective for the unexpired term. The appointing authority may appoint a replacement for any member of the task force who misses more than two consecutive meetings of the task force.

(5) The task force shall select one member as chairperson and one member as vice chairperson, for such terms and with duties and powers as the task force determines necessary for the performance of the functions of such offices.

(6) Twelve members shall constitute a quorum for the transaction of business.

(7) The task force shall meet at least once each month at a place, day and hour determined by the task force. The task force also shall meet at other times and places specified by the call of the chairperson or of a majority of the members of the task force.

(8) The task force may appoint a director to serve at the pleasure of the task force and with duties determined by the task force.

(9) In addition to other funds made available for the work of the task force, the task force may accept gifts and grants from public and private sources to be used to carry out the purposes for which the task force exists and to alleviate hunger in the state.

(10) The moneys received under subsection (9) of this section shall be deposited in a special account, separate and distinct from the General Fund, to be named the Hunger Relief Account which account is established. All moneys in the account and all earnings

thereon are continuously appropriated to the Hunger Relief Task Force to be used together with any federal funds that may be available to carry out the work of the task force and to alleviate hunger in the state. [Formerly 411.849; 2001 c.900 §203]

Note: See note under 458.530.

458.540 Short title. ORS 458.530 to 458.545 may be cited as the "Oregon Hunger Relief Act." [Formerly 411.851; 2005 c.22 §330]

458.545 Duties. The Hunger Relief Task Force shall:

(1) Function as the designated state unit on hunger.

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

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

(4) Have authority to study programs and budgets of all public agencies and those private agencies willing to cooperate which provide services directed at the alleviation or eradication of hunger. After such study, the task force shall make recommendations to the Governor, Legislative Assembly and the agencies involved. Such recommendations shall be designed to provide coordination of programs for hungry persons, to avoid unnecessary duplication in provision of services, to point out gaps in provision of services and to recommend ways of filling gaps in services. The task force also shall recommend development of a comprehensive plan for delivery of services to hungry persons. In carrying out these tasks, the task force shall coordinate its efforts with other advisory groups or entities with similar or related responsibilities to avoid duplication of effort.

(5) Encourage, by expansion of existing activities and programs for the hungry, by school programs, by meals-on-wheels, by counseling or by other means, public and private development of nutrition programs for hungry citizens that prevent or minimize hunger and illness which is related to hunger or nutritional deficiencies.

(6) Conduct research and other appropriate activities to determine:

(a) The dimensions of hunger in the state;

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

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

(d) The participation rates of eligible persons in all federal food programs, especially food stamps;

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

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

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

(7) Develop specific proposals and recommendations for action for presentation to the Governor and the Legislative Assembly.

(8) Prepare and disseminate an annual report on the status of hunger in the state, efforts being made to alleviate and eradicate hunger, and proposals and recommendations for strengthening progress toward the eradication of hunger. [Formerly 411.850]

Note: See note under 458.530.

458.555 Oregon Volunteers Commission for Voluntary Action and Service. (1) There is established the Oregon Volunteers Commission for Voluntary Action and Service within the Housing and Community Services Department.

(2) The commission shall consist of at least 15 members appointed by the Governor and may consist of not more than 25 members appointed by the Governor.

(3) The term of office of each member is three years, but a member serves at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on the first day of the next following month. A member is eligible for reappointment. If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term.

(4) The appointment of the members of the commission is subject to confirmation by the Senate in the manner prescribed in ORS 171.562 and 171.565.

(5) A member of the commission is entitled to receive, from moneys available to the commission, actual and necessary travel and other expenses incurred in the performance of official duties as provided in ORS 292.495. [2001 c.848 §1; 2005 c.29 §1]

Note: 458.555 to 458.575 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 458 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

458.558 Commission membership. (1) The members of the Oregon Volunteers Commission for Voluntary Action and Service must be citizens of this state who have a proven commitment to community service and who have a demonstrated interest in fostering and nurturing citizen involvement as a strategy for strengthening communities and promoting the ethic of service in all sectors of this state.

(2) The Governor shall appoint as members of the commission at least one of each of the following:

(a) An individual with experience in educational, training and development needs of youth, particularly disadvantaged youth.

(b) An individual with experience in promoting involvement of older adults in service and volunteerism.

(c) A representative of community-based agencies or organizations within this state.

(d) The Superintendent of Public Instruction or designee.

(e) A representative of local governments in this state.

(f) A representative of local labor unions in this state.

(g) A representative of business.

(h) A person at least 16, but not more than 25, years of age who is a participant or supervisor in a national service program.

(i) A representative of a national service program described in 42 U.S.C. 12572(a).

(3) In addition to appointing members under subsection (2) of this section, the Governor may appoint as members individuals from the following groups:

(a) Educators.

(b) Experts in the delivery of human, educational, environmental or public safety services to communities and individuals.

