

**As Introduced**

**133rd General Assembly**

**Regular Session**

**2019-2020**

**H. B. No. 694**

**Representatives Perales, Smith, T.**

**Cosponsors: Representatives Riedel, Butler, Plummer, Strahorn**

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**A BILL**

To enact section 113.42 of the Revised Code to 1  
establish the Permanent Replacement Housing 2  
Program and to make an appropriation. 3

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That section 113.42 of the Revised Code be 4  
enacted to read as follows: 5

**Sec. 113.42.** (A) As used in this section: 6

(1) "Market rent" means the monthly rent payment that 7  
qualified housing would command if offered on the open market as 8  
determined through standards adopted by the treasurer of state 9  
pursuant to divisions (D) and (H) of this section. 10

(2) "Permanent replacement housing program" and "program" 11  
mean the permanent replacement housing program established by 12  
division (B) of this section. 13

(3) "Prior rent" means the monthly rent paid by a 14  
qualified resident or resident participant, pursuant to a rental 15  
agreement, for residential premises that were made uninhabitable 16  
by a natural disaster. 17

(4) "Rental agreement" has the same meaning as in section 5321.01 of the Revised Code. 18  
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(5) "Resident participant" means a resident of this state accepted into the permanent replacement housing program who has chosen to participate and agreed to the conditions established by division (G) of this section. 20  
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(6) "Residential premises" has the same meaning as in section 5321.01 of the Revised Code. 24  
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(7) "Qualified housing" means housing that meets the requirements set by the treasurer of state pursuant to division (D) of this section. 26  
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(8) "Qualified provider" means a person who is certified to provide permanent replacement housing pursuant to division (E) of this section and who enters into an agreement with the treasurer of state to provide such housing. 29  
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(9) "Qualified resident" means a resident of this state who qualifies to participate in the permanent replacement housing program pursuant to division (F) of this section. 33  
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(10) "State residential building code" means the state residential building code adopted by the board of building standards pursuant to section 3781.10 of the Revised Code. 36  
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(B)(1) The permanent replacement housing program is hereby created to encourage the construction or rehabilitation of qualified housing after natural disasters and to assist displaced residents until they can obtain permanent replacement housing. 39  
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(2) There is hereby created in the state treasury the permanent replacement housing fund, consisting of moneys 44  
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appropriated to it by the general assembly and funds received by 46  
the treasurer of state as a result of the treasurer's authority 47  
under division (K) of this section. Investment earnings on 48  
moneys in the fund shall be credited to the fund. 49

(C) The treasurer of state may make funds from the 50  
permanent replacement housing fund available for allocation 51  
under the permanent replacement housing program if both of the 52  
following apply: 53

(1) The governor declares, due to a natural disaster, that 54  
a state of emergency exists with respect to a county, region, or 55  
political subdivision of this state. 56

(2) The treasurer of state determines that the disaster 57  
underlying the emergency has substantially damaged or destroyed 58  
housing in the area of the emergency. 59

(D) The treasurer of state shall set standards, in rules, 60  
for qualified housing. The rules shall include all of the 61  
following: 62

(1) Standards to prioritize construction or rehabilitation 63  
of housing in communities directly affected by natural disasters 64  
as well as standards for selecting locations in the event 65  
housing cannot be constructed or rehabilitated in the affected 66  
communities; 67

(2) Standards for establishing the market rent of 68  
qualified housing, which may be updated once every three years 69  
upon the qualified provider's request; 70

(3) A requirement that housing proposed for rehabilitation 71  
must be uninhabitable at the time the potential provider applies 72  
to be a qualified provider; 73

(4) Any other standards the treasurer of state considers 74  
appropriate to affect the permanent replacement housing 75  
program's purposes. 76

(E) The treasurer of state shall adopt rules establishing 77  
standards for the qualification of housing providers as 78  
qualified housing providers in the permanent replacement housing 79  
program. The rules shall include all of the following: 80

(1) A requirement that applicants possess the demonstrated 81  
ability to rehabilitate or construct residential housing in 82  
eighteen months or less; 83

(2) A requirement that applicants agree that all work 84  
necessary to rehabilitate or construct residential housing under 85  
the permanent replacement housing program will be performed by 86  
persons who possess all necessary state and local licenses; 87

