

Multiple Agency Fiscal Note Summary

Bill Number: 1892 S HB	Title: Workforce housing prg.
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Housing Finance Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Housing Finance Commission	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Department of Commerce	Non-zero but indeterminate cost and/or savings. Please see discussion.
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Prepared by: Cheri Keller, OFM	Phone: (360) 584-2207	Date Published: Revised 2/ 2/2024
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Individual State Agency Fiscal Note

Bill Number: 1892 S HB	Title: Workforce housing prg.	Agency: 103-Department of Commerce
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

Non-zero but indeterminate cost and/or savings. Please see discussion.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kelci Karl-Robinson	Phone: 360-786-7116	Date: 01/26/2024
Agency Preparation: Hayley Tresenriter	Phone: 360-725-3042	Date: 02/02/2024
Agency Approval: Hayley Tresenriter	Phone: 360-725-3042	Date: 02/02/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/02/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 2: A new section creates a program for the Department of Commerce to provide loans to finance housing for low-income households. The Department of Commerce is mandated to contract with the Washington State Housing Finance Commission to administer the program. This section will require the Commerce to provide pass-through funding to the Housing and Finance Commission. This version adds to the bill that amounts provided by Commerce will be subject to availability based on funding appropriated from the legislature. Commerce assumes responsibility for generating the contract, maintaining the Evergreen Sustainable Design Standards, and monitoring the performance of the contract. Commerce assumes an impact of 1/30 FTE time plus support costs; actual costs may be adjusted to reflect workload after program planning is completed. Although Commerce is confident this workload can be handled with current resources, there may be impacts on the department based on how this program is administered by the contracted commission.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Section 2: Results in a pass-through funding contract between the Department of Commerce and the Washington State Housing Commission, which will be dependent on appropriations from the legislature; this will not have a significant impact on Commerce's workload. The responsibilities to draft and monitor the contract will be sufficiently handled by withholding the allowable administrative rate from any capital appropriations. Commerce assumes 1/30 of FTE time will be needed to monitor each contract assigned; this will cost the agency less than \$5,000 per contract, which the department can handle within current staffing levels.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

The Department will only incur costs to administer a contract with WSFHC, estimated at 1/30 FTE salary and benefits.

The amount passed through to the Commission is unknown. However, projects awarded will either be the lesser of \$20 million or 20% of Total Project Costs. The total project costs are estimated to be between \$50 and 60 million for a 200-unit building. 20% would mean loans of \$10-12 million each. Whether this is financially feasible for the projects to be completed is beyond the scope of the departments' information.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1892 S HB	Title: Workforce housing prg.	Agency: 148-Housing Finance Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kelci Karl-Robinson	Phone: 360-786-7116	Date: 01/26/2024
Agency Preparation: Daniel Page	Phone: 206-287-4476	Date: 01/31/2024
Agency Approval: Lucas Loranger	Phone: 206-254-5368	Date: 01/31/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/01/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

There is no budget appropriation to provide funding for this program. However, when and if funds are appropriated, all costs associated with developing the program described in the contemplated legislation connected to the Commission will flow through the Commission's operating fund as the Commission is a non-appropriated non-allocated agency. Therefore, the Commission believes this legislation has no fiscal impact on the state's budget.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.