

HB 2896 A BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Cathleen Connolly Department of Administrative Services

Reviewed By: Michelle Deister, Legislative Fiscal Office

**Housing and Community Services Department
2019-21**

PRELIMINARY

Budget Summary*

	2017-19 Legislatively Approved Budget ⁽¹⁾	2019-21 Current Service Level	2019-21 Committee Recommendation	Committee Change from 2017-19 Leg. Approved	
				\$ Change	% Change
General Fund	\$ -	\$ -	\$ 15,000,000	\$ 15,000,000	100.0%
Other Funds Limited	\$ -	\$ -	\$ 5,500,000	\$ 5,500,000	100.0%
Total	\$ -	\$ -	\$ 20,500,000	\$ 20,500,000	100.0%

Position Summary

Authorized Positions	0	0	3	3
Full-time Equivalent (FTE) positions	0.00	0.00	2.00	2.00

Summary of Revenue Changes

House Bill 2896 appropriates a total of \$15,000,000 General Fund to the Oregon Housing and Community Services Department (HCSD). General Fund in the amount of \$9,500,000 is to be used to support manufactured dwelling park preservation and affordability for tenants; revenue generated by loan servicing in this program is directed to the Department’s General Housing Account. The bill appropriates \$2,500,000 General Fund to assist manufactured home owners with replacing older and less energy efficient homes, and to provide grants for decommissioning and disposing of manufactured dwellings. An additional \$3,000,000 General Fund is appropriated to develop infrastructure for new manufactured dwelling parks in Springfield, Oregon.

House Bill 2896 also establishes \$5,500,000 Other Funds expenditure limitation to address the transfer of General Fund to the Manufactured Home Preservation Fund to be used for the programs to replace and dispose of manufactured homes and dwellings; and the transfer of General Fund to the Manufactured Dwelling Parks Account to be used to develop infrastructure for new manufactured dwelling parks in Springfield, Oregon; and for the administration of the loans, facilitation of the advisory committee and reporting.

Summary of Transportation and Economic Development Subcommittee Action

House Bill 2986 creates three new programs within HCSD, appropriates \$15,000,000 General Fund, establishes \$5,500,000 Other Fund expenditure limitation, and creates three positions (2.00 FTE). The bill creates a loan program at HCSD for nonprofit corporations to support manufactured dwelling park preservation and affordability for tenants. The Department will make a loan to one or more non-profit organizations to administer a manufactured dwelling park preservation loan program. HCSD will monitor the nonprofit(s), receive and review annual reports, perform loan servicing, and make biennial reports to the Legislature on the program. The bill appropriates \$9,500,000 General Fund on a one-time basis to seed this loan program.

The bill directs HCSD to establish a loan program to assist manufactured home owners with replacing older and less energy efficient homes and creates a grant program for decommissioning and disposing of manufactured dwellings. The bill provides parameters such as income limits for borrowers, locations of the homes, and specifies who is eligible to receive the decommission grants. The loan program to replace a manufactured home may be delivered directly to individual buyers by the Department, however, the decommissioning grant program will be delivered both to individuals and through nonprofit organizations. HCSD is also directed to appoint an advisory committee on manufactured housing and the bill provides information on the membership of the committee and their role. The bill appropriates one-time \$2,500,000 General Fund for these programs and provides Other Fund expenditure limitation to allow the transfer of the General Fund to the Manufactured Home Preservation Fund to be used for these purposes.

House Bill 2986 directs HCSD to make one or more grants to nonprofit organizations to develop infrastructure for new manufactured dwelling parks in Springfield, Oregon. The bill appropriates one-time \$3,000,000 General Fund for this program and provides Other Funds expenditure limitation to allow the transfer of the General Fund to the Manufactured Dwelling Parks Account to be used for this purpose. House Bill 2986 also renames the Mobile Home Parks Purchase Account to the Manufactured Dwelling Parks Account and expands the allowable uses of the account. The bill directs the Department to report to the Legislature on the use of the grant funds no later than December 15, 2020. These provisions are repealed on June 30, 2023. The bill provides a total of \$5,500,000 Other Funds expenditure limitation.

The bill establishes one permanent Program Analyst 3 position (1.00 FTE) to design and oversee the new programs; a limited duration half-time Loan Specialist 2 position (0.50 FTE) to underwrite loans to replace manufactured homes; and a permanent half-time Accountant 3 position (0.50 FTE) over the life of the programs to service the loans. Administrative costs, loans, and grant payments will be made from the Other Funds accounts.

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon 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 (from CSL)									
SCR 040 - Single Family Housing Programs									
Personal Services	\$ -	\$ -	\$ 264,140	\$ -	\$ -	\$ -	\$ 264,140	2	1.50
Services and Supplies	\$ -	\$ -	\$ 42,070	\$ -	\$ -	\$ -	\$ 42,070		
Special Payments	\$ 9,500,000	\$ -	\$ 5,070,019	\$ -	\$ -	\$ -	\$ 14,570,019		
Special Payments (Intra-Agency GF Transfer)	\$ 5,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,500,000		
SCR 070 - Central Services									
Personal Services	\$ -	\$ -	\$ 102,736	\$ -	\$ -	\$ -	\$ 102,736	1	0.50
Services and Supplies	\$ -	\$ -	\$ 21,035	\$ -	\$ -	\$ -	\$ 21,035		
Special Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
TOTAL ADJUSTMENTS	\$ 15,000,000	\$ -	\$ 5,500,000	\$ -	\$ -	\$ -	\$ 20,500,000	3	2.00
SUBCOMMITTEE RECOMMENDATION	\$ 15,000,000	\$ -	\$ 5,500,000	\$ -	\$ -	\$ -	\$ 20,500,000	3	2.00

PRELIMINARY