

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

AB 1275 (Elhawary) – As Amended April 24, 2025

SUBJECT: Regional housing needs: regional transportation plan.

SUMMARY: Requires the Department of Housing and Community Development (HCD) to determine the existing and projected housing need for each region with a council of government (COG) three years prior to the region's housing element update, instead of two years under existing law, and makes changes to how the transportation and job projections in a region's sustainable communities strategy (SCS) must be incorporated into each COG's final regional housing needs allocation (RHNA) plan. Specifically, **this bill:**

- 1) Requires HCD to determine each region's existing and projected housing need at least three years prior to the scheduled revision of the housing element except in the following circumstances:
 - a) For regions with a scheduled housing element revision due date in the 2027 calendar year, HCD shall determine the region's housing need at least two years prior to the scheduled revision.
 - b) For regions with a scheduled housing element revision due date in the 2028 calendar year or the first 6 months of the 2029 calendar year, HCD shall determine the region's housing need at least 32 months prior to the scheduled revision.
- 2) Requires, for cities and counties without a COG, HCD to determine each region's existing and project housing need, , at least 30 months prior to the scheduled revision. However, HCD shall determine the existing and projected housing need at least two years prior to the scheduled revision for cities and counties with a scheduled housing element revision due date in the 2027 calendar year or the first 6 months of the 2028 calendar year.
- 3) Requires HCD to meet and consult with the COGs 38 months, instead of 26 months, before the housing element update and prior to developing the existing and projected housing need for a region, except for the 7th housing cycle. For the 7th housing cycle, HCD is required to meet and consult with the COG at least 2 months prior to developing the existing and projected housing need for a region within the specified timelines.
- 4) Requires each COG or delegate subregion, as applicable, to consider including the development pattern set forth in the region's SCS of its regional transportation plan in developing the methodology that allocates regional housing needs to the extent that sufficient data is available.
- 5) Requires the RHNA plan to be informed by the development pattern included in the SCS. Requires the resolution approving the final RHNA plan to demonstrate that the plan is informed by the SCS in the regional transportation plan and furthers the objectives of the RHNA plan, as specified.

- 6) Provides that if the Commission on State Mandates determines that this bill contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

EXISTING LAW:

- 1) 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: (a) Department of Finance (DOF) and HCD develop regional housing needs determination estimates or RHNDs; (b) COGs allocate housing via RHNA within each region based on these determinations, and where a COG does not exist, HCD conducts the allocations; and (c) cities and counties incorporate these allocations into their housing elements. [Government Code (GOV) § 65584 and 65584.01]
- 2) Requires HCD, in consultation with each COG, to determine each region's existing and projected housing need at least two years prior to the scheduled housing element revision, as provided, and requires the COG or HCD to adopt a final RHNA that allocates a share of the regional housing need to each city or county at least one year prior to the region's housing element due date. (GOV § 65584(b))
- 3) Requires a RHNA plan to further all of the following objectives:
 - a) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which must result in each jurisdiction receiving an allocation of units for low- and very low-income households;
 - b) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reduction targets provided by the State Air Resources Board, as specified;
 - c) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction;
 - d) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey; and
 - e) Affirmatively furthering fair housing. (GOV § 65584(d))
- 4) Requires HCD to meet and consult with each COG regarding the assumptions and methodology to be used in determining the region's housing needs at least 26 months prior to the region's housing element due date. (GOV § 65584.01(b)(1))
- 5) Requires each COG or delegate subregion to develop, in consultation with HCD, a proposed methodology for distributing the RHNA to local governments within the region or subregion at least two years prior to the region's housing element due date. (GOV § 65584.04(a))

