

# B-Engrossed House Bill 2002

Ordered by the House July 1  
Including House Amendments dated April 14 and July 1

Sponsored by Representative KOTEK; Representatives GORSEK, KENY-GUYER, NOBLE, OLSON, SANCHEZ  
(Presession filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Expands laws regarding preservation of participating properties that are publicly supported housing. Requires owner of participating property to provide notice to Housing and Community Services Department and local governments two years prior to expiration of contract or withdrawal of participating property from publicly supported housing. Requires property owner who violates notice requirements to extend affordability restriction on participating property. [*Authorizes department and local governments to require owner of participating property to pay tenant relocation fees under certain circumstances.*]

Requires owner of participating property to provide department and local governments with opportunity to offer to purchase participating property.

Requires owner of participating property subject to certain contracts to provide department and local governments with right of first refusal to purchase participating property.

Establishes timelines and requirements for department and local governments to exercise opportunity to offer to purchase participating property and right of first refusal to purchase participating property.

Authorizes civil action by person who suffers ascertainable loss or damage as result of property owner's failure to comply with laws.

**Appropriates additional moneys from General Fund to department for certain biennial expenses.**

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to preservation of housing; creating new provisions; amending ORS 456.250, 456.255,  
3 456.260, 456.265, 456.559 and 456.574; and prescribing an effective date.

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

5 **SECTION 1.** ORS 456.250 is amended to read:

6 456.250. As used in this section and ORS 456.255 to 456.265:

7 [(1) "*Federal housing program*" means a federal project-based Section 8 subsidized housing pro-  
8 gram.]

9 (1) "**Affordability restriction**" means a limit on rents that a property owner may charge  
10 at a participating property or a limitation on the use of a participating property as set forth  
11 in a contract.

12 (2) "**Contract**" means a written agreement entered into by a property owner under which  
13 a participating property becomes publicly supported housing that is subject to an  
14 affordability restriction. "**Contract**" includes, but is not limited to, a deed restriction, loan  
15 agreement, operating agreement or any other written agreement that results in an  
16 affordability restriction being placed on the property.

17 [(2)] (3) "**Local government**" means a city, county, public corporation, metropolitan service dis-

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.  
New sections are in **boldfaced** type.

1 trict or other district, **political subdivision or any board, commission or agency thereof.**

2 [(3)] (4) “Participating property” means property that is the subject of a contract [*between the*  
3 *property owner and the United States Department of Housing and Urban Development for participation*  
4 *in a federal housing program*] **by which the property becomes publicly supported housing that**  
5 **is subject to an affordability restriction.**

6 (5)(a) “Publicly supported housing” means a multifamily rental housing development of  
7 **five or more units that receives or benefits from government assistance under:**

8 (A) **A contract for rent assistance from the United States Department of Housing and**  
9 **Urban Development, the United States Department of Agriculture or the Housing and Com-**  
10 **munity Services Department that contains an affordability restriction; or**

11 (B) **A contract that is for any other type of government assistance or subsidy that in-**  
12 **cludes an affordability restriction and that is identified in rules adopted by the Housing and**  
13 **Community Services Department.**

14 (b) “Publicly supported housing” does not include a multifamily rental housing develop-  
15 **ment:**

16 (A) **For which the development or developer receives only a construction excise tax**  
17 **waiver, a system development charge waiver, a fee waiver or a property tax abatement;**

18 (B) **That is part of an inclusionary housing program as defined by local government and**  
19 **authorized under chapter 59, Oregon Laws 2016;**

20 (C) **That receives tenant-based federal rent subsidy payments under the Housing Choice**  
21 **Voucher Program authorized by 42 U.S.C. 1437f;**

22 (D) **That receives project-based rental assistance administered by a housing authority**  
23 **under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f (o)(13)); or**

24 (E) **That receives tenant vouchers from the United States Department of Agriculture**  
25 **under section 542 of the Housing Act of 1949 (42 U.S.C. 1471).**

26 (6) “Qualified purchaser” means a local government entitled to notice under ORS 456.260,  
27 **the Housing and Community Services Department or a designee appointed by the department**  
28 **under section 6 of this 2017 Act.**

29 **SECTION 2.** ORS 456.255 is amended to read:

30 456.255. (1) The Legislative Assembly finds and declares that:

31 (a) The maintenance of a pool of affordable housing for all citizens is a matter of statewide  
32 concern.

