

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 1135

**PRINTER NO.** 1854

**AMOUNT**

\$125 million

**FUND**

COVID-19 Response Restricted Account

**DATE INTRODUCED**

March 7, 2022

**PRIME SPONSOR**

Senator Saval

**DESCRIPTION**

Senate Bill 1135 establishes the Housing Stabilization Initiative Act to provide funding to address habitability concerns, improve energy or water efficiency and make units more accessible for individuals with disabilities.

This bill establishes the Whole-Home Repairs and Homeownership Affordability Program in the Department of Community and Economic Development (department). The department shall make an application available for county applicants to apply for funding for the following projects:

- To ensure owner-occupied and rental units are free of habitability concerns;
- To improve coordination across existing home repair programs; and
- To increase retention in workforce development programs.

Awarded grants are not to exceed \$50,000 per unit for homeowners whose household income does not exceed 80% of the area median income.

Awarded loans are not to exceed \$50,000 for landlords renting affordable units. Loans will be forgiven if the landlord complies with the following:

- Extends the lease of the tenant by three years;
- Annual increase in monthly rent does not exceed three percent of the base rent or the unit is occupied by a tenant participating in the Housing Choice Voucher Program for no less than 15 years;
- Has not committed a serious violation in the prior 15 years; and
- Has maintained ownership of the unit for at least 15 years.

The legislation outlines allowable administrative expenses and cash stipends for trainees in the workforce development programs.

Awarded grants for homeownership affordability projects may not exceed \$125,000 per housing unit for:

- New construction of multifamily housing units;

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- New construction of housing units on nonadjacent sites;
- Rehabilitation of housing units on nonadjacent sites; and
- Acquisition of structures and vacant land.

Senate Bill 1135 also establishes the Student Housing Repurpose Program to allow for the repurpose, use or demolition of existing student housing. Eligible applicants are defined as a nonprofit or governmental entity that serves one or more counties. Eligible projects are defined as student housing located in the host communities for schools within the State System of Higher Education. The necessary criteria for submitted applications and the requirements by which the applications are evaluated are outlined in the legislation.

## **FISCAL IMPACT:**

Senate Bill 1135 appropriates \$125 million from the COVID-19 Restricted Account to the Whole-Home Repairs and Homeownership Affordability Fund.