- 6) Requires each COG or delegate subregion, to the extent that sufficient data is available from local governments or other sources, to consider including several factors in developing the RHNA methodology, one of which is the distribution of household growth assumed for purposes of a comparable period of RTPs and opportunities to maximize the use of public transportation and existing transportation infrastructure. (GOV § 65584.04(e)(3))
- 7) Requires each COG or delegate subregion to explain in writing how each of the factors under 6) above was incorporated into the RHNA methodology and how the methodology furthers the statutory objectives of RHNA under 3) above. Allows the methodology to include numerical weighting. (GOV § 65584.04(f))
- 8) States the intent of the Legislature that housing planning be coordinated and integrated with the RTP, and requires the RHNA plan to achieve this goal by allocating housing units within the region consistent with the development pattern included in the SCS. (GOV § 65584.04(m)(1))
- 9) Requires the COG or delegate subregion's resolution approving the final RHNA plan to demonstrate that the plan is consistent with the SCS in the RTP and furthers the statutory objectives of RHNA under 3) above. (GOV § 65584.04(m)(3))
- 10) Requires each regional transportation planning agency (RTPA) to prepare and adopt an RTP directed at achieving a coordinated and balanced regional transportation system. (GOV § 65080(a))
- 11) Requires the RTP to include an SCS prepared by each metropolitan planning organization (MPO), as specified, containing land use, housing, and transportation strategies that, if implemented, would allow the region to meet regional greenhouse gas (GHG) emission reduction targets established by the California Air Resources Board (CARB). (GOV § 65080(b)(2))
- 12) Requires the SCS to do all of the following:
 - a) Identify the general location of uses, residential densities, and building intensities within the region;
 - b) Identify areas within the region sufficient to house all the population of the region, including all economic segments of the population, over the course of the planning period of the RTP, taking into account net migration into the region, population growth, household formation and employment growth;
 - c) Identify areas within the region sufficient to house an eight-year projection of the RHNA for the region;
 - d) Identify a transportation network to service the transportation needs of the region;
 - e) Gather and consider the best practically available scientific information regarding resource areas and farmland in the region;
 - f) Consider the state housing goals, as specified;

- g) Set forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce GHG emissions from automobiles and light trucks to achieve, if there is a feasible way to do so, GHG reduction targets approved by CARB; and,
- h) Allow the regional transportation plan to comply with Section 176 of the federal Clean Air Act (42 U.S.C. Sec. 7506). (GOV § 65080(b)(2)(B))

FISCAL EFFECT: This bill is keyed fiscal and contains a state mandated local program.

COMMENTS:

- 1) **Bill Summary.** This bill extends the timeline for HCD to determine the existing and projected housing need for each region from 2 years to 3 years and extends the timeline for HCD to meet and consult with the COGs, from at least 26 months to at least 38 months prior to the next housing element update. This bill requires each COG or delegate subregion, as applicable, to consider the development pattern set forth in the region's SCS of its regional transportation plan. This bill requires the RHNA plan to be informed by the development pattern included in the SCS. The bill also requires the resolution approving the final RHNA plan to demonstrate that the plan is informed by the SCS in the RTP, among other things.

This bill is sponsored by Abundant Housing LA.

- 2) **Author's Statement.** According the author, "California can't afford to keep planning housing and transportation in separate conversations. AB 1275 strengthens how we plan for the future by making sure our housing and transportation systems are working together—not against each other.

"This bill moves up the release of Regional Housing Needs Determinations by one year, giving local and regional leaders more time to meaningfully integrate housing needs into transportation plans. When we do this right, we can ensure new housing is built near transit, near jobs, and in communities that have been historically left out of access to opportunity.

"AB 1275 builds on California's commitment to climate action and equity by making it easier to plan for sustainable, infill housing and reduce emissions—without sacrificing the needs of everyday people. It's a practical step toward a California where planning is intentional, coordinated, and centered on the people who live here."

- 3) **Planning for Housing.** The California Constitution allows cities and counties to "make and enforce within its limits, all local, police, sanitary and other ordinances and regulations not in conflict with general laws." It is from this fundamental power (commonly called the police power) that cities and counties derive their authority to regulate behavior to preserve the health, safety, and welfare of the public—including land use authority.