33 (b) The contracts for many **participating** properties in this state that [*participate in federal*  
34 *housing programs*] **are publicly supported housing** are about to expire **or otherwise terminate.**  
35 **State and** local governments need an effective process for assessing these expiring **and terminat-**  
36 **ing** contracts and determining whether to assume ownership of the participating properties. The  
37 assessment and determination process should ensure appropriate statewide uniformity while main-  
38 taining local flexibility. The process should also ensure the rights of property owners and tenants  
39 to fair treatment as the contracts expire.

40 (2) ORS [*456.260 and*] **456.255 to** 456.265 are intended to provide a framework for addressing the  
41 withdrawal of participating property from [*federal housing programs*] **publicly supported housing.**

42 **SECTION 3.** ORS 456.260 is amended to read:

43 456.260. (1) [*In establishing a procedure to deal*] **For the purpose of dealing** with expiring **and**  
44 **terminating** contracts for participating properties, [*a local government may:*]

45 [*(a) Require*] the owner of a participating property [*to*] **shall:**

1 [(A)](a) Provide notice **by registered or certified mail, return receipt requested**, [of the  
2 pending contract expiration] to each local government [that has requested] **entitled to notice and the**  
3 **Housing and Community Services Department** [and each affected tenant one year] **two years**  
4 prior to the date when:

5 (A) The contract for the property to participate in [a federal housing program] **publicly sup-**  
6 **ported housing** will expire or terminate; or

7 (B) **The participating property will be withdrawn from publicly supported housing,**  
8 **whether by sale, transfer, nonrenewal of the contract or otherwise, such that the property**  
9 **will no longer be a participating property.**

10 [(B) Provide notice that the owner intends to withdraw the property from participation in a federal  
11 housing program to each local government that has requested notice and each affected tenant up to:]

12 [(i) 210 days prior to the expiration of the contract; or]

13 [(ii) 150 days prior to the expiration of a one-year extension of the contract, if any.]

14 [(C)] (b) Consent to reasonable inspection of the property and inspection of the owner reports  
15 on file with the Housing and Community Services Department or the United States Department of  
16 Housing and Urban Development, **if applicable.**

17 [(D)] (c) Maintain the contract for property participation in [a federal housing program] **publicly**  
18 **supported housing** in good standing[, if the United States Department of Housing and Urban Devel-  
19 opment allows that maintenance,] during[:]

20 [(i) the notice period[s] referred to under this [paragraph] section[:]

21 [(ii) Any condemnation proceeding commenced; or]

22 [(iii) Any alternative procedure agreed to under paragraph (c) of this subsection].

23 [(E)] (d) Refrain from taking any action, other than notifying the United States Department of  
24 Housing and Urban Development **or other party to the contract** of the owner's intention to not  
25 renew the contract **or to withdraw the participating property from publicly supported**  
26 **housing**, that would preclude [the] **a qualified purchaser** [affected local government or its designee]  
27 from succeeding to the contract or negotiating with the owner for the purchase of the property.

28 (2) **A local government is entitled to notice under this section if the participating prop-**  
29 **erty is located within the boundaries of the local government.**

30 (3) **If the property owner does not comply with the notice requirements under subsection**  
31 **(1) of this section, the property owner shall extend the affordability restriction on the par-**  
32 **ticipating property by the number of months that the property owner is in noncompliance**  
33 **with the notice requirements under subsection (1) of this section and immediately provide**  
34 **notice to the Housing and Community Services Department and each local government that**  
35 **is entitled to notice of the extension of the affordability restriction pursuant to this section**  
36 **together with the notice required under subsection (1) of this section.**

