

BUDGET REPORT AND MEASURE SUMMARY

CARRIER: Rep. Gomberg

Joint Committee On Ways and Means

Action: Do Pass The B-Eng Bill.

Action Date: 02/25/16

Vote:

House

Yeas: 10 - Buckley, Gomberg, Huffman, Komp, Nathanson, Rayfield, Read, Smith, Whisnant, Williamson

Nays: 2 - McLane, Whitsett

Senate

Yeas: 10 - Bates, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen

Nays: 1 - Whitsett

Exc: 1 - Winters

Prepared By: Linnea Wittekind, Department of Administrative Services

Reviewed By: Michelle Deister, Legislative Fiscal Office

Agency: Housing and Community Services Department

Biennium: 2015-17

Budget Summary*

	2015-17 Legislatively Adopted Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Adopted	
			<u>\$ Change</u>	<u>% Change</u>
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 Subcommittee Action

Through the LIFT program, the Housing and Community Services Department (HCSD) 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. HCSD 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.

HCSD 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. HCSD 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>									
SCR 030 - Affordable Rental Housing Development									
Personal Services	\$ 90,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,550	2	0.73
Services and Supplies	\$ 78,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,800		
TOTAL SUBCOMMITTEE RECOMMENDATION	\$ 169,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 169,350	2	0.73