Cities and counties use their police power to enact zoning ordinances that shape development, such as setting maximum heights and densities for housing units, minimum numbers of required parking spaces, setbacks to preserve privacy, lot coverage ratios to increase open space, and others. These ordinances can also include conditions on

development to address aesthetics, community impacts, or other particular site-specific consideration. Zoning ordinances and other development decisions must be consistent with the city or county's general plan.

- 4) **General Plan.** A general plan serves as a local government's blueprint for long-term growth and development, outlining policies and goals to shape the community's future. Required by state law, every city and county in California must adopt a general plan that addresses key planning topics, known as elements. At a minimum, these include land use, circulation, housing, conservation, open space, noise, and safety. The general plan provides a foundation for zoning regulations, infrastructure investments, and public services, ensuring that development aligns with both local priorities and state requirements.

According to state law, "The general plan shall consist of a statement of development policies and shall include a diagram or diagrams and text setting forth objectives, principles, standards, and plan proposals". As communities evolve, general plans are periodically updated to reflect changing demographics, economic conditions, and environmental factors, making them a critical tool for sustainable and equitable development.

While state law mandates that general plans cover specific topics, cities and counties have broad discretion in their structure, content, and level of detail. General plans range from 200 to over 2,000 pages and vary significantly based on local conditions and priorities. This flexibility reflects the Legislature's recognition that "the diversity of the state's communities and their residents requires planning agencies and legislative bodies to implement (general plan law) in ways that accommodate local conditions and circumstances, while meeting its minimum requirements".

- 5) **Adoption and Implementation of Housing Elements.** One important tool in addressing the state's housing crisis is to ensure that all of the state's cities and counties appropriately plan for new housing. Such planning is required through the housing element of each community's General Plan, which outlines a long-term plan for meeting the community's existing and projected housing needs. Cities and counties are required to update their housing elements every eight years in most of the high population parts of the state, and five years in areas with smaller populations. Localities must adopt a legally valid housing element by their statutory deadline for adoption. Failure to do so can result in certain escalating penalties, including exposure to the "builder's remedy" as well as public or private lawsuits, financial penalties, potential loss of permitting authority, or even court receivership. Localities that do not adopt a compliant housing element within 120 days from their statutory deadline also must complete any rezones within one year of their deadline, rather than the three years afforded to on-time adopters.

Among other things, the housing element must demonstrate how the community plans to accommodate its share of its RHNA which is a figure determined by HCD through a demographic analysis of housing needs and population projections, also known as the regional housing need determination (RHND). HCD establishes its determination of each COG's regional housing targets across the state for the next five- or eight-year planning cycle. Each COG (or in some areas, HCD acting directly as COG) then sub-allocates the RHNA to each local government within the COG's jurisdiction, and in turn each jurisdiction uses its housing element to show how it will accommodate that number of new housing units, split out by income level and with a focus on certain special needs housing types and on

affirmatively furthering fair housing.

Adequate zoning, removal of regulatory barriers, protection of existing stock and targeting of resources are essential to obtaining a sufficient permanent supply of housing affordable to all economic segments of the community. Although not requiring the community to develop the housing, housing element law requires the community to plan for housing. Recognizing that local governments may lack adequate resources to house all those in need, the law nevertheless mandates that the community do all that it can and not engage in exclusionary zoning practices.

- 6) **Regional Transportation Plans and Sustainable Community Strategies.** In California, regional transportation planning is primarily conducted by 18 metropolitan planning organizations (MPOs) in urban areas and 26 regional transportation planning agencies (RTPAs) in rural areas. MPOs must prepare a key planning document called the regional transportation plan (RTP). The RTP has a long-term horizon of at least 20 years and identifies existing and future transportation needs in the region. It includes rough cost estimates for transportation projects and is fiscally constrained (i.e., the total anticipated cost of the proposals is limited to the total reasonably anticipated revenues for the term of the plan). However, specific fund sources are usually not identified for the individual transportation proposals. The RTP must also conform to federal air quality requirements in nonattainment or maintenance areas. Federal law requires MPOs and RTPAs to submit an RTP at least every four years.