37 (4) **Subsection (1) of this section does not apply when:**

38 (a) **A local government or the state takes the participating property by eminent domain**  
39 **or a negotiated purchase in lieu of eminent domain;**

40 (b) **There is a forced sale of the participating property under a foreclosure; or**

41 (c) **The participating property is subject to a deed in lieu of foreclosure.**

42 [(b)] (5) **A local government may:**

43 (a) Establish and impose any fine, penalty, tax, fee, charge or assessment upon the owner of  
44 participating property for failure to comply with local regulations adopted [pursuant to paragraph  
45 (a) of this subsection] **to implement the provisions of subsection (1) of this section.**

1        *[(c) Establish an alternative procedure to condemnation, including but not limited to arbitration,*  
2 *mediation or facilitated negotiation. However, an alternative procedure may not be used unless mutually*  
3 *agreed to by the property owner and the local government.]*

4        *[(d)]* **(b)** Require an owner to refrain from disturbing tenancies, other than for cause as defined  
5 in the contract, for a period of not more than 180 days after expiration of the contract **or with-**  
6 **drawal of the participating property from publicly supported housing** if the local government  
7 pays, or arranges for payment, to the owner on the first day of each month, the monthly subsidy that  
8 the owner was receiving under the contract.

9        **(c) Make application to the Housing and Community Services Department requesting that**  
10 **a local subsidy program be included in the definition of publicly supported housing, as long**  
11 **as the program otherwise complies with and is not excluded from the definition of publicly**  
12 **supported housing.**

13        *[(2)]* **(6)** Any notices provided under subsection (1)(a) of this section shall specify whether the  
14 owner:

15        (a) Intends to withdraw the **participating** property from *[a federal housing program]* **publicly**  
16 **supported housing.**

17        (b) Intends to convert the participating property to a nonparticipating use.

18        (c) Is involved in negotiations with the United States Department of Housing and Urban Devel-  
19 opment, *[or]* the Housing and Community Services Department **or any other individual or entity**  
20 regarding an extension of an expiring *[participation]* contract.

21        *[(3)]* **(7)** ORS 456.255 to 456.265 do not require **the Housing and Community Services De-**  
22 **partment or** a local government to purchase, condemn or otherwise acquire participating property.

23        **(8) The Housing and Community Services Department shall adopt rules to implement the**  
24 **provisions of this section with respect to the duties, powers and functions of the department.**

25        **SECTION 4.** ORS 456.265 is amended to read:

26        456.265. (1) Except as expressly authorized in ORS 456.260 *[(1)]* **or sections 6 and 7 of this 2017**  
27 **Act** or as may be provided by contract with the property owner, a local government may not:

28        (a) Impose any fine, penalty, tax, fee, charge, assessment or other restriction or sanction against  
29 a property owner for withdrawing the participating property from *[a federal housing program]* **pub-**  
30 **licly supported housing.**

31        (b) Except as an exercise of constitutional or statutory powers of condemnation:

32        (A) Prevent or restrict a property owner from selling or otherwise disposing of participating  
33 property.

34        (B) Require conveyance of participating property to the local government or to another party.

35        (C) Impose any fine, penalty, tax, fee, charge, assessment or other restriction or sanction against  
36 a property owner for refusing an offer by the **Housing and Community Services Department, the**  
37 **department's designee, a local government or another party to purchase participating property.**

38        *[(c) Require a property owner to pay any replacement fee or other fee for tenant relocation from*  
39 *participating property, except as specified in an alternative procedure being used pursuant to ORS*  
40 *456.260 (1)(c).]*

41        (2) Subsection (1) of this section does not prohibit a local government that is certified by a  
42 federal agency to carry out an agency responsibility or to exercise agency authority from taking any  
43 action within the scope of that responsibility or authority.

