

Department of Planning and Budget

2023 Fiscal Impact Statement

1. **Bill Number:** HB2046

House of Origin ☐ Introduced ☐ Substitute ☒ Engrossed

Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. **Patron:** Carr

3. **Committee:** General Laws and Technology.

4. **Title:** Department of Housing and Community Development; powers and duties of Director.

5. **Summary:** Adds to the powers and duties of the Director of the Department of Housing and Community Development the responsibility to conduct a comprehensive statewide housing needs assessment at least every five years, to develop a statewide housing plan and update such plan at least every five years, and to provide annual updates to the General Assembly regarding meeting the goals of such plan.

6. **Budget Amendment Necessary:** Yes, to Item 114 of HB1400/SB800.

7. **Fiscal Impact Estimates:** Preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2024	\$400,000	2	GF
2025	\$400,000	2	GF
2026	\$400,000	2	GF
2027	\$400,000	2	GF
2028	\$400,000	2	GF
2029	\$400,000	2	GF
2030	\$400,000	2	GF

7b. Revenue Impact: N/A

8. **Fiscal Implications:** It is anticipated that the Department of Housing and Community Development (DHCD) will require additional resources to implement the provisions of this bill. As the bill establishes new directives of the agency, it is anticipated that an annual general fund appropriation of \$400,000, and two full-time positions (FTEs) will be needed. This estimate is based on similar statewide assessments completed by the agency. Budget amendments adopted by the House include \$500,000 in FY 2024 to support the department's ability to deliver housing studies, a statewide housing needs assessment and plan, and the expansion of the Livable Homes Tax Credit.

The bill requires DHCD to conduct a comprehensive statewide housing needs assessment at least every five years, which shall include (i) a review of housing cost burden and instability, supply and demand for affordable rental housing, and supply and demand for affordable for-sale housing and (ii) regional or local profiles that focus on specific housing needs of particular regions or localities. The bill also requires the agency to develop a statewide housing plan that reflects the findings of the statewide housing needs assessment to be updated at least every five years to reflect changes in the Commonwealth's housing goals, and to provide an annual report to the General Assembly on progress toward meeting the goals identified in such plan.

While the statewide housing needs assessment and the statewide housing plan are required to be completed at least every five years, DHCD anticipates yearly activities and costs to meet the provisions of the bill. To collect the necessary data for the statewide needs assessment and to develop the statewide housing plan, DHCD anticipates contracting with a university or other research partner to provide projections on needed housing throughout the state at an annual cost of \$100,000, based on previous contracts. To maintain the database and to complete the required deliverables, DHCD indicates that two FTEs will be needed at a cost of \$300,000 annually including salary, benefits, and other administrative expenses. The positions will also be needed to create regional profiles in addition to a statewide profile, as stipulated in the provisions, which will require locality outreach and technical assistance. Further, the positions will coordinate stakeholder engagement and outreach to update and identify measurable goals related to the housing plan and produce a yearly report on the progress of meeting those goals.

9. Specific Agency or Political Subdivisions Affected: Department of Housing and Community Development; localities.

10. Technical Amendment Necessary: No.

11. Other Comments: None.