

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4001 - A

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
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Date: February 13, 2020**Measure Description:**

Requires local governing bodies to approve applications for emergency shelters in certain circumstances,

Government Unit(s) Affected:

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

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

Housing and Community Services Department		
General Fund	30,000,000	0
Other Funds	0	10,043,529
Total Funds	\$30,000,000	\$10,043,529
Positions	6	5
FTE	2.83	4.25

Department of Administrative Services		
General Fund	10,000,000	0
Other Funds	0	0
Total Funds	\$10,000,000	\$0
Positions	0	0
FTE	0.00	0.00

Analysis:

HB 4001-2 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 adds technical assistance as an allowable use of funds in the Emergency Housing Account, and directs 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 appropriates \$30 million General Fund to OHCS for these purposes.

The bill appropriates \$10 million General Fund to the Department of Administrative Services to distribute to the cities of Bend (\$2,000,000), Eugene (\$4,000,000), and Salem (\$4,000,000) 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 \$29 million

General Fund. 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 \$10 million will 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.

Cities and Counties

Local governments may experience a fiscal impact depending on whether an 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 Bend, 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.