

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

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ORIGINAL

Bill Number: HB1042

Patron: Carr

Bill Title: Zoning for Housing Production Pilot Program created; affordable dwelling unit policy incentives; report.

Bill Summary: Creates the Zoning for Housing Production Pilot Program to be administered by the Department of Housing and Community Development. To be eligible for a grant from the Program, an eligible locality, as named in the bill, is required to make a change to its 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, as those terms are defined in the bill. The Department is required to establish certain guidelines for the Program and to notify eligible localities of the existence and purpose of the Program no later than February 1, 2027. The bill has an expiration date of July 1, 2029.

Budget Amendment Necessary: YES

Items Impacted: 102 (DHCD)

Explanation: This bill involves DHCD. An amendment would be required to establish the new program. The amount would depend on the size and scale of the overall program. See the "Fiscal Analysis" section, below.

Fiscal Summary: It is anticipated that general fund support and positions would be needed to implement the program established in this bill. The amount depends upon the size of the program. However, based on two existing programs, DHCD estimates that two positions would be required to administer the program; an estimate of funding needed for grants is not available.

Fiscal Analysis: This impact statement is preliminary. The fiscal impact of this bill on DHCD depends on the level of funding that is provided for the pilot program. Based on work on similar state funded programs, the agency anticipates the administrative impact of this bill to be absorbable within DHCD's policy office, and to include work related to program development, implementation, and monitoring. DHCD anticipates that the program in the bill could mirror the agency's Industrial Revitalization Fund and Enterprise Zone programs, which are supported by two positions each and receive annual general fund appropriation totaling \$5.0 million and \$14.84 million respectively. An addition of up to two program specialists, is anticipated to cost \$212,000 annually.

Other: None.