

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4006 - A7

79th Oregon Legislative Assembly – 2018 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Requires Housing and Community Services Department to annually provide to each city with population greater than 10,000 data showing percentage of renter households in city that are severely rent burdened.

Government Unit(s) Affected:

Cities, Oregon Housing and Community Services Department (OHCS), Department of Land Conservation and Development (DLCD)

Summary of Expenditure Impact:

Costs related to the measure will require budgetary action - See analysis.

Fund Type	2017-19 Biennium	2019-21 Biennium
General Fund	\$2,000,000	
Total Funds	\$2,000,000	\$0

Analysis:

The bill requires the Housing and Community Services Department (OHCS) to provide cities, with a population of greater than 10,000 renter households, data which shows the percentage of renter households that spend more than 50% of the household income on rent. No later than February 1 of each year cities, with a population of greater than 10,000 must provide the Department of Land Conservation and Development (DLCD) a report on a variety of types of housing units which were permitted in the previous calendar year. OHCS must collaborate with the DLCD to develop a survey for cities to provide data related to the current and planned future actions by the city to reduce rent burdens for severely rent burdened households; this survey will be issued to cities with 25% or greater renter households that are severely rent burdened. Cities that are issued a survey are required to hold at least one public meeting to discuss causes, consequences, barriers, and solutions to reducing rent burdens. Cities must return the surveys to OHCS and DLCD within 60 days of receipt.

A \$1.73 million General Fund (GF) appropriation is provided to DLCD, in the 2017-19 biennium, to provide technical assistance to local governments to increase the affordability of housing. A \$270,000 GF appropriation is provided to OHCS, in the 2017-19 biennium, to conduct a study on affordable housing and to provide technical assistance grants. While administration of the provisions of the bill are likely absorbable within existing budgetary authority for DLCD and OHCS, the appropriation language does not preclude the agencies from using of a portion of the funding for necessary additional administrative costs associated with providing technical assistance to cities.

The \$1.73 million GF appropriation to DLCD is anticipated to support technical assistance services for cities regarding housing planning and strategies. These services are anticipated to be delivered through contracted consultants and are estimated to be allocated as follows: \$700,000 for an analyses of housing needs; \$250,000 for code audit assistance; \$530,000 to provide assistance with suggested code updates; and, \$250,000 to provide housing strategy implementation plans. Of the \$270,000 appropriated to Housing and Community Services Department, no more than \$200,000 is anticipated to be used to fund a study that examines specific cost drivers associated with affordable housing. Remaining amounts would fund grants to applicants that would benefit from consultant services to assist them in submitting a competitive proposal in response to an agency Notice of Funds Availability.

The one-time funding provided in the 2017-19 biennium is assumed to support services to cities which will launch the workload associated with the new requirements instituted by this legislation; cities have indicated that the implementation of these new processes is likely minimal in future years therefore no additional appropriations have been assumed in the 2019-21 biennium.