

Date of Hearing: January 20, 2022

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Chris Holden, Chair

AB 1445 (Levine) – As Amended January 3, 2022

Policy Committee:	Housing and Community Development	Vote:	6 - 1
	Local Government		6 - 1

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill adds the impacts of climate change to the list of factors used to develop the methodology for distributing regional housing needs. Specifically, this bill:

Requires, beginning January 1, 2025, a council of governments (COG), its delegate subregion, or the Department of Housing and Community Development (HCD) additionally consider the impacts of climate change, including wildfire risk, sea level rise, emergency evacuation route capacity and other impacts in its methodology to determine the allocation of regional housing needs.

FISCAL EFFECT:

- 1) HCD estimates, beginning in 2024-25, ongoing annual costs of \$61,000 (GF) to, in addition to the other statutory requirements, evaluate data on emergency evacuation route capacity, wildfire risk, sea level rise and other impacts caused by climate change when developing a final regional housing plan for cities and counties without a council of governments.

This estimate includes additional resources to provide guidance to COGs in the preparation of a survey of jurisdictions and consultations with jurisdictions, to ensure the appropriate data for emergency evacuation route capacity, wildfire risk, sea level rise and other impacts caused by climate change is collected from jurisdictions.

- 2) Local costs are not reimbursable by the state because local agencies have general authority to charge and adjust planning fees to cover their related costs.

COMMENTS:

- 1) **Purpose.** This bill seeks to ensure local governments consider the impacts of climate change and disasters on the risk to residents when planning for housing in their communities.
- 2) **Background.** The state plans for housing through the regional housing need allocation (RHNA) and housing element processes. The state determines the overall need for new housing across a range of income categories and distributes this need among the state’s regions. The regional housing need is then distributed to all of the region’s jurisdictions by the region’s council of governments (COGs), their designated subregion, or by HCD in the instance where the jurisdiction is not within a COG. Each jurisdiction is then required, through its housing element, to adequately plan to meet the jurisdiction’s share of the regional housing need. This process occurs on an eight-year cycle, except for the state’s

most rural areas, where it occurs every five years. Currently, the state is in a transitional period where jurisdictions are either wrapping up the fifth eight-year cycle or beginning the sixth.

The distribution of the regional housing need is based on a methodology developed by the COG or subregion, in consultation with HCD. The methodology is subject to legislated requirements, including that it consider a number of economic, environmental, equity and transportation-related factors. Regions may also consider additional factors not explicitly listed in state law.

- 3) **Climate Change.** California's climate is generally expected to become hotter, drier and more variable over the coming decades, increasing the risk of catastrophic wildfires, droughts, floods, extreme weather, biodiversity loss and sea level rise. These changes are expected to impact California's residents, water supply, ecosystems and economy. California's Fourth Climate Assessment estimates the economic cost to California for these impacts by 2050 will be over \$100 billion annually. The scale and type of impacts will vary across regions.

This bill requires the impacts of climate change be included as a factor in developing the methodology for allocating regional housing need within a region.

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