44        **SECTION 5. Sections 6, 7 and 8 of this 2017 Act are added to and made a part of ORS**  
45 **456.255 to 456.265.**

1       **SECTION 6.** (1) Except as provided in subsection (2) of this section, a property owner  
2 shall provide notice by registered or certified mail, return receipt requested, to the Housing  
3 and Community Services Department and each local government entitled to notice under  
4 ORS 456.260, of the opportunity to offer to purchase a participating property at least 13  
5 months prior to the occurrence of any of the following actions if the action will result in  
6 withdrawal of the participating property from publicly supported housing:

- 7       (a) Refinancing of the primary mortgage;
- 8       (b) Recapitalizing for purposes of rehabilitation or repair;
- 9       (c) Entering into an agreement to sell the property to a new property owner; or
- 10      (d) Withdrawing the participating property from publicly supported housing.

11      (2) Subsection (1) of this section does not apply when:

- 12      (a) A local government or the state takes the participating property by eminent domain  
13 or a negotiated purchase in lieu of eminent domain;
- 14      (b) There is a forced sale of the participating property under a foreclosure; or
- 15      (c) The participating property is subject to a deed in lieu of foreclosure.

16      (3)(a) The property owner shall provide the notice required in subsection (1) of this sec-  
17 tion to afford the qualified purchasers the opportunity to purchase required by this section  
18 within the time frames indicated in subsection (5) of this section.

19      (b) A property owner is under no obligation to accept a qualified purchaser's offer made  
20 pursuant to subsection (5) of this section.

21      (4) The department may appoint a designee to act as purchaser of the participating  
22 property and shall give the property owner notice of the appointment of a designee. The de-  
23 partment must consult with each local government where the property is located before ap-  
24 pointing a designee under this subsection. The department must enter into a written  
25 agreement with the appointed designee providing that the designee and any of the designee's  
26 successors or assigns:

- 27      (a) Agree to preserve the affordability of the participating property; and
- 28      (b) Assume all rights and responsibilities attributable to the department as a prospective  
29 purchaser of the participating property.

30      (5) A qualified purchaser may, within 90 days from the date of a property owner's notice  
31 under subsection (1) of this section, submit an offer to the property owner to purchase the  
32 participating property. Failure by all qualified purchasers to submit a timely offer constitutes  
33 an irrevocable waiver of the each qualified purchaser's rights under this section, and, subject  
34 to section 7 of this 2017 Act, the property owner may sell the participating property to a  
35 third party or withdraw the participating property from publicly supported housing.

36      (6) If, within 210 days from the date of a property owner's notice under subsection (1)  
37 of this section or within such other period of time to which the qualified purchasers and the  
38 property owner may agree, the property owner has not accepted any qualified purchaser's  
39 offer to purchase the participating property, each qualified purchaser's offer shall expire,  
40 each qualified purchaser's right to purchase the participating property under this section  
41 shall terminate and, subject to section 7 of this 2017 Act, the property owner may sell the  
42 participating property to a third party or withdraw the participating property from publicly  
43 supported housing.

44      (7) At any time after the notice described in subsection (1) of this section has been pro-  
45 vided, a qualified purchaser may request, in writing, that the property owner make available,

1 within 30 days of the request, documents that are relevant to the participating property at  
2 the property owner's principal place of business or at a commercial photocopying facility.

3 (8)(a) Notwithstanding the provisions of ORS 192.410 to 192.505 relating to public records,  
4 the documents provided by the property owner to a qualified purchaser under subsection (7)  
5 of this section are confidential and exempt from public inspection except with the written  
6 consent of the property owner or as ordered by a court.

7 (b) Notwithstanding paragraph (a) of this subsection, disclosure may be made to potential  
8 funding sources, regulatory agencies or agents or consultants of a qualified purchaser in  
9 connection with a transaction between the property owner and a qualified purchaser under  
10 this section, subject to appropriate confidentiality agreements.

11 (9) The department shall adopt rules to implement the provisions of this section.

12 **SECTION 7.** (1)(a) Within the first 180 days following the expiration of the offer to pur-  
13 chase period described in section 6 (6) of this 2017 Act, a property owner may accept a third  
14 party's offer to purchase the participating property. This acceptance shall be made subject  
15 to the property owner providing each qualified purchaser the right of first refusal to pur-  
16 chase the property on the same terms and conditions as the third party's offer to purchase,  
17 subject to subsection (2) of this section, unless those terms and conditions are modified by  
18 mutual consent between the qualified purchaser and the property owner.

