

Date of Hearing: April 23, 2025

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

AB 1131 (Ta) – As Amended April 10, 2025

SUBJECT: General plan: annual report: congregate care for the elderly

SUMMARY: Authorizes a local planning agency to include in its Annual Progress Report (APR) the number of units approved for congregate housing for the elderly. Specifically, **this bill:**

- 1) Authorizes, for the 7th and each subsequent revision of the housing element, the planning agency for each county and city to include in its APR the number of units approved for congregate housing for the elderly, for up to 15% of a jurisdiction's regional housing need allocation (RHNA) for any income category.
- 2) Defines "congregate housing for the elderly" as a housing development which is planned, designed, and managed to include facilities and common space that allow for direct services and support services that maximize the residents' potential for independent living and which is occupied by elderly or handicapped persons or households. Direct services and support services which are provided or made available shall relate to the nutritional, social, recreational, housekeeping, and personal needs of the residents and shall be provided or made available at a level necessary to assist the residents to function independently.

EXISTING LAW:

- 1) Requires the planning agency of each county or city to prepare and the legislative body of each county or city to adopt a comprehensive, long-term general plan containing specified elements, including a housing element. (Government Code § 65300 et seq.)
- 2) Requires the planning agency of each county or city to provide by April 1 of each year an APR to the legislative body, the Office of Land Use and Climate Innovation (LCI), and the Department of Housing and Community Development (HCD) that includes specified information. (Government Code § 65400)
- 3) Provides that each community's fair share of housing be determined through the Regional Housing Needs Determination (RHND)/RHNA process. Sets out the process as follows: (Government Code § 65584 and 65584.01)
 - a) Department of Finance (DOF) and HCD develop regional housing needs estimates or RHNDs;
 - b) Councils of Government (COGs) allocate housing via RHNA within each region based on these determinations, and where a COG does not exist, HCD conducts the allocations;
 - c) Cities and counties incorporate these allocations into their housing elements.
- 4) Requires HCD, in consultation with each COG, to determine the RHND for each region. [Government Code § 65584.01(a)]

- 5) Requires that the APR includes the county's or city's progress in meeting its share of regional housing needs, and the local efforts to remove governmental constraints to the maintenance, improvement, and development of housing. (Government Code § 65400)
- 6) Defines "congregate housing for the elderly" as a housing development which is planned, designed, and managed to include facilities and common space that allow for direct services and support services that maximize the residents' potential for independent living and which is occupied by elderly or handicapped persons or households. Direct services and support services which are provided or made available shall relate to the nutritional, social, recreational, housekeeping, and personal needs of the residents and shall be provided or made available at a level necessary to assist the residents to function independently. (Health and Safety Code 50062.5)

FISCAL EFFECT: This bill is keyed fiscal.

COMMENTS:

- 1) **Bill Summary.** This bill authorizes, for the 7th and each subsequent revision of the housing element, the planning agency for each county and city to include in its APR the number of units approved for congregate housing for the elderly, for up to 15% of a jurisdiction's RHNA for any income category.
- 2) **Author's Statement.** According to the author, "Cities and counties are unable to count assisted living facilities towards their RHNA numbers; however, AB 1131 would encourage cities and counties to produce more assisted living as defined by Section 50062.5 of the HSC, freeing up more homes to be available on the market for purchase by families. This is first and foremost a definition bill that authorizes the HCD to have a definition for assisted living for meeting RHNA goals for senior housing."
- 3) **Adoption and Implementation of Housing Elements.** One of California's key tools for addressing the housing crisis is requiring all 539 cities and counties to plan for their current and future housing needs. This is done through the Housing Element—a mandatory component of each jurisdiction's general plan—which provides a long-term strategy to meet projected housing demand across all income levels. Most jurisdictions in high-population areas must update their Housing Elements every eight years, while those in smaller-population regions must update every five years. We are currently in the 6th Housing Element Cycle (2021–2029), with the 7th Cycle (2029–2037) on the horizon.

A critical part of each Housing Element is showing how a jurisdiction will accommodate its share of the RHNA. RHNA figures are based on the RHND, which HCD establishes using demographic and housing data—developed in consultation with DOF and each region's COG. The RHND identifies the total housing need for a region, which the COG then distributes to local governments via RHNA. Housing allocations are divided into four income categories: very low-income [0-50% of Area Median Income (AMI)], low-income (50-80% of AMI), moderate income (80-120% of AMI), and above moderate income (120% or more of AMI). Each city or county must demonstrate, through its Housing Element, how it will zone for its assigned housing units at each income level, while also addressing fair housing and special needs populations.

- 4) **RHND/RHNA Methodology.** Each Housing Cycle begins with HCD and DOF projecting future housing needs. DOF provides population forecasts, while COGs contribute their own regional data as part of their Regional Transportation Plan (RTP) forecasts. At least 26 months before a housing element is due, HCD meets with each COG to discuss the methodology and assumptions for the upcoming RHND. COGs submit detailed regional data on factors such as household growth, household size trends, overcrowding, vacancy rates, cost burdens, and the jobs-housing balance. HCD can incorporate these inputs into its methodology or reject them if they conflict with other data or statutory requirements.

Following this consultation, HCD issues its final RHND for the region. The COG must then develop a RHNA methodology that fairly distributes the total housing need among its member jurisdictions. By law, the RHNA methodology must support several goals, including increasing housing supply across income levels, promoting infill development and equity, improving the jobs-housing balance (especially for low-wage workers), adjusting allocations where there are income concentration disparities, and affirmatively furthering fair housing.