(c) Members of Native American tribes.

(d) At-risk youths who are out of school.

(e) Entities that receive assistance under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.).

(4) In making appointments of members described in subsections (2) and (3) of this section, the Governor shall ensure that:

(a) No more than 50 percent of the appointed members are from the same political party; and

(b) No more than 25 percent of the appointed members are state employees. [2001 c.848 §3; 2005 c.29 §2]

Note: See note under 458.555.

458.560 Commission officers; meetings. (1) The Oregon Volunteers Commission for Voluntary Action and Service shall select a commission member as chairperson and another as vice chairperson, for terms, and with duties and powers necessary for the performance of the functions of those offices, as the commission determines.

(2) A majority of the members of the commission constitutes a quorum for the transaction of business.

(3) The commission shall meet at least once every three months at a place, day and hour determined by the commission. The commission shall meet at other times and places specified by the call of the chairperson or of a majority of the members of the commission. [2001 c.848 §4; 2005 c.29 §3]

Note: See note under 458.555.

458.563 Director; employees; nonpolicy rules. (1) The Oregon Volunteers Commission for Voluntary Action and Service shall appoint a director to serve at the pleasure of the commission. The director must have experience and education in public administration or nonprofit management.

(2) The designation of the director must be by written order, filed with the Secretary of State.

(3) Subject to any applicable provisions of the State Personnel Relations Law, the director shall appoint all subordinate officers and employees of the commission, prescribe their duties and fix their compensation.

(4) The director of the commission shall report to, and comply with the directions of, the Director of the Housing and Community Services Department in the development and administration of non-policymaking activities, including but not limited to rules and other directions for commission personnel, fiscal practices and purchasing of commission supplies. [2001 c.848 §5; 2003 c.639 §2; 2005 c.29 §4]

Note: See note under 458.555.

458.565 Advisory and technical committees. (1) The Oregon Volunteers Commission for Voluntary Action and Service may establish advisory and technical committees as the commission considers necessary to aid and advise the commission in the performance of commission functions. These committees may be continuing or temporary committees. The commission shall determine the representation, membership, terms and organization of the committees and shall appoint the committee members.

(2) Members of the committees are not entitled to compensation, but at the discretion of the commission may be reimbursed, from moneys available to the commission, for actual and necessary travel and other ex-

penses incurred by them in the performance of their official duties, as provided in ORS 292.495. [2001 c.848 §7; 2005 c.29 §5]

Note: See note under 458.555.

458.568 Commission duties. The Oregon Volunteers Commission for Voluntary Action and Service shall:

(1) Develop programs and provide oversight and administration of programs granted to this state by the Corporation for National and Community Service under the National and Community Service Trust Act of 1993, as amended, (P.L. 103-82).

(2) Prepare state applications to the Corporation for National and Community Service for financial assistance for state-based service programs.

(3) Develop a statewide plan that is designed to meet or exceed the Oregon benchmark on volunteerism.

(4) Develop projects, training methods, curriculum materials and other materials and activities related to state service programs that receive assistance directly from the Corporation for National and Community Service.

(5) To engage citizens in service and to strengthen communities, create statewide access for all Oregon citizens to a variety of volunteer opportunities by:

(a) Evaluating the status of volunteerism in the public, private and nonprofit sectors of this state;

(b) Examining methods to strengthen the capacity of volunteer organizations to support citizen involvement; and

(c) Educating all citizens about the importance of citizen involvement and voluntary action.

(6) Encourage youth and young adults to engage in their communities through voluntary action by:

(a) Assisting efforts to inform young Oregonians about opportunities for involvement in the public, private and nonprofit sectors;

(b) Promoting the value of service learning as an educational strategy in the kindergarten through higher educational systems; and

(c) Collaborating with groups to advocate for youth voice in the public, private and nonprofit governing structures.

(7) Promote recognition of volunteerism and service into the daily operation of public, private and nonprofit sectors throughout the state by:

(a) Promoting a statewide volunteer recognition plan open to all sectors; and

(b) Assisting efforts by Oregon communities to encourage citizen involvement in volunteerism. [2001 c.848 §2; 2005 c.29 §6]

Note: See note under 458.555.

458.570 Additional duties. (1) The Oregon Volunteers Commission for Voluntary Action and Service shall act in all respects as the successor to the Oregon Commission for National and Community Service formed in response to the National and Community Service Trust Act of 1993.

(2) The Oregon Volunteers Commission for Voluntary Action and Service shall act at all times in compliance with the requirements imposed upon a state commission by the National and Community Service Trust Act of 1993 in effect on January 1, 2006. [2001 c.848 §9; 2005 c.29 §7]

Note: See note under 458.555.