(3) A requirement that housing that will require a 88  
certificate of occupancy under the state residential building 89  
code may only be provided under the permanent replacement 90  
housing program in an area where a building department has been 91  
certified, pursuant to division (E) of section 3781.10 of the 92  
Revised Code, to enforce the state residential building code; 93

(4) A requirement that applicants agree to procure a 94  
certificate of occupancy for the qualified housing, under 95  
section 4101:1-1-01 or section 4101:8-1-01 of the Administrative 96  
Code, or their successor sections, not more than eighteen months 97  
after certification as a qualified provider, and agree that 98  
compliance with that requirement is a condition precedent to 99  
receiving funds under the permanent replacement housing program; 100

(5) A requirement that applicants identify one or more 101  
locations suitable for the rehabilitation or construction of 102

permanent replacement housing and reasonably demonstrate the 103  
ability to obtain all necessary zoning and permit approvals; 104

(6) Standards for the selection of qualified providers for 105  
certification in the event that suitable applications 106  
representing more housing than sufficient funds are available to 107  
rehabilitate or construct are submitted; 108

(7) A requirement that applicants execute an agreement to 109  
provide qualified housing pursuant to the permanent replacement 110  
housing program as a condition on the opportunity to present 111  
housing opportunities to qualified residents and receiving funds 112  
pursuant to the program; 113

(8) Any other requirements the treasurer of state 114  
considers necessary to ensure the timely provision of safe, 115  
sanitary, and permanent replacement housing to qualified 116  
residents. 117

(F) The treasurer of state shall qualify residents for 118  
participation in the permanent replacement housing program and 119  
shall adopt rules establishing standards for qualification. The 120  
rules shall include all of the following: 121

(1) A requirement that each applicant affirm all of the 122  
following: 123

(a) That the applicant resided in a county, region, or 124  
political subdivision of this state where the governor has 125  
declared, due to a natural disaster, that a state of emergency 126  
exists and did so at the time of the natural disaster; 127

(b) That the natural disaster that caused the state of 128  
emergency rendered the applicant's residence uninhabitable; 129

(c) That the applicant has not and will not receive, from 130

any commercial or governmental entity, payment or reimbursement 131  
for the loss of, or damage to, real property caused by the 132  
natural disaster; 133

(d) The amount of the applicant's prior rent. 134

(2) Standards for verifying the information required to be 135  
affirmed pursuant to division (F)(1) of this section; 136

(3) Any other standards the treasurer of state deems 137  
appropriate for verifying a resident's eligibility to 138  
participate in the program. 139

(G) Upon certifying one or more qualified providers, the 140  
treasurer of state shall allow qualified residents to review the 141  
qualified housing that is being made available through 142  
rehabilitation or construction. Upon review, qualified residents 143  
may choose whether or not to participate in the permanent 144  
replacement housing program. Those who choose to participate 145  
shall do both of the following to be approved as resident 146  
participants: 147

(1) Agree to enter into a rental agreement with at least a 148  
one-year term with a qualified provider at a specified location 149  
and price if the provider makes the housing available within 150  
eighteen months after the treasurer of state certifies the 151  
qualified housing provider; 152

(2) Agree to pay the penalty established by the treasurer 153  
of state pursuant to division (J) of this section if the 154  
qualified resident does not enter into a rental agreement as 155  
agreed pursuant to division (G)(1) of this section and if the 156  
treasurer of state does not waive the penalty. 157

(H)(1) The treasurer of state may provide rental 158  
assistance to offset the cost of temporary housing occupied by a 159

resident participant until the resident participant takes 160  
possession of qualified housing pursuant to a rental agreement 161  
with a qualified provider. Not more than twenty-five per cent of 162  
the assistance provided each year shall be allocated to 163  
assistance made available under division (H)(1) of this section. 164  
If the treasurer of state makes such assistance available, the 165  
resident participant may request rental assistance for the 166  
temporary housing by submitting a copy of the rental agreement 167  
covering the temporary housing, or other evidence of the 168  
temporary housing's monthly cost that is acceptable to the 169  
treasurer of state. If the treasurer of state approves the 170  
request, the treasurer of state shall remit rental assistance to 171  
the resident participant in the following amounts: 172

(a) For the first six months of the resident participant's 173  
use of the temporary housing, a sum equal to the approved market 174  
rent for the temporary residential premises occupied by the 175  
resident participant less one-half of the amount of the 176  
qualified participant's prior rent; 177

