

HB 2003 B BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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

**Department of Land Conservation and Development
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
Department of Land Conservation and Development					
General Fund	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	100.0%
Total	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	100.0%
Oregon Housing and Community Services					
General Fund	\$ -	\$ -	\$ 655,274	\$ 655,274	100.0%
Total	\$ -	\$ -	\$ 655,274	\$ 655,274	100.0%

Position Summary

Oregon Housing and Community Services

Authorized Positions	0	0	2	2
Full-time Equivalent (FTE) positions	0.00	0.00	1.38	1.38

⁽¹⁾ Includes adjustments through December 2018

* Excludes Capital Construction expenditures

Summary of Revenue Changes

House Bill 2003 appropriates \$1,000,000 General Fund to the Department of Land Conservation and Development (DLCD) and \$655,274 General Fund to the Oregon Housing and Community Services Department (HCSD) to implement the provisions of the bill.

Summary of Transportation and Economic Development Subcommittee Action

Department of Land Conservation and Development

House Bill 2003 appropriates \$1,000,000 General Fund in the 2019-21 biennium to the Department of Land Conservation and Development (DLCD) to provide technical assistance grants to local governments for the development and adoption of housing production strategies. The measure requires DLCD to submit a report by March 1, 2021 to the Legislative Assembly evaluating whether a regional needs analysis and housing shortage analysis could appropriately allocate the housing shortage among cities in a given region, an evaluation of how the regional housing needs analysis compares to existing assessments of housing needs conducted by local governments, how the analysis relates to

statewide planning goals, and if different boundaries would be more appropriate for defining regions for housing analysis. The bill also requires DLCD's governing commission, the Land Conservation and Development Commission (LCDC), to adopt a schedule by which metropolitan service districts and cities with a population greater than 10,000 shall demonstrate sufficient buildable lands. The schedule of reviews must be adopted by the LCDC by December 31, 2019.

Although DLCD may require some staff capacity to implement provisions of the bill, position authority is not provided at this time. There is overlapping pending legislation that could impact the funding and staffing levels, depending on which bills are adopted by the Legislature. The net budgetary impact of these bills will be reflected in adjustments to the DLCD budget in the end-of-session budget reconciliation bill.

Oregon Housing and Community Services Department

The Housing and Community Services Department (HCSD) will coordinate with DLCD and the Department of Administrative Services (DAS) to develop a methodology for calculating a regional housing needs analysis. The methodology will calculate for each city and metro area an estimate of existing housing stock that takes into account demographic and economic information, and an estimate of the number of housing units necessary to accommodate anticipated growth over the next 20 years, classified by housing type. HCSD will then be responsible for conducting the regional housing needs analysis no later than September 1, 2020 and report on their findings to the Legislature no later than March 1, 2021. HCSD is also required to annually provide cities with a population of 10,000 or more data regarding renter households that are severely rent burdened, and to develop a survey to gather information on land use and other actions a city is taking to encourage housing development and increase affordability.

To complete and carry on this work the bill establishes one permanent Economist 3 position (0.88 FTE) to develop or purchase the methodology and conduct the required analyses, and provide information on demographics, economics and housing trends. To manage the research related to the methodology development and housing stock analysis, a limited duration half-time Principal Executive Manager E position is provided (0.50 FTE). The bill also provides \$250,000 one-time General Fund to either design or procure software to develop the methodology; this funding will be unscheduled until a decision is made regarding procurement or internal development. Finally, House Bill 2003 provides \$150,000 one-time General Fund to contract for services from research institutions to conduct the housing analyses and produce the report under the required timelines.

HCSD will consult with DLCD as that agency evaluates whether a regional housing needs analysis could be used to allocate the housing shortage across regions, how the regional analysis compares to existing assessments, how it relates to statewide planning goals and how it could assist in defining regional boundaries. The bill also defines public property, and allows local governments to develop housing for households with low income on the property with certain exceptions.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Housing and Community Services, Department of Land Conservation and Development
 Cathleen Connolly -- 503-373-0083

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SUBCOMMITTEE RECOMMENDATIONS									
<u>Department of Land Conservation and Development</u>									
SCR 003 - Grant									
Special Payments	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	1,000,000		
<u>Oregon Housing and Community Services Department</u>									
SCR 070 - Central Services									
Personal Services	\$ 231,972	\$ -	\$ -	\$ -	\$ -	\$ -	231,972	2	1.38
Services and Supplies	\$ 23,302	\$ -	\$ -	\$ -	\$ -	\$ -	23,302		
Services and Supplies (Professional Services)	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	150,000		
Services and Supplies (Information Technology)	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	250,000		
TOTAL ADJUSTMENTS	\$ 1,655,274	\$ -	\$ -	\$ -	\$ -	\$ -	1,655,274	2	1.38
SUBCOMMITTEE RECOMMENDATION *	\$ 1,655,274	\$ -	\$ -	\$ -	\$ -	\$ -	1,655,274	2	1.38

PRELIMINARY