

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 2198 - B**

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session  
Legislative Fiscal Office

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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**Measure Description:**

Directs Housing and Community Services Department to develop and implement Affordable Family Housing Development Program to expand state's supply of affordable housing for families with children and incomes below 60 percent of area median income.

**Government Unit(s) Affected:**

Housing and Community Services Department, Bonding

**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 fiscal impact of this measure is indeterminate, because the budgetary scope of the bonding and grants associated with supporting the Affordable Family Housing Development Program are undefined.

The bill directs the Housing and Community Services Department (HCSD) to develop and implement the Affordable Family Housing Development Program (AFHDP) and establishes the Affordable Family Housing Development Program Fund. HCSD is authorized to acquire, construct, develop, improve, rehabilitate and own affordable housing in this state for families with children that have an income below 60 percent of the area median income. Housing that is acquired, constructed, developed, improved or rehabilitated under the AFHDP may be owned, in whole or in part, by the state or HCSD. Agreements entered into by HCSD for the development, management and operation of the program housing are not subject to the provisions of Public Contracting Law (ORS 279A or 279B). HCSD is authorized to award grants to eligible applicants, based on priorities outlined by the bill, for the construction, development, improvement or rehabilitation of housing, which is subject to the review of the State Housing Council. Finally, the Director of HCSD is required to report regularly to the State Housing Council regarding the status and progress of AFHDP; and HCSD is also directed to report to the interim committees of the Legislative Assembly on or before February 1, 2016, regarding the AFHDP.

Attorney General costs to HCSD associated with rulemaking and the development of pro forma operating agreements are estimated at \$125,000 in the 2015-17 biennium. Other than rulemaking expenses, any additional fiscal impact to HCSD is predicated on an additional investment for affordable housing. By itself the measure merely authorizes the agency to deploy existing resources pursuant to the authorizations and restrictions contained in the measure. Should an additional state investment be made for affordable housing, HCSD anticipates the need for one limited-duration Program Analyst 4 position to review projects and underwriting in order to develop financing packages. An additional limited-duration Accountant 3 position would be anticipated to perform the accounting functions and a portion of the position costs could likely be capitalized (funded with bond proceeds), once specific projects were approved and associated analysis and accounting could be attributed to them. The FTE and therefore cost associated with each of these positions will depend on the scale and timing of any additional investment. One permanent position in the 2017-19 biennium would be needed to monitor and oversee the state's ownership interest in any properties for which the state assumes an ownership interest would also be required; the classification and salary of this position is indeterminate and will depend on the number and scale of investments made.