19 (b) The property owner shall provide notice, by registered or certified mail, return receipt  
20 requested, to each qualified purchaser of the terms and conditions of the third party's offer  
21 to purchase. A qualified purchaser shall have 30 days from the date the notice is mailed to  
22 exercise its right of first refusal by submitting a matching offer to purchase the property.  
23 The property owner shall accept the first matching offer the property owner receives from  
24 a qualified purchaser under this section.

25 (c) A qualified purchaser's offer is a matching offer if it is on the same terms and con-  
26 ditions as the third party's offer to purchase but for modifications to ensure compliance with  
27 subsection (2) of this section, unless those terms and conditions are modified by mutual  
28 consent among the qualified purchaser and the property owner.

29 (2) If a qualified purchaser exercises its right of first refusal, the qualified purchaser and  
30 property owner shall execute a purchase agreement on the same terms and conditions as the  
31 third party's offer, except that:

32 (a) The earnest money deposit may not exceed the lesser of two percent of the sales price  
33 or \$250,000;

34 (b) The earnest money deposit must be refundable for at least 90 days; and

35 (c) Closing shall be scheduled at least 240 days after execution of the purchase agree-  
36 ment.

37 (3) Subsection (1) of this section does not apply when:

38 (a) A local government or the state takes the participating property by eminent domain  
39 or a negotiated purchase in lieu of eminent domain;

40 (b) There is a forced sale of the participating property under a foreclosure;

41 (c) The participating property is subject to a deed in lieu of foreclosure or a negotiated  
42 purchase to avoid foreclosure;

43 (d) There are more than 30 years remaining before the first scheduled termination of an  
44 affordability restriction on the property;

45 (e) The property owner accepted a third party's offer to purchase the participating

1 **property before the effective date of this 2017 Act and has provided documentation of the**  
2 **purchase agreement to the Housing and Community Services Department;**

3 **(f) The third party offeror agrees to maintain the affordability restrictions on the par-**  
4 **ticipating property, as determined by the department by rule, to ensure that the participat-**  
5 **ing property remains publicly supported housing; or**

6 **(g) Any additional situations as determined by the department by rule.**

7 **(4) A property owner that sells participating property to a third party shall certify that**  
8 **the owner has complied with all provisions of ORS 456.260, this section and section 6 of this**  
9 **2017 Act. A certification of compliance under this section shall:**

10 **(a) Be recorded in the real property records of the county in which the property is lo-**  
11 **cated;**

12 **(b) Contain a legal description of the property;**

13 **(c) Identify the property owner as the grantor; and**

14 **(d) Be acknowledged by the property owner in the manner required for acknowledgment**  
15 **of a deed.**

16 **(5) The department shall adopt rules to implement the provisions of this section.**

17 **SECTION 8. (1) Any person who suffers any ascertainable loss of money or property, real**  
18 **or personal, as a result of the failure of an owner of a participating property to provide no-**  
19 **tices or otherwise comply with the provisions of ORS 456.260 or sections 6 or 7 of this 2017**  
20 **Act may bring an individual action in an appropriate court to recover actual damages. The**  
21 **court or the jury may award punitive damages, and the court may provide injunctive relief**  
22 **and any other equitable relief the court considers necessary and proper.**

23 **(2) The court may award reasonable attorney fees and costs at trial and on appeal to a**  
24 **prevailing plaintiff in an action under this section.**

25 **SECTION 9. ORS 456.559, as amended by section 6, chapter 61, Oregon Laws 2016, is amended**  
26 **to read:**

27 **456.559. (1) The Housing and Community Services Department shall:**

28 **(a) Maintain current housing data and information concerning available programs, status of**  
29 **funding, programs planned or undertaken which might conflict with, overlap, duplicate or supersede**  
30 **other planned or existing programs and call these to the attention of appropriate state agencies,**  
31 **governmental bodies and public or private housing sponsors.**

