

HB 3414 A BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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Reviewed By: Haylee Morse-Miller, Legislative Fiscal Office

**Department of Land Conservation and Development
2023-25**

**Department of Justice
2023-25**

**Department of Consumer and Business Services
2023-25**

PRELIMINARY

Budget Summary*

	2021-23 Legislatively	2023-25 Current Service	2023-25 Committee	Committee Change from 2021-23	
	Approved Budget	Level	Recommendation	Leg. Approved	
				\$ Change	% Change
Department of Land Conservation and Development					
General Fund	\$ -	\$ -	\$ 14,805,198	\$ 14,805,198	100.0%
Department of Justice					
Other Funds	\$ -	\$ -	\$ 1,062,082	\$ 1,062,082	100.0%
Department of Business and Consumer Services					
Other Funds	\$ -	\$ -	\$ 528,085	\$ 528,085	100.0%
Total	\$ -	\$ -	\$ 16,395,365	\$ 16,395,365	100.0%

Position Summary

Department of Land Conservation and Development				
Authorized Positions	0	0	13	13
Full-time Equivalent (FTE) positions	0.00	0.00	11.88	11.88
Department of Justice				
Authorized Positions	0	0	4	4
Full-time Equivalent (FTE) positions	0.00	0.00	2.55	2.55
Department of Consumer and Business Services				
Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.00	0.88	0.88

Summary of Revenue Changes

House Bill 3414 appropriates \$10 million General Fund to the Department of Land Conservation and Development (DLCD) for educational materials, technical assistance, and grants to local governments to update local implementation of land use laws and building code enforcement to align with state requirements and to implement voluntary compliance agreements. The measure also appropriates \$4.8 million General Fund to DLCD in the 2023-25 biennium for the creation of the Housing Accountability and Production Office.

The measure increases Other Funds expenditure limitation for the Department of Justice (DOJ) by approximately \$1.1 million and increases Other Funds expenditure limitation for the Department of Consumer and Business Services (DCBS) by \$528,085 for the 2023-25 biennium.

Summary of Joint Committee on Ways and Means Action

House Bill 3414 requires local governments to grant adjustments to specific development and design standards for building permit or land use applications for housing development projects, subject to conditions. The measure directs the Department of Land Conservation and Development (DLCD) and Department of Consumer and Business Services (DCBS) to enter into an interagency agreement to establish and administer the Housing Accountability and Production Office (Office). The Office is responsible for providing technical assistance to local jurisdictions; investigating local government violations of housing laws; serving as a resource for housing developers with respect to permitting and land use barriers relating to housing producing; and mediating disputes relating to housing laws between local governments and residential developers. The Office is required to prioritize technical assistance funding to local governments that agree to comply with housing laws.

Overall, the measure appropriates \$14.8 million General Fund, increases Other Funds expenditure limitation by \$1.6 million, and results in the establishment of 18 positions (15.31 FTE) to establish and administer the Housing Accountability and Production Office and support legal compliance and litigation activities in the 2023-25 biennium. Of the \$14.8 million, \$10 million represents one-time grants available for local government implementation, with most of the remaining funds representing support for ongoing operational expenses.

Department of Land Conservation and Development

The measure establishes a one-time General Fund appropriation of \$10 million General Fund for DLCD to provide educational materials, technical assistance, and grants to local governments to update local implementation of land use laws and building code enforcement to align with state requirements, and to implement voluntary compliance agreements.

The measure appropriates \$4.8 million General Fund to DLCD to establish and operate the Housing Accountability and Production Office. The funding includes \$2.9 million to establish the following 13 permanent, full-time positions (11.88 FTE) in the 2023-25 biennium:

- One Program Manager 2 to serve as an Accountability and Enforcement Manager
- One Operations and Policy Analyst 4 to serve as the office's senior analyst on state housing laws
- Three Operations and Policy Analyst 3s, which include two subject matter expert positions and one position to support the agency's heightened responsibilities with respect to the new program
- One Operations and Policy Analyst 2 to assist with program intake and reviews
- One Information Services Specialist 5 to design, develop, and maintain a compliance intake system and caseload management database
- One Information Services Specialist 8 to help establish the new database and tracking systems and support ongoing business process solutions

- One Administrative Specialist 2 to support the logistical and administrative duties of the office
- One Accounting Technician to assist with financial management responsibilities related to the \$10 million in technical assistance funding
- One Procurement Specialist 2 to manage contracting requests resulting from new technical assistance funding
- One Fiscal Analyst 2 to support budgetary responsibilities related to new technical assistance funding
- One Public Affairs Specialist to manage communications related to new housing programs

In addition to DLCD position costs, a total of \$1.9 million General Fund is included for position related services and supplies and legal services provided to the agency by the Department of Justice (DOJ). The agency's may need to be rebalanced during the 2023-25 biennium depending on actual usage of DOJ services and position costs.

Department of Justice

The Committee approved an Other Funds expenditure limitation increase of \$1.1 million and authorized the establishment of four permanent full-time positions (2.55 FTE). The funding includes \$217,921 for services and supplies. The revenue to support this expense will be from hourly legal rate billings to DLCD, as the client agency. The positions include: two Senior Assistant Attorney Generals (1.55 FTE), one Paralegal (0.67 FTE), and one Legal Secretary (0.33 FTE). The positions will be assigned to the General Counsel Division to handle legal compliance and litigation for DLCD.

Department of Consumer and Business Services

The measure includes an increase in Other Funds expenditure limitation of \$528,085 to support DCBS's implementation costs. Of this amount, \$228,085 supports the establishment of one permanent full-time Operations and Policy Analyst 4 position (0.88 FTE) to assist with staffing the Housing Accountability and Production Office, processing complaints related to administration of the building code, and responding to inquiries. The remaining \$300,000 represents one-time costs to support a contract to study housing law process improvements.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Multiple Agencies
Adam Crawford -- (971) 707-8106

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SUBCOMMITTEE ADJUSTMENTS									
Department of Land Conservation and Development									
SCR 66000-001 - Planning Program									
Personal Services	\$ 2,938,095	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,938,095	13	11.88
Services and Supplies	\$ 1,867,103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,867,103		
SCR 66000-003 - Grant Program									
Special Payments	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000		
Department of Justice									
SCR 13700-050 - General Counsel									
Personal Services	\$ -	\$ -	\$ 844,161	\$ -	\$ -	\$ -	\$ 844,161	4	2.55
Services and Supplies	\$ -	\$ -	\$ 217,921	\$ -	\$ -	\$ -	\$ 217,921		
Department of Consumer and Business Services									
SCR 44000-019 - Building Codes Division									
Personal Services	\$ -	\$ -	\$ 228,085	\$ -	\$ -	\$ -	\$ 228,085	1	0.88
Services and Supplies	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000		
TOTAL ADJUSTMENTS	\$ 14,805,198	\$ -	\$ 1,590,167	\$ -	\$ -	\$ -	\$ 16,395,365	18	15.31
SUBCOMMITTEE RECOMMENDATION	\$ 14,805,198	\$ -	\$ 1,590,167	\$ -	\$ -	\$ -	\$ 16,395,365	18	15.31

PRELIMINARY