

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	3,604,335	0	5,672,775	0
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	3,604,335	0	5,672,775	0

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 518 would establish the Rural Workforce Housing Investment Act to be administered by the Department of Economic Development. The Rural Workforce Housing Investment Fund would be created using the following fund sources: 1) a one-time \$12,000,000 transfer from the Affordable Housing Trust Fund on or before July 1, 2017; 2) a transfer of \$1,000,000 from the Affordable Housing Trust Fund on or before July 1, 2018; and 3) a transfer of \$1,000,000 from the Affordable Housing Trust Fund on or before July 1, 2019. The agency is also authorized to seek private or non-state funding.

The fund would be used to provide workforce housing investment grants to foster and support the development of workforce housing in rural communities. LB 518 stipulates that through FY 19-20, grants shall be awarded on a competitive basis until grant funds are no longer available. Grants would require one-to-one matching funds in order to be considered for funding.

The reallocation of cash funds would have no net revenue impact to the department. Assuming that the Rural Workforce Housing Investment Fund could be used for administrative costs, there would be \$104,335 cash funds allocated for staffing and operating costs in FY 17-18 and \$162,775 cash funds allocated in FY 18-19. The remainder of the fund would be allocated to state aid and the department estimates state aid expenditures of \$3,500,000 in FY 17-18 and \$5,500,000 in FY 18-19. It is anticipated the remainder of the fund would be expended in FY 19-20.

The primary transfer from the Affordable Housing Trust Fund would occur in FY 16-17. The Department of Economic Development correctly notes that an amendment to Section 58-703 would be required to permit transfers out of the Affordable Housing Trust Fund to the Rural Workforce Housing Investment Fund.