

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

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**ORIGINAL**

**Bill Number:** SB1178S1 **Patron:** Hashmi  
**Bill Title:** Faith and housing; comprehensive plan; zoning; Department of Housing and Community Development.

**Bill Summary:** Requires localities to support affordable housing development by religious or property tax-exempt nonprofit organizations in their comprehensive plan strategies. Allows localities to adopt a faith and housing ordinance to stimulate the redevelopment or use of real property owned by entities classified as religious organizations or property tax-exempt nonprofit organizations. Sets out requirements for such ordinances. Requires the Department of Housing and Community Development (DHCD) to develop program guidelines and standards for providing assistance to localities in drafting and implementing such ordinances. Guidelines are required to include the process and methodology the Department will use to award funding grants for infrastructure upgrades. Requires DHCD to include any adopted ordinances in the agency's comprehensive statewide housing needs assessment.

**Budget Amendment Necessary:** See fiscal analysis section. **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 require DHCD to develop guidelines that include the process and methodology the agency will use to award funding grants for infrastructure upgrades. DHCD does not currently administer an infrastructure fund to assist with housing production.

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

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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.

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, as the agency does not have trained staff in zoning regulations.

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

**Other:** None.