

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3482 - 3

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by: Tim Walker
Reviewed by: Michelle Deister
Date: 03/27/2023

Measure Description:

Directs the Housing and Community Services Department (HCSD) to award grants and loans for predevelopment costs.

Government Unit(s) Affected:

Housing and Community Services Department

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

	2023-25 Biennium	2025-27 Biennium
Housing and Community Services Department		
General Fund		
Personal Services	\$557,558	\$555,578
Services and Supplies	\$59,550	\$59,550
Special Payments	\$20,375,000	
Total General Fund	\$20,992,108	\$615,128
Other Funds*		
Special Payments	\$20,375,000	\$0
Total Other Funds	\$20,375,000	\$0
Total Fiscal Impact	\$41,367,108	\$615,128
Total Positions	3	3
Total FTE	2.64	3.00

**Represents General Fund expended as Other Funds*

Analysis: The measure directs the Housing and Community Services Department (HCSD) to award grants and loans for predevelopment costs related to developing housing to rent or own that is affordable to low-income households earning less than or equal to 80% of the area median income for a minimum affordability period. The measure requires HCSD to award at least 80% of grant funds and at least 80% of loan funds to eligible public benefit and religious nonprofits, federally recognized Indian tribes, local governments, public bodies, housing authorities, or developers partnering with such organizations. Grants of up to \$200,000 per development and loans of up to \$200,000 per development are authorized by the measure. General Fund in the amount of \$10 million is appropriated to HCSD for predevelopment grants, \$10 million for predevelopment loans, and \$125,000 to inform eligible organizations about the availability of grants and loans. The measure directs HCSD to provide a grant to the Leaven Community in the amount \$250,000 and repeals the predevelopment program on January 2, 2026. The measure also establishes the Affordable Housing Predevelopment Loan Fund. It directs HCSD to adopt a process to forgive loan payments if the borrower determines that the development of affordable housing is not feasible.

HCSD will require additional staffing resources to establish the program and administer loans and grants pursuant to the measure. Estimated expenditures are attributable to one Policy Analyst 3 (0.88 FTE) for the planning, management, administration, and evaluation of the program and two Policy Analyst 2 positions (1.76 FTE) to provide training and technical assistance in addition to monitoring loans and grants.

The Legislative Fiscal Office notes that the measure does not appear to allow administrative expenses as an eligible use of appropriated funds, and that General Fund deposited into the Affordable Housing Predevelopment Loan Fund will be expended as Other Funds. Loan funds are assumed to revolve and therefore, positions are assumed as permanent for purposes of this fiscal impact statement.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact on the state's General Fund.