

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 18, 2023

TO: Honorable J. M. Lozano, Chair, House Committee on Urban Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4958 by Goodwin (Relating to the establishment of the workforce housing program by the Texas Department of Housing and Community Affairs.), **As Introduced**

The fiscal impact of the bill cannot be determined because the amount that would be appropriated as grants for the Workforce Housing Program by the 88th Legislature is unknown and that total grant amount would determine how many full time equivalent positions would be needed by the Texas Department of Housing and Community Affairs to administer the program.

The bill would amend the Government Code to create the Workforce Housing Program and establish rules for administration of the program. Additionally, the bill would create the Workforce Housing fund, which would consist of money appropriated for the purpose of the fund, repayment of principal and interest from program loans, money the board transfers from any available funds, depository interest, grants and donations, and any other fees or sources of revenue that the legislature may dedicate for deposit. The bill would take effect on September 1, 2023.

As the amount that would be appropriated as grants for the Workforce Housing Program by the 88th Legislature is unknown and that total grant amount would determine how many full time equivalent positions would be needed by the Texas Department of Housing and Community Affairs to administer the program, the fiscal impact of the bill cannot be determined.

For illustrative purposes based on information provided by TDHCA, the administrative needs for the Workforce Housing Program could be similar to the Multifamily Direct Loan Program (MFDL). TDHCA's administration of MFDL required 6.0 FTEs in fiscal year 2022 to manage approximately \$30.0 million in grants. Based on that model, TDHCA would an equal amount of FTEs to run the Workforce Housing Program. This includes one Manager IV (\$83,298 per year) to manage the Workforce Housing project pipelines, Notices of Funding availability, supervisory reviews, compliance reviews and reports, two Program Specialist IVs (\$59,473 per year per FTE) to draft all amendments, contracts, and any corresponding development documentation, two Program Specialist IIIs (\$55,602 per year per FTE) for program reviews, and one Program Specialist II (\$51,985 per year) to draft and revise rules and scoring procedures. Additionally the agency would require \$5,481 for agency payroll contribution and \$110,836 for estimated benefits each fiscal year. Also included are one-time technology startup costs of \$15,000 in Fiscal Year 2024 and annual material costs of \$9,000. These amounts would total \$505,750 in fiscal year 2024 and \$490,750 in fiscal year 2025, or \$996,500 for the 2024-25 biennium.

Note: This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either in, with, or outside the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 332 Department of Housing and Community Affairs
LBB Staff: JMc, AF, GDZ, SLe, CMA