458.573 Rules establishing standards and guidelines. In accordance with applicable provisions in ORS chapter 183, the Oregon Volunteers Commission for Voluntary Action and Service may adopt rules:

(1) Establishing standards and guidelines for applications for grants; and

(2) Establishing standards and requirements for administration of programs funded by grants. [2001 c.848 §6; 2005 c.29 §8]

Note: See note under 458.555.

458.575 Solicitation of moneys by commission. The Oregon Volunteers Commission for Voluntary Action and Service may apply for and accept grants, contributions and assistance from any federal, state or local government agency and any foundation, individual or organization for the purposes of performance of commission duties under ORS 458.568. [2001 c.848 §8; 2005 c.29 §9]

Note: See note under 458.555.

OREGON HOUSING FUND

458.600 Policy and intent. It is declared to be the policy and intent of the Legislative Assembly that the State of Oregon:

(1) Shall assist in improving the quality of life of homeless persons within this state by insuring the availability of an appropriate range of residential opportunities.

(2) Shall seek to reduce the number of homeless people in this state. [1991 c.736 §1]

458.605 Findings. The Legislative Assembly finds that:

(1) The number of people who are homeless is on the rise in this state, as across the nation.

(2) Homeless people can be found in every county and city in this state.

(3) Family members, including children, represent the majority of the increase in the homeless population.

(4) Facilitating housing for families with children reduces the need for other state services such as foster care and child abuse treatment.

(5) Facilitating shelter so that homeless people do not have to live outdoors or in cars reduces weather-related illness, thereby reducing health care costs and services required for this population.

(6) Developing affordable housing in Oregon is necessary to maintain the quality of life, create jobs and to further economic development. [1991 c.736 §2; subsection (6) enacted as 1991 c.740 §1]

458.610 Definitions for ORS 458.600 to 458.655. For purposes of ORS 458.600 to 458.655:

(1) "Council" means the State Housing Council established in ORS 456.567.

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

(3) "Disabled" means those persons described as such by the Fair Housing Amendments Act of 1988.

(4) "Low income" means individuals or households that receive more than 50 percent but less than 80 percent of the area median income as determined by the council based on information from the United States 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) "Very low income" means individuals or households which receive less than 50 percent of the area median income as determined by the council based on information from the United States Department of Housing and Urban Development. [1991 c.740 §2; 1995 c.79 §271]

458.620 Oregon Housing Fund created; Housing Development and Guarantee Account, Emergency Housing Account, Home Ownership Assistance Account and Farmworker Housing Development Account created. (1) There is created, separate and distinct from the General Fund of the State Treasury, the Oregon Housing Fund, which shall consist of four separate revolving accounts, the Housing Development and Guarantee Account, the Emergency Housing Account, the Home Ownership Assistance Account and the Farmworker Housing Development Account.

(2) All earnings on investment of moneys in the Housing Development and Guarantee Account shall accrue to that account. All earnings on investment of moneys in the Emergency Housing Account shall accrue to that account. All earnings on investment of moneys in the Home Ownership Assistance Account shall accrue to that account. All earnings on investment of moneys in the Farmworker Housing Development Account shall accrue to that account.

(3)(a) Moneys in the Housing Development and Guarantee Account are appropriated continuously to the Housing and Community Services Department to carry out the provisions of ORS 458.625 and 458.630.

(b) Moneys in the Emergency Housing Account are appropriated continuously to the Housing and Community Services Department to carry out the provisions of ORS 458.650.

(c) Moneys in the Home Ownership Assistance Account are appropriated continuously to the Housing and Community Services Department to carry out the provisions of ORS 458.655.

(d) Moneys in the Farmworker Housing Development Account are appropriated continuously to the Housing and Community Services Department to carry out the provisions of ORS 458.660.

(4) Moneys deposited in the Oregon Housing Fund pursuant to subsection (5) of this section shall be credited to the Housing Development and Guarantee Account.

(5) Individuals and corporations, both for profit or nonprofit, may make monetary contributions to the Housing Development and Guarantee Account. [1991 c.740 §§3,8; 1995 c.174 §1; 2001 c.310 §§2,3]

458.625 Disbursement of account investment revenues in Housing Development and Guarantee Account; grant and loan preferences; revenue retention. (1) The Housing and Community Services Department may disburse the revenue earned from investment of the principal in the Housing Development and Guarantee Account to expand this state's supply of housing for low and very low income families and individuals, including, but not limited to, housing for persons over 65 years of age, disabled persons, farmworkers and Native Americans. The State Housing Council shall have a policy that provides for distribution by the department of account investment revenue disbursements statewide while concentrating account investment revenue disbursements in those areas of the state

with the greatest need for low and very low income housing, as determined by the council.

