

Multiple Agency Fiscal Note Summary

Bill Number: 1633 HB	Title: Homes for heroes program
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Estimated Cash Receipts

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

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	1.0	249,977	249,977	249,977	.0	0	0	0	.0	0	0	0
Department of Commerce	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Housing Finance Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	1.0	249,977	249,977	249,977	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	.0	0	0	.0	0	0	.0	0	0
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

Prepared by: Gwen Stamey, OFM	Phone: (360) 790-1166	Date Published: Final 2/15/2023
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Individual State Agency Fiscal Note

Bill Number: 1633 HB	Title: Homes for heroes program	Agency: 103-Department of Commerce
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

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

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	1.0	1.0	0.0	0.0
Account					
General Fund-State 001-1	123,004	126,973	249,977	0	0
Total \$	123,004	126,973	249,977	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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: Serena Dolly	Phone: 360-786-7150	Date: 01/27/2023
Agency Preparation: Ann Campbell	Phone: 360-725-3153	Date: 02/15/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 02/15/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/15/2023

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 Creates a two-year proviso program developed between the department of commerce (department) with the Washington state housing finance commission (commission) that will provide low to no interest loans to cover up to \$25,000 in down payment and closing costs for homebuyers who meet the employment qualifications and have incomes below 120% of the state median household income. The program must begin making loans by December 1, 2023, with final loans made by June 30, 2025. Loan repayments must be deposited in the state general fund.

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.

Indeterminant.

Section 2(2) directs the Washington state finance commission (commission) to begin lending by December 1, 2023, and states that loans will be extended interest free. Loan repayment will not be required until the first lien mortgage is paid in full or the property is sold, refinanced, rented, or transferred.

Section 2(4) states that no new loans may be made after June 30, 2025, and directs loan repayments to be deposited in the state general fund account (GF-S).

It is unclear when the initial loan repayments, or principal balances due from a sale, refinance, or transfer, would begin being deposited in the GF-S

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.

Total costs are indeterminate as they are subject to an undetermined appropriation amount. The following costs are what will be necessary to administer the program but do not include any additional appropriation amount that would be spent on the program.

The Department must draft and execute a contract with the Washington State Finance Commission to design, develop, implement, and evaluate a two-year program to provide down payment and closing cost assistance to qualifying households between December 1, 2023, and June 30, 2025.

Cost Narrative

0.5 FTE Commerce Specialist 3 (1,044 hours) for FY24-FY25, to manage and provide reimbursements to the Housing Commission for the program.

0.25 FTE Administrative Assistant 3 (522 hours) for FY24-FY25 to provide administrative support interagency coordination

0.10 Budget Analyst 4 (209 hours) to track expenditures in the program and help as needed with invoices and corrections.

Salaries and Benefits:

FY24: \$86,439

FY25: \$89,422

Goods and Other Services:

FY24: \$8,127

FY25: \$8,131

Intra-agency Reimbursements:

FY24: \$28,438

FY25: \$29,420

Note: Standard goods and services costs include supplies and materials, employee development and training. Attorney General costs, and agency administration. Intra-agency administration Reimbursement-Agency administrations costs (e.g., payroll, HR, IT are funded under a federally approved cost allocation plan.

Summary of Total Costs:

FY24-FY25: \$7,500,000 per year

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	123,004	126,973	249,977	0	0
Total \$			123,004	126,973	249,977	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	1.0	1.0		
A-Salaries and Wages	63,024	64,915	127,939		
B-Employee Benefits	23,415	24,507	47,922		
C-Professional Service Contracts					
E-Goods and Other Services	8,127	8,131	16,258		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	28,438	29,420	57,858		
9-					
Total \$	123,004	126,973	249,977	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Assistant 3		0.3	0.3	0.3		
Administrative Services - Indirect		0.1	0.1	0.1		
Budget Analyst 4		0.1	0.1	0.1		
Commerce Specialist 3		0.5	0.5	0.5		
Total FTEs		1.0	1.0	1.0		0.0

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

Indeterminant. Funding for the program must be appropriated to the department through the budget process. There is a \$15 million limit to the funding for this program, however, no source of funding is cited in the bill.

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: 1633 HB	Title: Homes for heroes program	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: Serena Dolly	Phone: 360-786-7150	Date: 01/27/2023
Agency Preparation: Lucas Loranger	Phone: 206-254-5368	Date: 02/02/2023
Agency Approval: Fenice Taylor	Phone: 206-287-4432	Date: 02/02/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/03/2023

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.

Bill requires the Housing Finance Commission to contract with the Department of Commerce to develop, implement, and administer a down payment and closing cost assistance program targeted to individuals employed in certain vital fields. Up to \$15,000,000 would be appropriated to the Department of Commerce for the purposes of this program. Given the Commission's extensive experience with similar down payment assistance programs and existing infrastructure, would not seek an administrative fee to cover our expenses. As a non-appropriated, non-allocated agency, all the Commission's costs associated with the contemplated legislation will flow through the Commission's operating funds, therefore the Commission believes it 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.