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Prepared by: Krista Dauenhauer
Reviewed by: Michelle Deister
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Measure Description:

Establishes Homeownership Down Payment Assistance Program within Housing and Community Services Department to provide grants to eligible nonprofit organizations, housing authorities and local governments to provide financial assistance to first-time home buyers in 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 to the House Committee on Revenue. The bill establishes the Home Ownership Down Payment Assistance Fund and all moneys in the fund are continuously appropriated to the Housing and Community Services Department (HCSD) for the purpose of awarding grants to nonprofit organizations, housing authorities, and local governments that provide financial assistance to first-time home buyers for the purchase of a single-family residence; funds may also be transferred to the Home Ownership Assistance Account which is used to provide grants to organizations that manage low income homeownership programs.

Grant recipients must enter into an agreement with HCSD that, at a minimum, indicate the purpose for which the grant funds may be used for; limit the amount of assistance provided to each first-time home buyers to \$20,000; require first-time home buyers to complete a home buyer education class; include repayment provisions if the grant recipient is to be out of compliance with the program; permit HCSD to conduct audits of the organization; and require the organization to submit annual reports. The bill appropriates \$5 million General Fund to HCSD in the 2017-19 biennium for the purpose of funding the provisions of the bill. Moneys in the Home Ownership Down Payment Assistance Fund are permitted to be used by HCSD to fund administrative expenses associated with the bill. Funding for future biennia is undetermined and will be subject to the amount appropriated by the Legislative Assembly. A more complete fiscal analysis on the bill, and associated administrative costs to HCSD, will be prepared as the measure is considered in the House Committee on Revenue.

Further Analysis Required