(2) The department may disburse account investment revenue, in the form of grants or loans as determined by the department, for any or all of the following purposes:

(a) To organizations as defined in ORS 458.610 and to for-profit business entities to construct new housing or to acquire or rehabilitate existing structures, or both, for housing for persons of low or very low income, or both;

(b) To provide nonprofit organizations, as set forth in ORS 458.210 to 458.240, technical assistance or predevelopment costs, or both. Predevelopment costs include, but are not limited to, site acquisition, architectural services and project consultants. Predevelopment costs do not include costs described in paragraph (c) of this subsection;

(c) For costs to develop nonprofit organizations that show sufficient evidence of having strong community support and a strong likelihood of producing low or very low income housing. Account investment revenue may not be used by an organization for its general operations;

(d) To match public and private moneys available from other sources for purposes of production of low or very low income housing; or

(e) For purposes of administration of the account, not to exceed five percent of the account investment revenue.

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

(a) Provide the greatest number of low and very low income housing units constructed, acquired or rehabilitated for the amount of account investment revenue expended by matching account investment revenue with other grant, loan or eligible in-kind contributions;

(b) Ensure the longest use for the units as low or very low income housing units; or

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

(4) Account investment revenue derived in any calendar year may be used to construct, acquire or rehabilitate housing for low and very low income persons but not more than 25 percent of the account investment revenue derived in any calendar year may be used to construct, acquire or rehabilitate housing for low income households. Account investment revenue not disbursed by the department as grants or loans to construct, acquire or rehabilitate low or very low income housing may be retained and credited as account principal.

(5) Loans disbursed from account investment revenue shall bear an interest rate equal to the interest rate paid on United States Treasury long-term obligations as identified by the department. [1991 c.740 §5; 1999 c.283 §1; 2003 c.743 §5]

458.630 Use of funds in Housing Development and Guarantee Account; preferences. (1)(a) The Housing and Community Services Department may hold and use the principal that is credited to the Housing Development and Guarantee Account as the Guarantee Fund. The department may use the fund to guarantee repayment of loans made to finance the construction, development, acquisition or rehabilitation of low income housing, of the commercial component of a structure that contains both commercial property and low income housing, or of both. The department, by rule, shall specify the grounds on which it may deny loan guarantees for a structure that contains both commercial and low income housing components. The grounds for denial specified by the department must include, but need not be limited to, a commercial component that is excessive in scope or that is designed for commercial activity of a type incompatible with residential housing. The State Housing Council shall review loans that are guaranteed by the fund to ensure that the loans meet prudent underwriting standards.

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

(2) The department may not issue any loan guarantee under this section that guarantees the repayment of more than 25 percent of the original principal balance of any loan.

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

(4) Subject to council review under subsection (1) of this section, the department shall give preference for loan guarantees un-

der this section to loans for the construction, development, acquisition or rehabilitation of low income housing, or of structures containing both commercial and low income housing components, that the department determines will:

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

(b) Ensure the longest possible use for the units as low income housing units. Pursuant to this end, the State Housing Council may adopt a formula that optimizes the interests of the lender and the developer and the working life of the low income units; or

(c) Include a program of services for the occupants of the 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 and case management.

(5) The council may adopt a policy that gives loan guarantee preference to loans for low income housing, or structures containing both commercial and low income housing components, for which the department has provided a grant, loan, tax credit or other investment. [1991 c.740 §6; 1993 c.2 §1; 1997 c.329 §1; 2003 c.20 §1; 2003 c.743 §6]

458.650 Disbursement of funds in Emergency Housing Account; grant policies. (1) The Emergency Housing Account shall be administered by the Housing and Community Services Department to assist homeless persons and those persons who are at risk of becoming homeless. For purposes of this section, "account" means the Emergency Housing Account.

(2) The State Housing Council shall develop policy for giving grants to organizations that shall use the funds to provide to low and very low income persons, including but not limited to, persons more than 65 years of age, disabled persons, farmworkers and Native Americans:

(a) Emergency shelters and attendant services;

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

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

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

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

(3)(a) The council shall require as a condition of awarding a grant that the organization demonstrate to the satisfaction of the council that the organization has the capacity to deliver any service proposed by the organization.

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

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

(4) The department may expend for administration of the account no more than five percent of the account appropriation. [1991 c.740 §7]

458.655 Disbursement of moneys in Home Ownership Assistance Account; grant preferences. (1) The Home Ownership Assistance Account shall be administered by the Housing and Community Services Department to expand the state's supply of homeownership housing for low and very low income families and individuals, including, but not limited to, housing for persons over 65 years of age, disabled persons, farmworkers and Native Americans. The State Housing Council shall have a policy of distributing funds statewide while concentrating funds in those areas of the state with the greatest need, as determined by the council, for low and very low income homeownership housing. However, the council's policy of distributing funds may differ from the distribution policy for the Housing Development and Guarantee Account.

(2) Funds in the Home Ownership Assistance Account shall be granted to organizations, as defined in ORS 458.610 (5), that both sponsor and manage low income homeownership programs, including lease-to-own programs, for the construction of new homeownership housing or for the acquisition or rehabilitation of existing structures for homeownership housing for persons of low or very low income, or both.

