



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

January 8, 2024

Honorable Phil Olaley
State Representative
509-F Coverdell Legislative Office Building
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
House Bill (LC 55 0104)

Dear Representative Olaley:

The bill would authorize local governments to adopt and implement affordable housing assistance programs. The bill requires local governments to adopt an ordinance or resolution establishing such programs and specifies that ordinances or resolutions impose a special real estate transfer tax, establish an affordable housing assistance trust fund, establish loans, grants, guarantees, and other forms of financial assistance to be made available to eligible recipients and other provisions.

Local governments that elect to establish such a program would apply to the Department of Community Affairs (DCA) for a certificate of approval. DCA would be responsible for issuing the certificate conditioned upon the local government adopting an ordinance or resolution. Additionally, DCA would monitor participating local governments to ensure ongoing compliance with requirements and revoke certificates in instances of noncompliance.

DCA reported a need to hire additional staff and develop information technology to support the program. Estimated annual costs are \$404,200 (Table 1), including costs associated with hiring two business support analysts and an accountant, as well as information technology costs. These cost components are discussed in more detail below.

Table 1. Estimated Costs for DCA

Annual Costs	Amount
Staffing	\$354,200
Information Technology (Maintenance)	\$50,000
Total Annual	\$404,200
One-Time Costs	Amount
Information Technology (Initial development)	\$200,000

Note: Staffing costs are estimated using the Department of Administrative Services' job codes and include salaries, benefits, and overhead costs. IT costs are estimated based on costs associated with similar programmatic needs.

- **Staffing** – DCA indicated the need for two analysts and one accounting position. The analysts would manage the program and relationships with local governments and the superior courts, review applications, issue certificates, review annual reports, and revoke

certifications when necessary. The accounting position would review and monitor financial documentation provided by local governments and superior courts and prepare financial reports for management.

- **IT development** – These one-time costs include creating the initial portal, database, and any software needed to launch the program.
- **IT maintenance** – This includes ongoing costs for additions or changes to the IT infrastructure over time. DCA anticipates that there may be minor updates needed as the program develops over time and as technology advances.

The assumptions used to calculate the cost are discussed below:

- Less than 100 governments will be taking advantage of the opportunity to set up an affordable housing program under this bill.
- There will be no renewal process for certification.
- Only the annual reports produced by the governments will be used to determine the potential to revoke certification.
- Within 18-24 months from inception of the program, the majority of communities that intend to participate will participate rather than a gradual increase in participation over time.

Respectfully,



Greg S. Griffin
State Auditor



Richard Dunn, Director
Office of Planning and Budget

GSG/RD/slw