

**Department of Planning and Budget
2025 General Assembly Session
State Fiscal Impact Statement**

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ORIGINAL

Bill Number: SB1178 **Patron:** Hashmi
Bill Title: Faith and housing; comprehensive plan; zoning; Department of Housing and Community Development.

Bill Summary: Grants authority to localities to adopt a variety of strategies intended to encourage and facilitate the development of affordable housing on property owned by religious organizations or tax-exempt nonprofit organizations. The bill allows localities to request administrative support from the Department of Housing and Community Development in preparation of a faith and housing ordinance.

Budget Amendment Necessary: No. **Items Impacted:** N/A

Explanation: This bill involves the Department of Housing and Community Development (DHCD). No budget action is required in order for the department to provide guidance to localities. See Fiscal Analysis section, below.

Fiscal Summary: It is anticipated that any costs DHCD may incur in providing administrative support to localities can be absorbed within existing resources. The bill references funding that localities may request from DHCD to carry out infrastructure upgrades. DHCD does not currently have such funds, and any funding required to do so would depend on the size and scope of the program. Additionally, funds may be needed depending on the degree of zoning guidance DHCD is required to provide to localities.

Fiscal Analysis: This impact statement is preliminary. It is anticipated that the Department of Housing and Community Development can absorb any administrative costs associated with providing administrative support to localities.

The provisions of the bill allow localities to apply for funds through DHCD for infrastructure upgrades. DHCD does not currently administer an infrastructure fund to assist with housing production, nor does the agency have trained staff in zoning regulations.

If the department is to develop a program to provide funds to localities for infrastructure upgrades, DHCD indicates that additional resources would be necessary, and preliminarily estimates that a project would require \$2.0 to \$3.0 million per project. This is based on the assumption that a project is within 1,000 linear feet of a main water/sewer line, barring no major geographic features, and accounting for water, sewer, and transportation features. The agency estimates that managing such a program would also require additional staff resources. The magnitude of resources required would depend on the size and scope of such a program. The department estimates that a \$10 million program would require two Program Administrators for \$220,000 annually.

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Additionally, DHCD can absorb the tasks of providing guidance and non-technical assistance to localities; however, if the intent of the bill is that the agency provides technical zoning assistance, DHCD would require \$133,000 and one position to hire a certified zoning administrator.

Any funding provided for the implementation of tasks in this bill can be allocated to Item 103, HB1600/SB800 as introduced.

Other: HB2153 and SB1178 are companions.