

**Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement**

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ORIGINAL

Bill Number: HB464 **Patron:** Cohen
Bill Title: Department of Housing and Community Development; powers and duties of director; accessory dwelling unit construction guide.

Bill Summary: Requires the director of the Department of Housing and Community Development to develop an accessory dwelling unit construction guide that provides (i) an overview of the accessory dwelling unit construction process; (ii) a review of ordinances, permits, fees, programs, and incentives related to accessory dwelling unit development by locality; and (iii) a catalog of model accessory dwelling unit designs suitable for various local restraints. Such guide shall be updated at least every five years.

Budget Amendment Necessary: No **Items Impacted:** Item 102, HB30/SB30, as introduced.

Explanation: This bill involves the Department of Housing and Community Development (DHCD) and localities. A budget amendment is required. See Fiscal Analysis.

Fiscal Summary: It is anticipated that this bill will have a general fund expenditure impact to DHCD every five years. An amendment is required for DHCD to develop an accessory dwelling unit construction guide, which the agency indicates would result in a fiscal impact beginning in FY 2027. The initial impact reflects approximately \$150,000 in consultant costs, with additional costs expected in future years to support the required five-year updates.

General Fund Expenditure Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
DHCD	\$0	\$150,000	\$0	\$0	\$0	\$0
TOTAL	\$0	\$150,000	\$0	\$0	\$0	\$0

Fiscal Analysis: This estimate is preliminary. The bill requires DHCD to develop an accessory dwelling unit construction guide that includes a review of local ordinances, permitting processes, fee structures, programs, incentives, and construction practices related to accessory dwelling units across the Commonwealth. According to the agency, completing this work would require gathering, validating, and synthesizing information from up to 133 localities, which extends beyond routine information collection activities.

The guide must also include a catalog of model accessory dwelling unit designs suitable for varying local conditions and restrictions. The agency indicates that, because DHCD does not employ licensed architects or engineers and its building code role is advisory rather than regulatory, development of such designs would

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require the use of outside consultants and limited stakeholder engagement to reflect common local constraints.

Based on the agency's estimate, DHCD anticipates one-time costs of approximately \$150,000 in FY 2027 for consultant services over a 12-month period. These costs would support information compilation, technical design development, and preparation of the accessory dwelling unit construction guide. No additional costs are anticipated until the five-year update cycle.

Other: None.