32 **(b) Maintain current data from local, state and federal sources concerning publicly sup-**  
33 **ported housing as that term is defined in ORS 456.250, the status of existing affordability**  
34 **restrictions as that term is defined in ORS 456.250 and rental assistance contracts at publicly**  
35 **supported housing.**

36 **[(b)] (c) Provide to appropriate state agencies, governmental bodies and public or private hous-**  
37 **ing sponsors such advisory and educational services as will assist them in the development of**  
38 **housing plans and projects.**

39 **[(c)] (d) Subject to the approval of the Oregon Housing Stability Council, make noninterest**  
40 **bearing advances, in accordance with ORS 456.710 and the policies of the department, to qualified**  
41 **nonprofit sponsors for development costs of housing projects until mortgage funds are released to**  
42 **repay the advances as provided in ORS 456.710.**

43 **[(d)] (e) Advise and assist appropriate state agencies, governmental bodies and public or private**  
44 **housing sponsors, cities and counties, in all programs and activities which are designed or might**  
45 **tend to fulfill the purposes of ORS 456.548 to 456.725 and ORS chapter 458.**

1        [(e)] (f) Encourage and assist in the planning, development, construction, rehabilitation and  
2 conservation of dwelling units for persons and families of lower income.

3        [(f)] (g) Be the central state department to apply for, receive and distribute, on behalf of ap-  
4 propriate state agencies, governmental bodies and public or private housing sponsors in the state,  
5 grants, gifts, contributions, loans, credits or assistance from the federal government or any other  
6 source for housing programs except when the donor, grantor, or lender of such funds specifically  
7 directs some other agency to administer them. Moneys received under this section shall be deposited  
8 with the State Treasurer in an account separate and distinct from the General Fund. Interest earned  
9 by the account shall be credited to the account.

10       [(g)] (h) For the purposes of acquiring moneys, credits or other assistance from any agency or  
11 instrumentality of the United States or from any public corporation chartered by the United States,  
12 comply with any applicable agreements or restrictions for the receipt of such assistance and become  
13 a member of any such association or public corporation chartered by the United States.

14       [(h)] (i) Assist individuals, appropriate state agencies, governmental bodies and public or private  
15 housing sponsors through a program which provides housing information, planning, educational  
16 services and technical assistance.

17       [(i)] (j) Comply with the requirements of ORS 443.225 in assisting in the development of any  
18 housing for residential care, training or treatment for persons with mental retardation, develop-  
19 mental disabilities or mental or emotional disturbances.

20       (2) Except as otherwise provided in ORS **456.255 to 456.265** and 456.625 (7) and sections 1 to  
21 3, chapter 61, Oregon Laws 2016, **and sections 6 and 7 of this 2017 Act**, the department may not  
22 itself develop, construct, rehabilitate or conserve housing units; and neither the department nor any  
23 housing sponsor, including but not limited to any association, corporation, cooperative housing au-  
24 thority or urban renewal agency organized to provide housing and other facilities [*pursuant to*] **un-**  
25 **der** ORS 456.548 to 456.725, may own, acquire, construct, purchase, lease, operate or maintain utility  
26 facilities, including facilities for the generation of electricity, for the distribution of gas and elec-  
27 tricity, and for the conveyance of telephone and telegraph messages.

28       (3) In accordance with the provisions of this section and with the advice of the council, the  
29 department shall establish statewide priorities for housing programs. State agencies shall coordinate  
30 their housing programs with the department. All state agencies intending to apply for federal funds  
31 for use in planning, developing or managing housing, or rendering assistance to governmental bodies  
32 or sponsors or individuals involved therein shall submit a description of the proposed activity to the  
33 department for review not less than 30 days prior to the intended date of submission of the appli-  
34 cation to the federal agency. The department shall determine whether the proposal would result in  
35 a program that would overlap, duplicate or conflict with any other housing program in the state. If  
36 the department finds overlapping or duplication or conflict, it shall recommend modifications in the  
37 application. The Oregon Department of Administrative Services shall consider these recommen-  
38 dations in making its decision to approve or disapprove the application. The department shall com-  
39 plete its review and forward its recommendations within 15 working days after receipt of the  
40 notification. Failure of the department to complete the review within that time shall constitute ap-  
41 proval of the application by the department.