(3) The council shall develop a policy for disbursing grants for any or all of the following purposes:

(a) To aid low income homeownership programs, including program administration, in purchasing land, providing assistance with down payment costs, or providing homeownership training and qualification services or any combination thereof. No Home Ownership Assistance Account funds

shall be used by an organization for its general operations or for a substantial portion of construction or rehabilitation costs;

(b) To match public and private moneys available from other sources for purposes of the provision of low or very low income homeownership housing; or

(c) To administer the Home Ownership Assistance Account, not to exceed five percent of the revenue.

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

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

(b) Ensure the longest use for the units as low or very low income homeownership housing units, such as by including some form of equity recapture, as determined by the council; and

(c) Include social services for occupants and proposed occupants of the proposed housing, including but not limited to, programs that address home health care, mental health care, alcohol and drug treatment and post-treatment care, child care, homeownership training, mortgage qualification service, credit repair and case management. [1995 c.174 §3]

458.660 Disbursement of moneys in Farmworker Housing Development Account. The Housing and Community Services Department shall disburse the moneys credited to the Farmworker Housing Development Account to expand this state's supply of housing for low and very low income farmworkers. [2001 c.310 §1]

Note: 458.660 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 458 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

INDIVIDUAL DEVELOPMENT ACCOUNTS

458.670 Definitions for ORS 458.670 to 458.700. As used in this section and ORS 458.675 to 458.700, unless the context requires otherwise:

(1) "Account holder" means a member of a lower income household who is the named depositor of an individual development account.

(2) "Fiduciary organization" means:

(a) A nonprofit, fund raising organization that is exempt from taxation under section 501(c)(3) of the Internal Revenue Code as amended and in effect on January 1, 1999; or

(b) A federally recognized Indian tribe or band.

(3) "Financial institution" means:

(a) An organization regulated under ORS chapters 706 to 716, 722 or 723; or

(b) In the case of individual development accounts established for the purpose described in ORS 458.685 (1)(c), a financial institution as defined in ORS 348.841.

(4) "Individual development account" means a contract between an account holder and a fiduciary organization, for the deposit of funds into a financial institution by the account holder, and the deposit of matching funds into the financial institution by the fiduciary organization, to allow the account holder to accumulate assets for use toward achieving a specific purpose approved by the fiduciary organization.

(5) "Lower income household" means a household having an income equal to or less than 80 percent of the median household income for the area as determined by the Housing and Community Services Department. In making the determination, the department shall give consideration to any data on area household income published by the United States Department of Housing and Urban Development. [1999 c.1000 §1; 2001 c.648 §3]

Note: 458.670 to 458.700 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 458 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

458.675 Legislative findings. The Legislative Assembly finds that:

(1) The problem of poverty will not be solved solely by government programs and income subsidies.

(2) Family economic well-being does not come solely from income, spending or consumption, but instead requires savings, investment and the accumulation of assets.

(3) It is appropriate for the state to institute an asset-based antipoverty strategy.

(4) The state has an opportunity to take advantage of private and federal resources by making the transition to an asset-based antipoverty strategy. Those resources include, but are not limited to, the Assets for Independence Act (42 U.S.C. 604) and the Workforce Investment Act (P.L. 105-220).

(5) Investment through an individual development account system will help lower income households obtain the assets they need to succeed. Communities and this state will experience resultant economic and social benefits accruing from the promotion of job

training and higher education, home ownership and small business development.

(6) It is desirable for this state to enact legislation that enables an authorized fiduciary organization sufficient flexibility to receive private, state and federal moneys for individual development accounts. The Legislative Assembly should periodically review the provisions of ORS 458.675 to 458.700 to ensure that this state maximizes the receipt of available federal moneys for individual development accounts. [1999 c.1000 §2]

Note: See note under 458.670.

458.680 Persons qualifying as account holders. (1) A person who qualifies to become an account holder may enter into an agreement with a fiduciary organization for the establishment of an individual development account.

(2) A person qualifies to become an account holder if the person is a member of a lower income household that has a net worth of less than $20,000. As used in this subsection, "net worth" means the value of all assets owned in whole or part by household members, other than equity in a residence, minus the total debts and obligations of household members, all as measured at the time that the person applies to establish the account.

(3) A person applying to establish an account must enroll in a personal development plan developed by the person and the fiduciary organization. The plan must provide the person with appropriate financial counseling, career or business planning and other services designed to increase the independence of the person and the person's household through achievement of the account's approved purpose.

(4) Notwithstanding subsection (1) of this section, a fiduciary organization may refuse to allow a qualified person to establish an account if establishment of the account would result in the members of a lower income household having more than one account. Notwithstanding subsection (1) of this section, a fiduciary organization shall refuse to allow a qualified person to establish an account if establishment of the account would result in the members of a lower income household having more than two accounts. [1999 c.1000 §3]

Note: See note under 458.670.

