

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 2912**

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:**

Establishes Affordable Housing Land Acquisition Revolving Loan Fund Program within Housing and Community Services Department to make loans to eligible organizations to purchase land for affordable housing development and to provide supportive services to residents and low income households.

**Government Unit(s) Affected:**

Housing and Community Services Department

**Analysis:**

This fiscal impact statement is for the purpose of transmitting the measure from the House Committee on Human Services and Housing to the Joint Committee on Ways and Means. The bill establishes the Affordable Housing Land Acquisition Revolving Loan Fund Program within the Housing and Community Services Department (HCSO). HCSO may contract with a nonprofit to serve as administrator for the program, which will provide loans to organizations to purchase land that will be developed to build facilities intended to provide support services to low income households. The bill prioritizes that 40% of the loans should go to organizations that operate home ownership programs for low income households; however, if that goal is not attainable then those funds may be loaned to all other eligible organizations. Within five years of receipt of a loan, the loan recipients must present the HCSO with updated development plans which must include designs, a list of additional financial resources, and a development schedule that indicates completion within eight years of receipt of the loan. Loan recipients that develop affordable housing must place the housing into service within eight years of receiving a loan and preserve the property as affordable housing for a minimum of 30 years.

Loan recipients who are in non-compliance with the program rules must pay back the principal amount and interest at the market rate which was agreed upon at the time of closing of the loan. The HCSO must develop guidelines for the period in which this repayment must take place and include the period in the original loan agreement entered into with the loan recipient. All other loan recipients who are in compliance with the program will have interest rates capped at 1%, however the bill does not provide any further repayment parameters for loans that are issued to organizations that are in compliance with the program. All loan repayment moneys received shall be deposited into the Affordable Housing Land Acquisition Revolving Loan Fund which is established in Section 2. (1) of the bill.

# Further Analysis Required

Beginning December 1, 2018, the HCSO must report annually to the interim committees of the Legislative Assembly on performance measures related to the program which are specified in Section 1. (13) of the bill. There is a fiscal impact associated with this bill; the revenue source(s) supporting the new fund have yet to be identified. Costs associated with administration of the loan program are directed to be agreed upon in a memorandum between HCSO and the contracted administrator. A more complete fiscal analysis on the bill will be prepared as the measure is considered in the Joint Committee on Ways and Means.