(b) For the remainder of the rental agreement's term, 178  
including any renewals, or eight months, whichever is less, a 179  
sum equal to the approved market rent for the temporary 180  
residential premises occupied by the resident participant less 181  
the amount of the qualified participant's prior rent. 182

(2) The treasurer of state shall adopt standards, in 183  
rules, for determining the market rent of temporary housing. 184

(I) When a resident participant takes possession of 185  
residential premises pursuant to a rental agreement with a 186  
qualified provider, as agreed to under division (G) of this 187  
section, the qualified provider shall submit a copy of the 188  
rental agreement to the treasurer of state. Upon receipt of the 189

rental agreement, the treasurer of state shall remit rental 190  
assistance to the qualified provider for the term of the rental 191  
agreement in the following amounts: 192

(1) For the first six months of the rental agreement's 193  
term, a sum equal to the approved market rent for the 194  
residential premises occupied by the resident participant less 195  
one-half of the amount of the qualified participant's prior 196  
rent; 197

(2) For the remainder of the rental agreement's term, 198  
including any renewals, or one hundred fourteen months, 199  
whichever is less, a sum equal to the approved market rent for 200  
the residential premises occupied by the resident participant 201  
less the amount of the qualified participant's prior rent. 202

(J) (1) The treasurer of state shall adopt, in rules, 203  
standards for both of the following: 204

(a) The penalties participating residents agree to 205  
pursuant to division (G) (2) of this section. The standards shall 206  
take into account the costs incurred by qualified providers as a 207  
result of a participating resident's failure to enter into a 208  
rental agreement at an agreed upon location and price. 209

(b) Waiver of the penalties participating residents agree 210  
to pursuant to division (G) (2) of this section, for good cause 211  
shown. Good cause shown shall include instances in which an 212  
applicant or a member of an applicant's household relocated out 213  
of the area of declared emergency for employment or business 214  
opportunities. 215

(2) If the treasurer of state waives the penalty agreed to 216  
by participating residents pursuant to division (G) (2) of this 217  
section, the treasurer of state shall pay the amount of the 218



penalty directly to the qualified provider. 219

(K) The treasurer of state shall identify any private, 220  
federal, state, and local funding that is available to support 221  
the permanent replacement housing program and seek to obtain 222  
such funding for addition to the permanent replacement housing 223  
fund. 224

**Section 2.** All items in this section are hereby 225  
 appropriated as designated out of any moneys in the state 226  
 treasury to the credit of the designated fund. For all 227  
 appropriations made in this act, those in the first column are 228  
 for fiscal year 2020 and those in the second column are for 229  
 fiscal year 2021. The appropriations made in this act are in 230  
 addition to any other appropriations made for the FY 2020-FY 231  
 2021 biennium. 232

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A	TOS TREASURER OF STATE				
B	Dedicated Purpose Fund Group				
C	XXXX	0904XX	Permanent	\$ 20,000,000	\$ 0
			Replacement		
			Housing Program		
D	Total Dedicated Purpose Fund			\$ 20,000,000	\$ 0
	Group				
E	TOTAL ALL BUDGET FUND GROUPS			\$ 20,000,000	\$ 0

PERMANENT REPLACEMENT HOUSING PROGRAM	234
The foregoing appropriation item 0904XX, Permanent Replacement Housing Program, shall be used by the Treasurer of State to provide support for the Permanent Replacement Housing Program in accordance with section 113.42 of the Revised Code.	235 236 237 238
On the effective date of this section, or as soon as possible thereafter, the Director of Budget and Management shall transfer \$20,000,000 in cash from the General Revenue Fund to the Permanent Replacement Housing Fund (Fund XXXX).	239 240 241 242
The unexpended and unencumbered portion of the foregoing appropriation item 0904XX, Permanent Replacement Housing Program, at the end of fiscal year 2020 is hereby reappropriated for the same purpose in fiscal year 2021.	243 244 245 246
<b>Section 3.</b> Within the limits set forth in this act, the Director of Budget and Management shall establish accounts indicating the source and amount of funds for each appropriation made in this act, and shall determine the form and manner in which appropriation accounts shall be maintained. Expenditures from appropriations contained in this act shall be accounted for as though made in H.B. 166 of the 133rd General Assembly.	247 248 249 250 251 252 253
The appropriations made in this act are subject to all provisions of H.B. 166 of the 133rd General Assembly that are generally applicable to such appropriations.	254 255 256