

HB 2912 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Linnea Wittekind, Department of Administrative Services

Reviewed By: Michelle Deister, Legislative Fiscal Office

**Housing and Community Services Department
2017-19**

PRELIMINARY

Budget Summary

	2015-17 Legislatively Approved Budget	2017-19 Current Service Level	2017-19 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
				\$ Change	% Change

Position Summary

Authorized Positions	0	0	2	2	
Full-time Equivalent (FTE) positions	0.00	0.00	1.00	1.00	

Summary of Revenue Changes

House Bill 2912 shifts Other Funds expenditure limitation in the amount of \$297,277 from Special Payments to Personal Services in the amount of \$195,277 and Services and Supplies in the amount of \$102,000.

Summary of Transportation and Economic Development Subcommittee Action

House Bill 2912 establishes the Affordable Housing Land Acquisition Revolving Loan Program within the Housing and Community Services Department (HCSD). House Bill 2912 directs 40 percent of the loans to go to organizations operating home ownership programs for low income households; however, if the goal is not attainable, those funds may be loaned to all other eligible organizations. Consistent with other HCSD funding sources, the department anticipates a loan fee of up to one percent of the initial loan. This fee is expected to provide sufficient revenue to cover legal costs related to each loan closing and other program delivery costs. Additionally, the department will utilize up to one percent interest earnings on the loan to cover any monitoring costs not already covered by other program income.

One half-time limited duration Program Analyst 4 position (0.50 FTE) will be needed for program development as well as other monitoring of the program and one half-time limited duration Loan Specialist 3 position (0.50 FTE) to underwrite the loans; negotiate with developers; document and close the loans; and monitor construction of the developments.

HCSD will re-purpose \$3.0 million in existing funds already included in the agency’s budget that are associated with an undersubscribed predevelopment program as Other Funds Special Payments limitation to establish the Land Acquisition Revolving Loan Program and to pay for administrative costs. These funds are anticipated to be fully expended by the end of the 2017-19 biennium. The shift from Special Payments to Personal Services and Services and Supplies is due to the administrative costs associated with set up and operation of this program.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Housing and Community Services Department
 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 (from CSL)</u>									
SCR 030 -Multifamily Housing									
Personal Services	\$ -	\$ -	\$ 195,277	\$ -	\$ -	\$ -	\$ 195,277	2	1.00
Services and Supplies	\$ -	\$ -	\$ 102,000	\$ -	\$ -	\$ -	\$ 102,000		
Special Payments	\$ -	\$ -	\$ (297,277)	\$ -	\$ -	\$ -	\$ (297,277)		
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2	1.00
SUBCOMMITTEE RECOMMENDATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2	1.00