

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4084 - 1

80th Oregon Legislative Assembly – 2020 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Establishes Rural System Development Charges Program within Housing and Community Services Department to pay system development charges for rural affordable multifamily housing.

Government Unit(s) Affected:

Housing and Community Services Department (HCSD), Counties, Cities

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	\$750,000	\$0
Other Funds	See Analysis	See Analysis
Total Funds	\$750,000	See Analysis
Positions	1	0
FTE	0.25	0.00

Analysis:

HB 4084 directs the Housing and Community Services Department (HCSD) to establish and implement the Rural System Development Charges Program in order to increase the supply of rural affordable multifamily housing. Moneys appropriated to HCSD for this program may be used to pay system development charges assessed by a rural government, if these charges are triggered by a building permit for the construction of multifamily housing or adding units to multifamily housing, and the assessed dwelling unit is assured to remain affordable for at least 10 years. Preference for these funds can be given to housing that meets certain criteria.

The measure establishes the Rural System Development Charges Fund, separate and distinct from the General Fund, with moneys continuously appropriated to HCSD for administration and implementation of the program. The measure includes an appropriation of \$750,000 General Fund for deposit in the fund. The Department is directed to report to an interim committee of the Legislative Assembly related to housing on this program by December 1 of every even-numbered year. The measure is repealed June 30, 2027, with the balance of the Rural System Development Charges Fund deposited in the General Fund.

HCSD anticipates that it will need one limited duration part-time Operation and Policy Analyst 3 (0.25 FTE in 2019-21) to set up this program and determine program requirements. After program set up is complete, ongoing administration will be absorbed by existing program staff. This position is estimated to cost \$55,743 from the General Fund appropriation, which will be expended as Other Funds, in the 2019-21 biennium.

Appropriated funds would be transferred to an Other Funds account within HCSD so that funds may be spent over multiple biennia. Further analysis is needed to determine the correct level of additional Other Funds

expenditure limitation in the 2019-21 and 2021-23 biennia related to this account, as it is unclear how quickly these funds will be expended, and how much funding will be used from this account in each biennium.

There is no or minimal fiscal impact for Cities and Counties.

This measure is referred to the Joint Committee on Ways and Means by prior reference.