

SB 94-FN-A - AS AMENDED BY THE SENATE

03/09/2017 0594s

2017 SESSION

17-0962

05/10

SENATE BILL ***94-FN-A***

AN ACT making a capital appropriation for affordable housing.

SPONSORS: Sen. Feltes, Dist 15; Sen. Hennessey, Dist 5; Sen. Lasky, Dist 13; Sen. Watters, Dist 4; Sen. Woodburn, Dist 1; Rep. Edgar, Rock. 21; Rep. Rosenwald, Hills. 30; Rep. Porter, Hills. 1; Rep. Cloutier, Sull. 10; Rep. Shurtleff, Merr. 11

COMMITTEE: Capital Budget

ANALYSIS

This bill makes a capital appropriation to the housing finance authority for deposit in the affordable housing fund, to provide financing or state matching funds for affordable housing.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears ~~[in brackets and struckthrough.]~~
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Seventeen

AN ACT making a capital appropriation for affordable housing.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Capital Appropriation; Housing Finance Authority; Affordable Housing Fund. The sum of
2 \$5,000,000 for the biennium ending June 30, 2019, is hereby appropriated to the housing finance
3 authority for deposit in the affordable housing fund established in RSA 204-C:57, for the purpose of
4 providing financing or state matching funds for affordable housing. The appropriation shall be in
5 addition to any other funds appropriated to the housing finance authority.

6 2 Bonds Authorized. To provide funds for the appropriation made in section 1 of this act, the
7 state treasurer is hereby authorized to borrow upon the credit of the state not exceeding said sum
8 and for said purpose may issue bonds and notes in the name of and on behalf of the state of
9 New Hampshire in accordance with RSA 6-A.

10 3 Effective Date. This act shall take effect July 1, 2017.

SB 94-FN-A- FISCAL NOTE
AS AMENDED BY THE SENATE (AMENDMENT # 2017-0594s)

AN ACT making a capital appropriation for affordable housing.

FISCAL IMPACT: ☒ State ☐ County ☐ Local ☐ None

STATE:	Estimated Increase / (Decrease)			
	FY 2018	FY 2019	FY 2020	FY 2021
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	\$0	\$0	\$0
Expenditures	\$125,000	\$542,500	\$527,500	\$512,500
Funding Source:	<input checked="" type="checkbox"/> General <input type="checkbox"/> Education <input type="checkbox"/> Highway <input type="checkbox"/> Other			

METHODOLOGY:

This bill appropriates \$5 million to the New Hampshire Housing Finance Authority for deposit into the affordable housing fund to provide financing or state matching funds for affordable housing to fund the appropriation. The State Treasurer is authorized to issue bonds and notes in the name of and behalf of the State. The Treasury Department states this bill will increase state general fund expenditures by \$125,000 in FY 2018, \$542,500 in FY 2019, \$527,500 in FY 2020, and \$512,500 in FY 2021.

The State Treasury indicates the amount of total outstanding direct general obligation bonded indebtedness on behalf of and incurred by the state as of June 30, 2016 is \$828 million (not including bond anticipation notes outstanding). The amount of net general obligation bonded indebtedness (general improvement plus University System of New Hampshire bonds), as of June 30, 2016 is \$606 million. The estimated amount of net general obligation bonds authorized, but unissued, as of June 30, 2016 is \$283.3 million.

The Treasury Department assumes the proposed bond authorization would be issued by December 2017. Current interest bond rates are assumed fixed at 5% and amortized over 20 years (60% of the principal paid in the first ten years, 40% paid in the second 10 years). An estimated debt retirement schedule for all outstanding direct general obligation bonded indebtedness, including the proposed authorization contained in this bill through FY 2021, is displayed below (in thousands):

Fiscal	Existing	Additional	Total
<u>Year</u>	<u>Debt Obligation</u>	<u>Debt Obligation</u>	<u>Debt Obligation</u>
2018	\$87,970	\$125	\$88,095

2019	\$86,675	\$543	\$87,218
2020	\$82,545	\$528	\$83,073
2021	\$70,385	\$513	\$70,898

The New Hampshire Housing Finance Authority indicates, aside from the appropriation, the bill would have no direct impact on state, county or local revenues or on county and local expenditures. The appropriation to the Affordable Housing Fund would be allocated to finance suitable housing developments.

AGENCIES CONTACTED:

Treasury Department and New Hampshire Housing Finance Authority