

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: HB1105

House of Origin	<input type="checkbox"/>	Introduced	<input checked="" type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input checked="" type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Carr

3. Committee: General Laws and Technology

4. Title: Housing; Zoning for Housing Production Fund created; affordable dwelling unit policy incentives.

5. Summary: Creates the Zoning for Housing Production Pilot Program (the Program) to be administered by the Department of Housing and Community Development (DHCD). The Program is to make grant awards to eligible localities that adopt changes to their existing zoning policies to allow for by-right development that is expected to further the goal of creating and maintaining mixed-income communities, affordable housing, and moderately priced housing. The bill has an expiration date of July 1, 2027. DHCD is required to develop a scoring matrix and to notify eligible localities no later than September 1, 2024.

6. Budget Amendment Necessary: See item 8.

7. Fiscal Impact Estimates: Preliminary. See item 8.

8. Fiscal Implications: A budget amendment is needed to operationalize the Program.

Based on work on similar programs DHCD anticipates the administrative impact of this bill to include work related to program development, implementation, and monitoring. DHCD anticipates that the program in the bill is to mirror the agency's Industrial Revitalization Fund and Enterprise Zone programs. Two FTEs are currently tied to each of these programs, with one additional supervisory position. DHCD states that management of the Fund as described in the bill requires the expertise of zoning specialists, and that this expertise is not on staff.

An addition of up to three positions including an administrator and two program specialists, is anticipated to cost \$450,000 annually. Budget amendments adopted by the House include language directing the department to utilize \$5.0 million of unobligated balances in the Low-Income Energy Efficiency Program Fund to implement this bill, including administrative costs.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.