458.685 Approved purpose of account; emergency withdrawal; removal of account holder from program. (1) A person may establish an individual development account only for a purpose approved by a fiduciary organization. Purposes that the fiduciary organization may approve are:

(a) The acquisition of post-secondary education or job training.

(b) If the account holder has established the account for the benefit of a household member who is under the age of 18 years, the payment of extracurricular nontuition expenses designed to prepare the member for post-secondary education or job training.

(c) If the account holder has established a college savings network account under ORS 348.841 to 348.873 on behalf of a designated beneficiary, the establishment of an additional college savings network account on behalf of the same designated beneficiary.

(d) The purchase of a primary residence. In addition to payment on the purchase price of the residence, account moneys may be used to pay any usual or reasonable settlement, financing or other closing costs. The account holder must not have owned or held any interest in a residence during the three years prior to making the purchase. However, this three-year period shall not apply to displaced homemakers or other individuals who have lost home ownership as a result of divorce.

(e) The capitalization of a small business. Account moneys may be used for capital, plant, equipment and inventory expenses or for working capital pursuant to a business plan. The business plan must have been developed by a financial institution, nonprofit microenterprise program or other qualified agent demonstrating business expertise and have been approved by the fiduciary organization. The business plan must include a description of the services or goods to be sold, a marketing plan and projected financial statements.

(2)(a) If an emergency occurs, an account holder may withdraw all or part of the account holder's deposits to an individual development account for a purpose not described in subsection (1) of this section. As used in this paragraph, an emergency includes making payments for necessary medical expenses, to avoid eviction of the account holder from the account holder's residence and for necessary living expenses following a loss of employment.

(b) The account holder must reimburse the account for the amount withdrawn under this subsection within 12 months after the date of the withdrawal. Failure of an account holder to make a timely reimbursement to the account is grounds for removing the account holder from the individual development account program. Until the reimbursement has been made in full, an account holder may not withdraw any matching deposits or accrued interest on matching deposits from the account.

(3) If an account holder withdraws moneys from an individual development account for other than an approved purpose, the fiduciary organization may remove the account holder from the program.

(4) If an account holder moves from the area where the program is conducted or is otherwise unable to continue in the program, the fiduciary organization may remove the account holder from the program.

(5) If an account holder is removed from the program under subsection (2), (3) or (4) of this section, all matching deposits in the account and all interest earned on matching deposits shall revert to the fiduciary organization. The fiduciary organization shall use the reverted funds as a source of matching deposits for other accounts. [1999 c.1000 §4; 2001 c.648 §4; 2003 c.280 §18]

Note: See note under 458.670.

458.690 Required account features. (1) Notwithstanding ORS 315.271, a fiduciary organization selected under ORS 458.695 may qualify as the recipient of account contributions that qualify the contributor for a tax credit under ORS 315.271 only if the fiduciary organization structures the accounts to have the following features:

(a) The fiduciary organization matches amounts deposited by the account holder according to a formula established by the fiduciary organization. The fiduciary organization shall deposit not less than $1 nor more than $5 into the account for each $1 deposited by the account holder.

(b) The matching deposits by the fiduciary organization to the individual development account are placed in:

(A) A savings account jointly held by the account holder and the fiduciary organization and requiring the signatures of both for withdrawals;

(B) A savings account that is controlled by the fiduciary organization and is separate from the savings account of the account holder; or

(C) In the case of an account established for the purpose described in ORS 458.685 (1)(c), a college savings network account under ORS 348.841 to 348.873, in which the fiduciary organization is the account owner as defined in ORS 348.841.

(2) Deposits by a fiduciary organization to an account may not exceed $2,000 in any 12-month period. A fiduciary organization may designate a lower amount as a limit on annual matching deposits to an account.

(3) The total amount paid into an individual development account during its existence, including amounts from deposits, matching deposits and interest or investment earnings, may not exceed $20,000. [1999 c.1000 §5; 2001 c.648 §5; 2003 c.280 §19]

Note: See note under 458.670.

458.695 Selection of fiduciary organizations. The Housing and Community Services Department may select fiduciary organizations to administer moneys directed by the state to individual development account purposes. In making the selections, the department shall consider factors including, but not limited to:

(1) The ability of the fiduciary organization to implement and administer the individual development account program, including the ability to verify account holder eligibility, certify that matching deposits are used only for approved purposes and exercise general fiscal accountability;

(2) The capacity of the fiduciary organization to provide or raise matching funds for the deposits of account holders;

(3) The capacity of the fiduciary organization to provide financial counseling and other related services to account holders; and

(4) The links that the fiduciary organization has to other activities and programs designed to increase the independence of this state's lower income households through education and training, home ownership and small business development. [1999 c.1000 §6]

Note: See note under 458.670.

