

HB 4007 B BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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

PRELIMINARY

Budget Summary*

	2017-19 Legislatively Adopted Budget	2018 Committee Recommendation	Committee Change From 2017-19 Leg. Adopted	
			\$ Change	% Change
Other Funds	\$ -	\$ 15,973,155	\$ 15,973,155	100.0%
Total	\$ -	\$ 15,973,155	\$ 15,973,155	100.0%

Position Summary

Authorized Positions	0	6	6
Full-time Equivalent (FTE) Positions	0.00	2.34	2.34

* Excludes Capital Construction Expenditures

Summary of Revenue Changes

House Bill 4007 allows individuals to create a first-time home buyer savings account within a financial institution to pay or reimburse eligible costs to purchase a single-family residence. The bill also allows a subtraction from federal taxable income, equal to funds contributed to the account holder’s first-time home buyer savings account, up to \$5,000 per year for an individual filing as single and \$10,000 per year for joint filers.

House Bill 4007 also increases the document recording fee for certain real property documents, which is currently \$20. Document recording is a duty of county clerks required under Oregon law for certain real property records including but not limited to deeds, mortgages and contracts affecting the title for real property. Currently, the document recording fee generates an estimated \$15 million per year in support of three separate housing programs, with 25 percent of total funds collected dedicated to assisting veterans. The measure increases the document recording fee to \$60, which will result in an additional \$30.5 million in revenue in the 2017-19 biennium and \$61 million in the 2019-21 biennium. Pursuant to statute, 10 percent of revenue is dedicated to the Emergency Housing Assistance Program; 14 percent is dedicated to the Home Ownership Assistance Program; and 76 percent is dedicated to the General Housing Account program, all of which are administered by the Housing and Community Services Department. This fee increase represents a significant increase in permanent, ongoing revenue for these programs.

Finally, the bill increases income eligibility for the Homeownership Assistance program.

Summary of Capital Construction Subcommittee Action

House Bill 4007 provides an additional \$15,973,155 Other Funds expenditure limitation and six permanent positions (2.34 FTE) for the Housing and Community Services Department for the 2017-19 biennium.

The Department will contract with local community action agencies to distribute an additional \$3.1 million in Emergency Housing Assistance for homeless prevention and rapid re-housing services, including rental assistance, application fees and deposits.

The Homeownership Assistance program provides counseling, education and down payment assistance for first-time homebuyers who have a low or very-low income. The combination of \$4.2 million in additional program disbursements and new program eligibility requirements result in the bill providing funding for the dedicated Program Analyst 3 (0.46 FTE) to manage contracts, compliance monitoring, and training and technical assistance to partners.

The General Housing Account program provides financing to expand the state's supply of affordable housing for Oregonians with low or very-low income. An additional \$8.3 million in financing generated by the fee increase is anticipated to be available in 2017-19. Funding was also provided for a dedicated Program Analyst 3 to manage the program (0.46 FTE), and an Executive Support Specialist 2 (0.46 FTE). Two Loan Specialist 3 positions (0.25 FTE each) will be required for volume driven underwriting activities, along with a Contracts Specialist 3 (0.46 FTE).

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Housing and Community Services Department
 Cathleen Connolly - - 503-373-0083

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
SUBCOMMITTEE ADJUSTMENTS										
SCR 010-00 - Housing Stabilization Programs										
Special Payments (Dist to Non-Profit Organizations)	\$	- \$	- \$	3,050,274 \$	- \$	- \$	- \$	3,050,274		
SCR 030-00 - Multi-Family Housing Programs										
Personal Services	\$	- \$	- \$	346,614 \$	- \$	- \$	- \$	346,614	5	1.88
Services and Supplies	\$	- \$	- \$	27,450 \$	- \$	- \$	- \$	27,450		
Special Payments (Dist to Non-Profit Organizations)	\$	- \$	- \$	8,278,434 \$	- \$	- \$	- \$	8,278,434		
SCR 040-00 - Single Family Housing Programs										
Personal Services	\$	- \$	- \$	86,703 \$	- \$	- \$	- \$	86,703	1	0.46
Services and Supplies	\$	- \$	- \$	9,650 \$	- \$	- \$	- \$	9,650		
Special Payments (Dist to Non-Profit Organizations)	\$	- \$	- \$	4,174,030 \$	- \$	- \$	- \$	4,174,030		
TOTAL SUBCOMMITTEE ADJUSTMENTS	\$	- \$	- \$	15,973,155 \$	- \$	- \$	- \$	15,973,155	6	2.34