- 5) **Annual Plan Report (APR).** Current law requires all local jurisdictions to provide housing information annually to HCD via the APR, including the following information from the current housing element cycle:
- a) The number of housing development applications received, and whether those applications are subject to ministerial or discretionary approval;
 - b) The number of units included in all development applications;
 - c) The number of units approved and disapproved;
 - d) For each income category, the number of net (inclusive of demolished) new units of housing, including both rental housing and for-sale housing, that have been issued a completed entitlement, a building permit, or a certificate of occupancy;
 - e) A unique site identifier, such as an assessor's parcel number (APN), for each entitlement, building permit, or certificate of occupancy; and
 - f) The overall progress in meeting its share of RHNA.
- 6) **RHNA and Group Quarters.** Congregate housing for the elderly includes independent living or assisted living developments in which older adults and people with disabilities are able to live in settings that are designed to maximize independent living while also providing services in group settings such as communal meals, transportation, in-home assistance, and nursing care. Currently, it is not entirely clear if or when group quarters, including congregate housing for the elderly, may be counted for RHNA. HCD discussed this challenge in their 2024 report, *California's Housing Future 2040: The Next RHNA*:

“The RHNA process has traditionally been used to plan for the needs of individuals that live in housing units rather than group quarters. Accordingly, when HCD determines the regional housing need, the Department subtracts the group quarters population from the total population so as to only count the population living in households. Similarly, HCD only gives credit to newly constructed housing units, rather than group quarters, on the APRs that

track a jurisdiction's progress towards meeting its RHNA...Stakeholders encouraged HCD to reconsider the process used to determine what populations are included in the RHND and what types of units are counted towards meeting the RHNA in order to improve consistency and to accurately account for need. For example, DOF staff noted that some housing developments are not straightforward to categorize (such as senior living communities that include both independent senior housing units and skilled nursing care), and that developing a consistent process for deciding what populations are counted in the RHND could help streamline the determination."

- 7) **Older Adult Demographics.** Under the umbrella of the California Health and Human Services Agency, the California Department of Aging (CDA) administers programs that serve older adults, adults with disabilities, family caregivers, and residents in long-term care facilities throughout the state. According to CDA's Older Adults Demographics Fact Sheet, which was updated in September, 2024, more than 9 million Californians are currently over the age of 60, and this number is rapidly growing. By 2030, for the first time in California's history, older adults will outnumber those under 18. By 2040, California's older adult population is projected to reach 11.4 million – about 28% of the total population. Many regions will see their older adult populations more than double. While poverty has decreased for the general population since 2012, it has increased slightly for older adults. The number of people experiencing homelessness has increased substantially overall since 2017, with the largest increase among adults over age 55: from 2017 to 2022, homelessness amongst those age 55+ increased by 104%.
- 8) **Master Plan for Aging.** Through Executive Order N-14-19, Governor Newsom called for a comprehensive plan to address and prepare for the state's aging population. California's Master Plan for Aging (MPA) is a 10-year blueprint for state and local governments, the private sector, and philanthropy to prepare the state for the coming demographic changes and continue California's leadership in aging, disability, and equity. The first MPA was released in 2021 and outlined five goals for 2030, the first of which was Housing for All Ages and Stages. Every two years, the MPA Cabinet Workgroup and state MPA partners recommit to a new set of initiatives aligned with the five goals originally laid out in the 2021 MPA. The 2025-2026 MPA initiatives include 81 total initiatives, 21 of which fall under the goal of Housing for All Ages and Stages.
- 9) **Related Legislation.** AB 670 (Quirk-Silva) makes changes to the information that local governments must report in their APR regarding demolished and replacement units, and allows local governments to report the number of units in an existing multifamily building that were converted to affordable housing, for up to 25% of a jurisdiction's RHNA for lower income units. This bill is currently in the Assembly Appropriations Committee.

AB 726 (Ávila Farías) allows a local government to include in its APR the number of units of existing deed-restricted affordable housing that have been substantially rehabilitated with at least \$60,000 per unit in funds from the local government, as specified. This bill is currently in the Assembly Appropriations Committee.
- 10) **Previous Legislation.** SB 721 (Becker) of 2024 would have added to the list of information local governments must provide in their APR the number of new and demolished suite-style student housing quarters by income category thus far in the housing element cycle, as determined by HCD. That bill was held in the Assembly Appropriations Committee.

- 11) **Arguments in Support.** According to the League of California Cities, “City officials intimately understand [the housing supply and affordability] crisis as it plays out in their communities every day. Local leaders are working to find creative solutions to spur more housing construction at all income levels. In fact, cities are currently planning and zoning for 2.5 million additional homes statewide. Cal Cities continues to support efforts to balance the needs of local communities with planning for housing that is available to all residents across California, regardless of their race, income, or life stage.

“According to January 2023 data from the California Department of Social Services, there are over 7,100 residential care facilities serving nearly 210,000 residents in California. Local governments play a key role in siting and zoning for these facilities. Yet, local jurisdictions do not receive credit in their RHNA for these efforts, despite these facilities increasing housing availability across the state.

“AB 1131 would allow local governments to include these efforts in their RHNA progress while also gathering more data for the state about the availability of these important living facilities. Senior residential living facilities are a vital mechanism for older residents to age comfortably while receiving the necessary services to maintain a higher quality of life.”

- 12) **Arguments in Opposition.** None on file.

- 13) **Double-Referral.** This bill is double-referred to the Assembly Housing and Community Development Committee, where it passed on a 12-0 vote on April 9, 2025.

REGISTERED SUPPORT / OPPOSITION:

Support

California Commission on Aging
City of Fountain Valley
League of California Cities

Opposition

None on file

Analysis Prepared by: Julia Mouat / L. GOV. / (916) 319-3958