The Sustainable Communities and Climate Protection Act, SB 375 (Steinberg), Chapter 728, Statutes of 2008, (SB 375) requires MPOs to develop SCS. SCS are long-range plans which align transportation, housing, and land use decisions toward achieving greenhouse gas (GHG) emissions reduction targets set by the California Air Resources Board (CARB). As part of the SB 375 process, CARB establishes regional GHG emissions reduction targets for each jurisdiction. MPOs must produce a SCS that does all of the following:

- a) Identifies the general location of uses, residential densities, and building intensities within the region.
- b) Identifies areas within the region sufficient to house all the population of the region, including all economic segments of the population, over the course of the planning period of the RTP taking into account net migration into the region, population growth, household formation and employment growth.
- c) Identifies areas within the region sufficient to house an eight-year projection of the regional housing need for the region.
- d) Identifies a transportation network to service the transportation needs of the region.
- e) Gathers and considers the best practically available scientific information regarding resource areas and farmland in the region.
- f) Considers state housing goals, as specified.
- g) Sets forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce

GHG emissions from automobiles and light trucks to achieve the GHG emission reduction targets approved by CARB.

Existing law requires the RTP and SCS be consistent with the RHNA, but in practice alignment is challenging. One problem is that the current timeline for the adoption of the RHND leaves insufficient time for regions to incorporate the RHND into their updated RTP and SCS. Another problem is that the RHND is required to plan for both projected population growth as well as the existing unmet housing needs in the region (as measured by factors such as cost burden, overcrowding, homelessness, and jobs/housing imbalance), while RTP and SCS plans sometimes only address population growth.

- 7) **Related Legislation.** AB 650 (Papan) extends a number of timelines in the process of determining regional housing needs and regional housing needs allocations (RHNA) and housing element revisions, and requires HCD to provide specific analysis or text to local governments to remedy deficiencies in their draft housing element revisions. This bill is pending in this Committee.
- 8) **Previous Legislation.** AB 1335 (Zbur) of 2023 would have made changes to the housing projections included in RTP/SCSs and added new reporting requirements for local governments. This bill was held in the Senate Appropriations Committee.
- 9) **Argument in Support.** According to Abundant Housing LA, the bill's sponsor, "In order to build a more affordable and sustainable California, it is imperative that we expand sustainable transportation infrastructure and build dense housing in close proximity to those investments. This will make it easier to live in communities with low carbon emissions, while helping to end our state's housing shortage.

California laid the foundation for such a vision in 2008, with the passage of SB 375 (Steinberg), which created a framework for local leaders to reduce greenhouse gas emissions, by directing metropolitan planning organizations (MPOs) to draft Sustainable Communities Strategies and incorporate best environmental practices into regional urban planning systems. Unfortunately, 17 years later, there is still more work to do. That is because the state's regional planning frameworks lack alignment with one another in a few important ways. ...

AB 1275 amends state law to require that HCD release RHNDs a year earlier in the cycle. That change would give regions more time to incorporate the RHND (and therefore estimates of existing unmet housing need) into their population forecast modeling for the RTP/SCS and lead to higher alignment between RHND and SCS housing targets. Second, AB 1275 clarifies that RHNA allocations to local jurisdictions should be informed by the RTP/SCS development pattern—but should not follow it exactly if doing so would prevent regions from meeting objectives of the RHNA process. This amendment will create alignment between both regional plans while ensuring regions plan for sufficient housing in infill jurisdictions and those with high levels of unmet housing needs."

- 10) **Arguments in Opposition.** None on file.
- 11) **Double Referral.** This bill is double-referred to the Assembly Housing and Community Development Committee, where it passed on a 11-0 vote on April 24, 2025.

REGISTERED SUPPORT / OPPOSITION:

Support

Abundant Housing LA (Sponsor)
California Building Industry Association (CBIA)
California Yimby
Circulate San Diego
Inner City Law Center
Spur
The Two Hundred

Opposition

None on file

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