458.700 Authority of fiduciary organizations; rules. (1) Subject to Housing and Community Services Department rules, a fiduciary organization has sole authority over, and responsibility for, the administration of individual development accounts. The responsibility of the fiduciary organization extends to all aspects of the account program, including marketing to participants, soliciting matching contributions, counseling account holders, providing financial literacy education, and conducting required verification and compliances activities. The fiduciary organization may establish program provisions as the organization believes necessary to ensure account holder compliance with the provisions of ORS 458.680 and 458.685. Notwithstanding ORS 458.670 (5) and 458.680 (2), a fiduciary organization may establish income and net worth limitations for account holders that are lower than the income and net worth limitations established by ORS 458.670 (5) and 458.680 (2).

(2) A fiduciary organization may act in partnership with other entities, including businesses, government agencies, nonprofit organizations, community development corporations, community action programs, housing authorities and congregations to assist in the fulfillment of fiduciary organization re-

sponsibilities under this section and ORS 458.685, 458.690 and 458.695.

(3) A fiduciary organization may use a reasonable portion of moneys allocated to the individual development account program for administration, operation and evaluation purposes.

(4) A fiduciary organization selected to administer moneys directed by the state to individual development account purposes or receiving tax deductible contributions shall provide the Housing and Community Services Department with an annual report of the fiduciary organization's individual development account program activity. The report shall be filed no later than 90 days after the end of the fiscal year of the fiduciary organization. The report shall include, but is not limited to:

(a) The number of individual development accounts administered by the fiduciary organization;

(b) The amount of deposits and matching deposits for each account;

(c) The purpose of each account;

(d) The number of withdrawals made; and

(e) Any other information the department may require for the purpose of making a return on investment analysis.

(5) A fiduciary organization that is the account owner of a college savings network account:

(a) May make a qualified withdrawal only at the direction of the designated beneficiary and only after the college savings network account of the account holder that was established for the designated beneficiary has been reduced to a balance of zero exclusively through qualified withdrawals by the designated beneficiary; and

(b) May make nonqualified withdrawals only if the college savings network account of the account holder that was established for the designated beneficiary has a balance of less than $100 or if the account holder or designated beneficiary has granted permission to make the withdrawal. Moneys received by a fiduciary organization from a nonqualified withdrawal made under this paragraph must be used for individual development account purposes.

(6) The department may make all reasonable and necessary rules to ensure fiduciary organization compliance with this section and ORS 458.685, 458.690 and 458.695. [1999 c.1000 §7; 2001 c.648 §6; 2003 c.280 §20]

Note: See note under 458.670.

COMMUNITY DEVELOPMENT PROJECTS

458.705 Legislative findings. The Legislative Assembly finds that:

(1) The population of the state is growing and is expected to continue growing well into the 21st century. That population growth is uneven, resulting in some places struggling to manage new people, jobs and building, and other places being eager to attract a share of growth and economic development. A community's pattern of development can accommodate a growing population and help rebuild rural and distressed economies while maintaining the state's quality of life. Downtown areas need to be revitalized to accommodate more business and civic activity. Affordable housing must be developed near job centers. Rural and distressed communities need to be rebuilt to allow all sectors of the state to share in economic prosperity.

(2) Numerous barriers exist to achieving vibrant downtown areas and community centers, ample affordable housing and thriving rural economies. Overcoming those barriers will require the state to work in partnership with local communities, the private sector and community-based groups to provide livability. Regulations must be balanced with incentives. Private sector financing must be better leveraged. Local planning and zoning codes must allow the redevelopment of strategic infill sites. The needs of working families for housing, transportation and services that are affordable and accessible must be addressed by the entire community.

(3) A critical element in the creation of effective partnerships is a flexible funding source that can serve as an incentive to achieving quality development. Careful targeting of financial incentives can provide the needed impetus for revitalization of downtown areas throughout the state, the creation of affordable housing in the proper places and new job centers in places working to attract new growth.

(4) State government, in tandem with local and federal governments, nonprofit organizations and the business sector, provides a variety of tools to help build strong Oregon communities. Targeted financial incentives will complement existing tools and allow state government and its partners to enhance livability and make cost-effective use of public infrastructure. The resulting communities will be economically viable and will have housing that is affordable to community residents. [1999 c.956 §1]

Note: 458.705 to 458.740 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 458 or any series therein by leg-

islative action. See Preface to Oregon Revised Statutes for further explanation.

