

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2198 - B10**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***Prepared by: Michelle Deister
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Date: 7/2/2015**Measure Description:**

Directs Housing and Community Services Department to develop and implement Local Innovation and Fast Track Housing Program to expand state's supply of affordable housing for families with children and incomes at or below 60 percent of area median income.

Government Unit(s) Affected:

Housing and Community Services Department, Bonding

Summary of Expenditure Impact:

| | 2015-17 Biennium | 2017-19 Biennium |
|--------------------|-------------------------|-------------------------|
| General Fund | \$117,779 | \$32,356 |
| Other Funds | 88,979 | 34,473 |
| Total Funds | \$206,758 | \$66,829 |
| Positions | 1 | 1 |
| FTE | 0.92 | 0.33 |

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The bill directs the Housing and Community Services Department (HCSD) to develop and implement the Directs Housing and Community Services Department to develop and implement Local Innovation and Fast Track Housing Program and establishes a related program Fund. HCSD is authorized to acquire, construct, develop, improve, rehabilitate and own affordable housing in this state for low income individuals and families that have an income below 60 percent of the area median income. The measure defines the interest in real property owned by the Department or the state. HCSD is directed to consider a number of factors when making project funding determinations, including optimizing the number of units for the amount of funding provided, the term of affordability, geographic distribution, rent burden and vacancy rates. The Department is required to report regularly to the State Housing Council regarding the status and progress of program implementation, also to report to the interim committees of the Legislative Assembly annually, between 2016 and 2018.

Funding for the program is anticipated to be supported by the issuance of \$40 million in bonds, issued pursuant to article XI-Q of the Oregon Constitution, which will be authorized in the 2015 bonding bill (HB 5005). Cost of issuance and debt service for bonds related to this legislation will be contained in a 2015-17 budget reconciliation measure. Funds remaining after the deduction of costs for administration, bond issuance, and debt service, will be used for the program. Attorney General costs to HCSD associated with rulemaking and the development of pro forma operating agreements are anticipated to be absorbed within the existing parameters of the agency's budget. HCSD anticipates the need for one limited-duration Program Analyst 4 position to review projects and underwriting in order to develop financing packages. This position (0.92 FTE) is estimated to cost \$206,758 total funds in the 2015-17 biennium and (0.33 FTE) a cost of \$66,829 total funds in the 2017-19 biennium.