

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2896 - A8**80th Oregon Legislative Assembly – 2019 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 provide loans to one or more nonprofit corporations to develop programs that support manufactured dwelling park preservation and affordability for tenants.

Government Unit(s) Affected:

Housing and Community Services Department (OHCS), Department of Consumer and Business Services (DCBS), Department of Environmental Quality (DEQ), Department of Land Conservation and Development (DLCD), Oregon Business Development Department (OBDD)

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

	2019-21 Biennium	2021-23 Biennium
General Fund	\$15,000,000	
Other Funds	5,500,000	311,890
Total Funds	\$20,500,000	\$311,890
Positions	3	2
FTE	2.00	1.50

Summary of Revenue Impact:

	2019-21 Biennium	2021-23 Biennium
Other Funds	5,500,000	311,890
Total Funds	\$5,500,000	\$311,890

Analysis:

The legislation makes three General Fund appropriations, in the 2019-21 biennium, to the Housing and Community Services Department (OHCS): \$9.5 million for funding loans and administration costs in the Office of Manufactured Dwelling Park Community Relations; \$2.5 million for deposit in the Manufactured Home Preservation Fund to provide loans to individuals to replace manufactured dwellings and to provide grants for safely decommissioning and disposing of a manufactured dwelling; and \$3.0 million for deposit in the Manufactured Dwelling Parks Account to fund grants to a nonprofit organization for the purposes of developing or improving infrastructure for a manufactured dwelling park.

OHCS would conduct a competitive application process to find a nonprofit organization to administer the park preservation loan program. Once an agreement with the nonprofit organization is in place, OHCS will have minimal costs for the duration of the program to monitor the nonprofit and invoice interest payments, review annual reports, and provide biennial reports to the Legislature.

OHCS requests a full-time Program Analyst 3 to design and oversee the new programs, create rules, policies and procedures, underwriting criteria, loan forgiveness criteria, program eligibility and application criteria. This

position will oversee the contract with the nonprofit that administers the park preservation loan program as well as facilitate the manufactured housing advisory committee and prepare and present reports to the Housing Stability Council. This position is estimated at \$167,341 personal service and \$16,901 services and supplies, for a total of (0.88 FTE) \$184,242 in the 2019-21 biennium, and (1.00 FTE) \$209,067 in the 2021-23 biennium.

Administered of the loan program is anticipated to require a limited-duration Loan Specialist 2 position to underwrite loans to replace manufactured homes, and track communications between lenders, borrowers, and the department. This position is estimated at \$133,023 personal service and \$15,981 in services and supplies for a total of (0.75 FTE) \$149,004 in the 2019-21 biennium. OHCS will have additional responsibilities for the duration of the loans and will require an Accountant 3 over the life of the program to track loan amortizations, interact with lenders and title companies regarding subordinations and payoffs, and accurately report on loans receivable regarding loan repayment. This position is estimated at \$66,512 personal service and \$13,223 services and supplies for a total of (0.38 FT) \$79,735 in the 2019-21 biennium, and (0.50 FTE) \$102,823 in the 2021-23 biennium.

Two of the General Fund appropriations will be transferred as a Special Payment into dedicated bank accounts and become Other Funds. Administrative costs, loans, and grant payments will be made from the Other Funds accounts. This fiscal impact statement assumes that all grants and loans will be made in the 2019-21 biennium. Costs in the 2021-23 biennium will be for administration of the loans, facilitation of the advisory committee, and reporting.

A minimal fiscal impact, as a result of this legislation, is anticipated for the following state agencies: Department of Consumer and Business Services (DCBS), Department of Environmental Quality (DEQ), Department of Land Conservation and Development (DLCD), Oregon Business Development Department (OBDD).