458.710 Community Development Incentive Advisory Board. (1) There is created a Community Development Incentive Advisory Board consisting of the following members:

(a) The Director of the Economic and Community Development Department;

(b) The Director of the Department of Environmental Quality;

(c) The Director of the Housing and Community Services Department;

(d) The Director of the Department of Land Conservation and Development;

(e) The Director of Transportation;

(f) One representative from each of the following industries:

(A) Commercial real estate development;

(B) Residential real estate development; and

(C) Banking;

(g) One representative from each of the following:

(A) Community development organizations;

(B) Economic development organizations;

(C) Downtown development organizations;

(D) The Association of Oregon Counties; and

(E) The League of Oregon Cities; and

(h) One person not otherwise qualified under this subsection who possesses a demonstrated interest in community development.

(2) Advisory board members described in subsection (1)(a) to (e) of this section shall serve as ex officio members. An ex officio member may delegate board membership duties to an employee of the member's department.

(3) The Governor shall appoint the members described under subsection (1)(f), (g) and (h) of this section. The appointments shall be for a four-year term. Appointed members serve at the pleasure of the Governor.

(4) All members of the advisory board are entitled to compensation as provided under ORS 292.495 for actual and necessary travel expenses incurred in the performance of board duties. In addition, the members of the board representing industries or organizations are entitled to compensation as provided under ORS 292.495. [1999 c.956 §6]

Note: See note under 458.705.

458.715 Advisory board duties. (1) The Community Development Incentive Advisory Board shall:

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

(b) Review applications seeking funding from the Community Development Incentive Project Fund and make recommendations for funding approval to the Director of the Housing and Community Services Department.

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

(2) Subject to available financing, the advisory board may recommend, and the director may approve, any project that carries out the goals of the fund. [1999 c.956 §7]

Note: See note under 458.705.

458.720 Community Development Incentive Project Fund; purpose; lottery bond proceeds. (1) Pursuant to ORS 286.560 to 286.580 and 348.716, lottery bonds may be issued to make grants or loans to Oregon municipalities, businesses and individuals to encourage real estate developments that promote downtown and community center areas, provide affordable housing and other infill developments, and fund projects that promote business opportunities in Oregon's distressed areas and rural communities.

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

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

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

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

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

(5) The proceeds of lottery bonds issued pursuant to this section shall be used only

for the purposes set forth in subsection (1) of this section and for bond-related costs.

(6) Interest earned by the Community Development Incentive Project Fund shall be credited to the fund or to the Housing Development and Guarantee Account, as determined by the director. In addition to any other moneys specifically designated by law, the fund shall consist of any amounts appropriated by the Legislative Assembly and any gifts, grants or donations. [Subsections (1) to (5) of 1999 Edition enacted as 1999 c.702 §3; subsection (6) of 1999 Edition enacted as 1999 c.956 §3; 2003 c.743 §7]

Note: See note under 458.705.

458.725 Fund appropriation and expenditure guidelines. All moneys deposited in the Community Development Incentive Project Fund are continuously appropriated to the Housing and Community Services Department to carry out the purposes of the fund. In addition to any other purpose specifically provided by law, moneys deposited in the fund shall be expended for community development purposes, including but not limited to:

(1) Promoting affordable housing development near jobs and transportation;

(2) Revitalizing downtowns and community centers; and

(3) Rebuilding rural and distressed economies. [1999 c.956 §4]

Note: See note under 458.705.

458.730 Department use of financing mechanisms; determination of funding adequacy. (1) The Housing and Community Services Department may use the moneys in the Community Development Incentive Project Fund in any manner permitted under ORS 458.735. However, the primary purpose of the fund is to finance developments identified by the Community Development Incentive Advisory Board if other state or private financing sources are inadequate or unavailable. The department shall make the final determination as to whether financing sources are inadequate or unavailable.

(2) In expending moneys from the fund, the department may use financing mechanisms that include, but are not limited to:

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

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

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

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

(e) Grants or loans to finance infrastructure development that creates jobs or housing in communities identified by the Economic and Community Development Department as rural or distressed.

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

(g) Other financial tools or incentives that the Community Development Incentive Advisory Board determines would further the intended purposes of the fund. [1999 c.956 §5]

Note: See note under 458.705.

458.735 Department review of projects; lending criteria. The Housing and Community Services Department shall:

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

(2) Verify documentation and approve or disapprove funding recommended by the Community Development Incentive Advisory Board under ORS 458.715.

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

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

(5) If making a fund expenditure as a loan, establish lending criteria that allow the fund to create quality development patterns and produce a sound loan portfolio. In establishing the criteria, the department shall permit the assumption of an appropriate level of risk, maintain a reserve for losses and provide for the periodic monitoring of reserve adequacy. Loan repayments may be used by the department in any financially prudent manner consistent with fund goals. [1999 c.956 §8]

Note: See note under 458.705.

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

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

(2) Enter into cooperative agreements or joint projects with other agencies as recommended by the advisory board and approved by the Director of the Housing and Community Services Department.

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

(4) To the extent authorized by law, enter into contracts for the completion of site development functions including, but not limited to, design services, design review with local governments and completion of the permitting process. [1999 c.956 §9]

Note: See note under 458.705.