

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 937 A**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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 Date: 03/22/2023

Measure Description:

Requires Housing and Community Services Department to make grants to nonprofit institutions to provide low-interest loans to purchasers of homes with limited equity.

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		
Special Payments	\$10,000,000	\$0
Total General Fund	\$10,000,000	\$0
Total Fiscal Impact	\$10,000,000	\$0
<i>Total Positions</i>	0	0
<i>Total FTE</i>	0.00	0.00

Analysis: The measure appropriates \$10 million General Fund to the Housing and Community Services Department (HCSD) for a grant program to establish a revolving loan fund that will allow a first-time home buyer who is purchasing a home, cooperative, or condominium to establish equity at a faster rate. The grant is directed to the Network for Oregon Affordable Housing (NOAH). Grant funds are not to be distributed until NOAH establishes a loan fund with a balance of no less than \$10 million of additional private money. Loans from the fund must be used for the purchase of a dwelling subject to affordability restrictions under ORS 456.270 to ORS 456.295. Loans may only be made to applicants that have met with an approved or certified housing counseling agency with a first-time home-buyer program. The loan must have a term of 20 years or less and have a fixed interest rate that is not more than that would allow monthly amortized principal and interest payments under the term of the loan to be the amount that would result from a 30-year fixed mortgage or 0.5%. The measure requires HCSD to report to an appropriate interim legislative committee pursuant to ORS 192.245 on the use of the funds by the Network for Oregon Affordable Housing.

HCSD can absorb any costs associated with the reporting requirements of this measure within existing resources.

The measure has a subsequent referral to the Joint Committee on Ways and Means.