

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4001 - B

80th Oregon Legislative Assembly – 2020 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Meg Bushman-Reinhold
 Reviewed by: Matt Stayner, Michelle Deister, Paul Siebert, Gregory Jolivet, Ken Rocco
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Measure Description:

Defines "emergency shelter." Requires local governments to allow siting of qualifying emergency shelters notwithstanding land use laws and regulations.

Government Unit(s) Affected:

Oregon Judicial Department (OJD), Housing and Community Services Department (HCSD), Counties, Metro, Cities, Department of Land Conservation and Development (DLCD), Department of Administrative Services (DAS)

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
Housing and Community Services Department		
General Fund	28,500,000	0
Other Funds	0	9,618,529
Total Funds	\$28,500,000	\$9,618,529
Positions	6	5
FTE	2.83	4.25

	2019-21 Biennium	2021-23 Biennium
Department of Administrative Services		
General Fund	16,500,000	0
Other Funds	0	0
Total Funds	\$16,500,000	\$0
Positions	0	0
FTE	0.00	0.00

Analysis:

HB 4001 as amended, will allow local governments to quickly develop emergency shelters, and provides funding to assist in development and operations. The bill suspends land use and zoning regulations until July 1, 2021 to allow for siting emergency shelters under certain conditions. The bill revises ORS 446.265 relating to transitional housing to include parking lots or facilities, and includes definitions of certain terms. The bill allows political subdivisions to impose reasonable conditions upon offering camping space, including establishing the maximum number of vehicles allowed.

The bill appropriates \$28.5 million General Fund to the Oregon Housing and Community Services Department (OHCS) to provide grants and technical assistance to eligible entities to develop and operate emergency shelters across the state. The bill adds technical assistance as an allowable use of funds in the Emergency Housing Account.

The bill appropriates \$16.5 million General Fund to the Department of Administrative Services (DAS) to provide grants to the cities of Bend, Eugene, McMinnville, Medford and Salem to develop navigation centers to assist individuals and families with health services, permanent housing, and public benefits.

Housing and Community Services Department

For the 2019-21 biennium, funds awarded to enhance shelter capacity, provide operating funds, assist with technical challenges, and help alleviate the current homeless crisis is expected to total approximately \$26.5 million General Fund. The measure designates \$2 million to the agency for technical assistance related to shelter development. HCSD will use the remainder of the appropriation to obtain contracted services and additional staff in order to deploy the funds as quickly as possible.

HCSD anticipates adding the grants for shelter development, operations, and hygiene facilities to a competitive process already scheduled for the spring of 2020, or else award funds based on results from the Statewide Shelter Survey. These grants are estimated to finance 25 additional emergency shelters, assist with operations for more than 200 existing shelters, and develop 30 additional options for hygiene and other needs.

The short-term rental assistance is anticipated to be awarded by HCSD through the Community Action Agency network. HCSD expects to allocate \$8 million for this purpose, which could serve as many as 1,300 households for six months.

HCSD will hire six limited duration positions (2.83 FTE) at a cost of \$956,471 General Fund in the 2019-21 biennium and \$1,043,529 General Fund and five positions (4.25 FTE) for the 2021-23 biennium. The positions are as follows:

- An Operations and Policy Analyst 3 position (0.54 FTE) beginning in May 2020 to provide direct technical assistance and to obtain contract services for additional technical assistance.
- A Program Analyst position to oversee requirements for developing the facilities and navigation centers and shelter operations, with a focus on ensuring ongoing sustainability.
- A Compliance Specialist 3 position for program oversight to monitor program compliance at existing shelters, perform site visits during construction, and monitor program operations when new facilities are placed in service.
- A Loan Specialist 3 position will be needed to manage construction, purchase, or other real estate transactions in alignment with other HCSD housing development programs.
- A Procurement and Contracts Specialist 3 position to manage additional procurements related to technical assistance and amenities development.
- An Accounting Technician 3 will be needed due to the increase in payment processing.

The grants for technical assistance, shelter development, amenities, and navigation center development are expected to be fully committed in the 2019-21 biennium but some of the purposes will require a longer timeline to fully expend. About \$9.6 million may rollover as Other Funds to the 2021-23 biennium to honor commitments for construction and real estate transactions, rental assistance agreements that cross biennia, operating agreements with emergency shelters, and agency administrative expenses related to oversight.

Department of Administrative Services

The bill appropriates \$16,500,000 General Fund to the Department of Administrative Services (DAS) to be awarded as grants for navigation centers as follows:

- \$1,500,000 to Yamhill County for use within the urban growth boundary for the City of McMinnville;
- \$2,500,000 to the City of Bend;
- \$2,500,000 to the City of Medford;
- \$5,000,000 to the City of Salem; and
- \$5,000,000 to Lane County for use with the City of Eugene.

DAS will require each local government receiving a grant under this section to agree to return all moneys granted unless the local government has developed a navigation center that is operating on or before November 30, 2020.

Cities and Counties

Local governments may experience a fiscal impact depending on whether a navigation center or emergency shelter allowed under this bill is established in their jurisdiction, whether other assistance is provided, and whether additional public safety responses are required, but any such potential impact is indeterminate at this time. The cities of McMinnville, Bend, Medford, Eugene and Salem will experience an impact in the amount of funds allocated to each city to establish navigation centers.

Oregon Judicial Department

The Oregon Judicial Department may experience a fiscal impact if the establishment of an emergency shelter allowed under this bill is appealed to the circuit court. Any potential fiscal impact to the Judicial Department is anticipated to be minimal.

There is no expected impact for Metro or the Department of Land Conservation and Development.