

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: SB 1582 - A**78th Oregon Legislative Assembly – 2016 Regular Session  
Legislative Fiscal Office***Only Impacts on Original or Engrossed Versions are Considered Official***Prepared by: Krista Dauenhauer  
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Date: 2/17/2016**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 low income individuals or families.

**Government Unit(s) Affected:**

Housing and Community Services Department, Oregon State Treasurer, Attorney General

**Summary of Expenditure Impact:**

	<b>2015-17 Biennium</b>	<b>2017-19 Biennium</b>
General Fund	\$169,350	\$81,097
Other Funds	48,534	210,732
<b>Total Funds</b>	<b>\$217,884</b>	<b>\$291,829</b>
Positions	2	3
FTE	0.73	1.63

**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 (OHCS) to develop and implement a Local Innovation and Fast Track (LIFT) Housing Program. OHCS is authorized to acquire, construct, remodel, repair, equip or furnish real property that is or will be owned by the state, and authorizes the department to pay development costs, create entities, and limits the type of interest in real property that may be owned by the state. OHCS is required to report to the Housing Stability Council and the Legislative Assembly on or before February 1 of 2017, 2018 and 2019 regarding the status of the LIFT program.

A total of \$40 million in Article XI-Q bonds was authorized through HB 5006 (2015). These bond proceeds will be used to fund affordable housing projects that will be selected by the Housing Stability Council, pursuant to criteria outlined in SB 1582. The bonds are scheduled to be issued in the spring of 2017, and bond issuance costs were included in HB 5507 (2015) Section 104. Once affordable housing projects associated with these funds are selected, personal services costs that are associated with the administration and management of specific projects will be capitalized in accordance with generally accepted accounting principles and are therefore funded with Other Funds (OF) 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 organization costs) are assumed to be funded by a General Fund (GF) appropriation.

OHCS intends to open a solicitation process in the spring of 2016, select projects by fall of 2016, and bond proceeds are anticipated to be expended by spring of 2017. OHCS expects to consult the State Treasurer's and Attorney General's offices and estimates legal charges, associated with the

development of pro forma operating agreements and templates, to be approximately \$75,000 GF in the 2015-17 biennium. OHCS anticipates needing one limited-duration Program Analyst 4 position (0.67 FTE) at a cost of \$84,385 General Fund (GF) and \$48,534 Other Funds (OF) in the 2015-17 biennium and (0.88 FTE) at a cost of \$42,468 GF and \$127,403 OF in the 2017-19 biennium. 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 GF in the 2015-17 biennium and (0.25 FTE) at a cost of \$38,629 GF in the 2017-19 biennium. OHCS also anticipates needing one permanent Compliance Specialist 3 position (0.50 FTE) at a cost of \$83,329 OF in the 2017-19 biennium to monitor and ensure program compliance.

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