

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 3063 - A3**

79th Oregon Legislative Assembly – 2017 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, in collaboration with the Oregon Health Authority, to disburse moneys in the Housing for Mental Health Fund for the development of community-based housing.

**Government Unit(s) Affected:**

Housing and Community Services Department (HCSD), Oregon Health Authority (OHA)

**Analysis:**

House Bill 3063 with the -A3 amendment directs the Housing and Community Services Department (HCSD), in collaboration with the Oregon Health Authority (OHA), to disburse moneys in the Housing for Mental Health Fund for the development of community-based housing, including licensed residential treatment facilities, as well as crisis intervention services, rental subsidies, and other housing-related services for individuals with mental illness and individuals with substance use disorders. The bill requires HCSD to provide the funding for a portion of costs for land purchase and to construct housing; up to 50% of start-up costs for providing housing, including but not limited to fixtures, furnishings, and training of staff. HCSD is required to prescribe the financing mechanisms to be used to provide funding. In addition, the bill directs HCSD to convene an advisory group to make recommendations for the allocation of funds between types of housing, soliciting funding proposals, and processing applications for funding.

Housing and Community Services Department (HCSD)

HCSD is able to convene the advisory group within existing resources. The Legislature approved \$20 million in lottery proceeds for the 2015-17 biennium, a portion of which (no more than 5%) can be used by HCSD for administrative expenses including program management and underwriting of projects. The Housing Stability Council will see recommendations to approve projects from a second competitive offering on July 7, 2017. HCSD expects to have \$9.2 million remaining as uncommitted after those approvals. Of the remaining funds, \$4.2 million will be made available to pair with a veterans' housing notice of funding availability (NOFA) which will be made available in July. This fiscal assumes that HCSD will work with stakeholders, including the advisory group established by this bill, to identify the best mechanism to award the final \$5.0 million. There is no cost to HCSD associated with the remaining disbursement and oversight of these funds, even with the changes made by this measure.

Oregon Health Authority (OHA)

The fiscal impact of this bill to OHA is minimal. OHA will use existing staff and resources to collaborate with HCSD, including participating on the advisory group.