153rd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE SUBSTITUTE NO. 1 FOR HOUSE BILL NO. 450**
SPONSOR:	**Representative Bush**
DESCRIPTION:	**AN ACT TO AMEND TITLE 9, TITLE 17, TITLE 22, AND TITLE 29 OF THE DELAWARE CODE RELATING TO LAND USE.**

Assumptions:

1. This Act becomes effective upon signature of the Governor.

2. This Act, known as the Reforming Opportunities and Accelerated Development for Delaware Act, modifies and expands Delaware's land use permitting process.

3. This Act requires the Department of Transportation (DOT) to do the following by January 1, 2027:
    a. Adopt standards, regulations, and fees for a statewide transportation impact fee program.
    b. Revise and complete traffic impact studies.
    c. Deploy, operate, and maintain technological systems for automated monitoring, analysis and management of transportation infrastructure and traffic operations.
    d. Expand use of automated traffic analysis.

4. This Act further requires DOT to collect and distribute an additional surcharge equal to 2% of the transportation impact fee. The DOT will deposit these funds into the Transportation Impact Fee Fund quarterly with the Office of Management and Budget (OMB) who will, upon direction from the Governor, in consultation with the Director of OMB and the Controller General, divide the moneys between the following:
    a. The Delaware Farmland Preservation Fund.
    b. The Delaware Land and Water Conservation Trust Fund.
    c. The Department of Natural Resources and Environmental Control's Shoreline and Waterway Management Section.
    d. The Department of Natural Resources and Environmental Control's Brownfields Development Program.
    e. The DOT's programs for sidewalks to bicycle pathways.

5. To implement the provisions of this Act, DOT anticipates the need for 1.0 FTE Fiscal Analyst to support tracking and reconciling impact fee collections, calculating the 2% surcharge distributions, and ensuring accurate and timely disbursements, and one-time costs associated with engaging a consultant to assist in determining an appropriate transportation impact fee structure for the State of Delaware.
    a. Recurring Costs: $89,701 for 9 months of funding including Other Employment Costs (OECs) at a rate of 33.41% for 1.0 FTE Fiscal Analyst.
    b. One-Time Costs: $207,300 for general start-up costs for the new FTE and contractual services for evaluation, analysis and development of recommendations for an appropriate transportation impact fee for the State of Delaware.

6. This Act requires the Delaware State Housing Authority (DSHA), DOT, Office of State Planning Coordination (OSPC), the League of Local Governments, and the Governor to review a county's comprehensive plans each time the plan is adopted. In addition, the DSHA shall develop guidance for residential density requirements applicable to growth throughout Delaware starting with a

minimum density threshold of 4 units per acre for single family homes and increasing minimum density thresholds for other housing types. The guidance must include the following:

a. Recommendations for permitting a variety of housing types, including townhouses, multifamily dwellings, stacked flats, apartments, and mixed-use residential development.
b. Recommendations for establishing bulk, dimensional, and design standards that reasonably accommodate the housing types permitted.
c. Recommendations developed in consultation with the Department of Transportation, for development patterns that reduce vehicular trips, increase pedestrian connectivity, support transit-oriented development, and promote mixed-use development.

7. To implement the provisions of this Act, OMB, OSPC anticipates the need for 1.0 FTE Principal Planner and 1.0 FTE Planner III to support multi-party consultation regarding zoning ordinances and land use regulations.
   a. Recurring Costs: $168,290 for 9 months of funding including OECs at a rate of 33.41% for 1.0 FTE Principal Planner and 1.0 FTE Planner III.
   b. One-Time Costs: $14,600 for general start-up costs for the new FTEs.

8. A 2% inflation cost has been included for projected increases in personnel costs in Fiscal Years 2028 and 2029.

Cost:	**Transportation Trust Fund (TTF)**	**One-Time TTF**	**Operating/ Recurring**	**One-Time Operating**
Fiscal Year 2027:	$89,701	$207,300	$168,290	$14,600
Fiscal Year 2028:	$121,425		$227,736	
Fiscal Year 2029:	$123,822		$232,228	

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