

**78<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2016 Session  
PRELIMINARY BUDGET REPORT AND MEASURE SUMMARY**

**MEASURE: SB 1582-B**

**JOINT COMMITTEE ON WAYS AND MEANS**

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**Reviewed By:** Michelle Deister, Legislative Fiscal Office

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**Agency**

Housing and Community Services Department

**Biennium**

2015-17

## **Budget Summary\***

	<b>2015-17 Legislatively Adopted Budget</b>	<b>2016 Committee Recommendation</b>	<b>Committee Change from 2015-17 Leg. Adopted</b>	
			<b>\$ Change</b>	<b>% Change</b>
General Fund	\$ -	\$ 169,350	\$ 169,350	100.0%
Total	\$ -	\$ 169,350	\$ 169,350	100.0%

## **Position Summary**

Authorized Positions	0	2	2	
Full-time Equivalent (FTE) positions	0.00	0.73	0.73	

\* Excludes Capital Construction expenditures

## **Revenue Summary**

Senate Bill 1582 appropriates \$169,350 General Fund in the 2015-17 biennium for the development and implementation of the Local Innovation and Fast Track (LIFT) housing program. A total of \$40 million in Article XI-Q bonds was authorized through House Bill 5006 (2015). These bonds are scheduled to be issued in the spring of 2017 and proceeds will be used to fund affordable housing projects selected by the Housing Stability Council, pursuant to criteria outlined in SB 1582.

## **Summary of Transportation and Economic Development Subcommittee Action**

Through the LIFT program, the Housing and Community Services Department (HCS D) is authorized to acquire, construct, remodel, repair, equip or furnish real property that is or will be owned by the state. The bill authorizes the department to pay development costs, and limits the type of interest in real property that may be owned by the state. HCS D intends to open a solicitation process in the spring 2016, select projects by fall 2016, and bond proceeds are anticipated to be expended in the spring of 2017. Once affordable housing projects associated with these funds are selected, administration costs that are associated with the management of specific projects will be capitalized in accordance with generally accepted accounting principles and can be expended as Other Funds from the proceeds of the bond sale. Position costs prior to project selection or which cannot be attributed to a specific project, such as general program design costs, are funded by General Fund appropriation.

HCS D estimates legal charges associated with the development of pro forma operating agreements and templates to be approximately \$75,000 General Fund in the 2015-17 biennium. HCS D anticipates needing one limited duration Program Analyst 4 position (0.67 FTE) at a cost of \$84,385 General Fund. This position will review projects and underwriting, develop financing packages, and provide program guidelines and develop the competitive application process. Accounting work associated with the LIFT Program is anticipated to require one permanent

Accountant 3 position (0.06 FTE) at a cost of \$9,965 General Fund in the 2015-17 biennium. As the LIFT program is expected to continue through the 2017-19 biennium, it is anticipated that HCSD will request continuation of these positions in its agency request budget for 2017-19, and may request a permanent, part time compliance specialist position as projects are built and come on-line.

Fiscal impacts to the State Treasurer are anticipated to be minimal or absorbable within existing budgetary parameters.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**SB 1582-B**

Oregon Housing and Community Services  
 Linnea Wittekind -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS</u>									
<b>SCR 030 - Affordable Rental Housing Development</b>									
Personal Services	\$ 90,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,550	2	0.73
Services and Supplies	\$ 78,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,800		
<b>TOTAL SUBCOMMITTEE RECOMMENDATION</b>	<b>\$ 169,350</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 169,350</b>	<b>2</b>	<b>0.73</b>