42       (4) The Director of the Housing and Community Services Department may participate in dis-  
43 cussions and deliberations of the council. The director may suggest policies and rules to the council,  
44 including those necessary to stimulate and increase the supply of housing for persons and families  
45 of lower income.



1        **SECTION 10.** ORS 456.574 is amended to read:

2        456.574. (1) There is created in the General Fund of the State Treasury the Housing and Com-  
3        munity Services Department Revolving Account. All moneys deposited in the account are contin-  
4        uously appropriated for the purposes of carrying out the programs which the Housing and  
5        Community Services Department is charged with administering subject to limitations otherwise  
6        prescribed by law.

7        (2) The Housing and Community Services Department may transfer to the Housing and Com-  
8        munity Services Department Revolving Account amounts not to exceed \$250,000 from funds available  
9        to the department. Such funds hereby are continuously appropriated for:

10        (a) The making of advances under ORS 456.559 (1)(d) [(1)(c)] or 456.710; and

11        (b) The use by the department in the payment of expenses incurred by the department in car-  
12        rying out ORS 456.548 to 456.725; however, any such funds expended by the department under this  
13        paragraph shall be repaid by the department into the revolving account from the fees and charges  
14        collected under ORS 456.625 (3) and from any other moneys available for such repayment in ac-  
15        cordance with ORS 456.548 to 456.725.

16        **SECTION 10a.** Notwithstanding any other provision of law, the General Fund appropri-  
17        ation made to the Housing and Community Services Department by section 1, chapter \_\_,  
18        Oregon Laws 2017 (Enrolled House Bill 5012), for the biennium beginning July 1, 2017, is in-  
19        creased by \$453,320 for the purpose of implementing sections 6 and 7 of this 2017 Act and  
20        ORS 456.260 and 456.559, as amended by sections 3 and 9 of this 2017 Act, except that the  
21        funds appropriated by this section may not be used for earnest money deposits or purchase  
22        price payments for the purchase of real property.

23        **SECTION 11.** (1) Sections 6 and 8 of this 2017 Act and the amendments to ORS 456.250,  
24        456.255, 456.260, 456.265, 456.559 and 456.574 by sections 1 to 4, 9 and 10 of this 2017 Act apply  
25        to participating properties that are publicly supported housing on or after the effective date  
26        of this 2017 Act and that are subject to contracts executed or renewed prior to, on or after  
27        the effective date of this 2017 Act.

28        (2) Section 7 of this 2017 Act applies to participating properties that are publicly sup-  
29        ported housing subject to contracts executed or renewed on or after the effective date of this  
30        2017 Act.

31        **SECTION 12.** Sections 6, 7 and 8 of this 2017 Act and the amendments to ORS 456.250,  
32        456.255, 456.260, 456.265, 456.559 and 456.574 by sections 1 to 4, 9 and 10 of this 2017 Act be-  
33        come operative January 1, 2018.

34        **SECTION 13.** The Housing and Community Services Department may take any action  
35        after the effective date specified in section 14 of this 2017 Act but before the operative date  
36        specified in section 12 of this 2017 Act that is necessary for the department to exercise, on  
37        and after the operative date specified in section 12 of this 2017 Act, all of the duties, func-  
38        tions and powers conferred on the board by sections 6, 7 and 8 of this 2017 Act and the  
39        amendments to ORS 456.250, 456.255, 456.260, 456.265, 456.559 and 456.574 by sections 1 to 4,  
40        9 and 10 of this 2017 Act.

41        **SECTION 14.** This 2017 Act takes effect on the 91st day after the date on which the 2017  
42        regular session of the Seventy-ninth Legislative Assembly adjourns sine die.

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