

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

PUBLISHED: 1/26/2026 8:21 AM

**ORIGINAL**

**Bill Number:** HB804 **Patron:** Helmer  
**Bill Title:** Statewide housing targets for localities.

**Bill Summary:** Requires localities to increase their total housing stock by at least 7.5 percent over the five-year period beginning January 1, 2028. The bill provides that in order to meet such 7.5 percent growth target, a locality shall develop a housing growth plan that best meets the needs of the locality while meeting the growth target rates. The bill provides that such plan may include any strategy deemed appropriate by the locality; however, for purposes of demonstrating a good faith effort to meet growth targets, a locality shall include modeling that demonstrates that the plan will result in the permitting of the required number of units and either (i) a zoning ordinance that includes provisions allowing for the by-right development and construction of multifamily residential uses on at least 75 percent of all land contained in commercial or business zoning district classifications, including any land contained in commercial or business zoning district classifications that allow for the by-right development and construction of single-family residential uses or (ii) at least three of the housing growth strategies enumerated in the bill. The bill further provides that after January 1, 2033, an applicant that seeks local government approval for a residential development site plan or rezoning that will have the effect of increasing the supply of housing in a locality and has that application rejected may, in addition to other remedies, appeal such decision to the board of zoning appeals.

Additionally, this bill requires the Department of Housing and Community Development (DHCD) to, no later than July 1, 2027, develop and publish standards, including any necessary regulations, to guide a board of zoning appeals in its decision-making process for such appeals. The department is further required to promulgate regulations that require localities to gather data specifying the number of new housing units proposed by submitted applications, the number of such units approved, and the number of housing units constructed over a specified time frame, as well as the number of existing housing units in the locality. The bill requires a locality to submit such data to the department for purposes of transparency and to ensure compliance with the required growth targets.

**Budget Amendment Necessary:** Yes      **Items Impacted:** 106

**Explanation:** This bill involves the Department of Housing and Community Development; a general fund budget amendment is required to implement the provisions of the bill.

**Fiscal Summary:** It is anticipated that the Department of Housing and Community Development (DHCD) will require an additional annual general fund appropriation of \$363,000 and three positions under Item 106, HB30/SB30, to implement this bill.

## 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 (165)		\$363,000	\$363,000	\$363,000	\$363,000	\$363,000

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<b>TOTAL</b>	<b>\$363,000</b>	<b>\$363,000</b>	<b>\$363,000</b>	<b>\$363,000</b>	<b>\$363,000</b>	<b>\$363,000</b>
<b>Position Impact:</b>						
<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
		3	3	3	3	3
<b>TOTAL</b>		<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

**Fiscal Analysis:** This impact statement is preliminary. This bill establishes statewide housing targets for localities and requires that DHCD establish criteria and regulations to ensure that localities meet required growth targets. The bill also requires DHCD to promulgate regulations to require localities to gather data specifying the number of new housing units proposed by submitted applications, the number of such units approved, and the number of housing units constructed over a specified time frame, as well as the number of existing housing units in the locality. Such data shall be submitted to DHCD for purposes of transparency and to ensure compliance with the required growth targets.

DHCD does not administer a statewide housing production target, maintain a comprehensive cross-locality permitting and construction database, or provide regulatory guidance to boards of zoning appeals on housing growth compliance. This additional workload cannot be absorbed by the agency. It is anticipated that DHCD will require two additional Program Analysts (\$182,000 each, including salary and benefits) and one Regulatory/Policy Specialist (\$111,000, including salary and benefits) to carry out the department's new statutory responsibilities. Housing data purchases, travel, and other overhead costs are estimated at \$70,000, for a total cost to the agency of \$363,000 from the general fund beginning in FY2027.

One Program Analyst would focus on data systems, collection, and compliance tracking, including designing and managing the process by which localities submit standardized housing production data, validating those submissions, and maintaining a statewide database of existing units, permitted units, and constructed units. A second Program Analyst would focus on local technical assistance and compliance support, including helping localities develop housing growth plans, reviewing modeling methodologies, and coordinating with planning departments and boards of zoning appeals (BZAs) across the Commonwealth. The Regulatory/Policy Analyst would lead the development of statewide standards and regulations to guide BZA decision-making, ensure alignment with the 7.5 percent growth target, and establish the methodology for awarding up to a 20 percent credit for affordable housing production and rehabilitation. Additional resources may be required depending on data infrastructure investments, and the level of technical assistance required to support localities and boards of zoning appeals; these potential costs are indeterminate at this time.

**Other:** SB488 and HB804 are companions.