
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2021 - 2022 Regular Session

AB 1445 (Levine) - Planning and zoning: regional housing need allocation: climate change impacts

Version: June 6, 2022

Urgency: No

Hearing Date: June 13, 2022

Policy Vote: HOUSING 6 - 2

Mandate: Yes

Consultant: Mark McKenzie

Bill Summary: AB 1445 would, beginning in 2025, require regional councils of government (COGs) or the Department of Housing and Community Development (HCD), as applicable, to consider the impacts caused by climate change on the development of housing as one of the factors used to develop the methodology for allocating regional housing needs, as specified.

Fiscal Impact:

- HCD estimates ongoing costs of approximately \$61,000 annually, beginning in 2024-25, to evaluate additional 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 COG. HCD would also provide guidance to COGs for the preparation of local agency surveys and consultations with local jurisdictions to collect relevant data and information on the impacts of climate change on the development of housing. (General Fund)
- Unknown local agency costs to provide additional survey data in the regional housing needs allocation (RHNA) process on the opportunities and constraints to the development of additional housing as a result of the impacts of climate change. These costs are not state-reimbursable because local agencies have the authority to levy fees and charges to offset costs associated with local planning requirements. New requirements placed on COGs are not state-reimbursable. (See Staff Comments)

Background: Existing law requires cities and counties to prepare a general plan comprised of seven mandatory elements, including a housing element that identifies existing and projected housing needs. The housing element must include an inventory of adequate sites zoned for housing at all income levels and to accommodate a jurisdiction's share of the regional housing needs that is sufficient to account for population growth and to overcome existing housing deficiencies over the planning period. The RHNA process is composed of three main stages: (1) development of regional housing need estimates by HCD and the Department of Finance; (2) allocation of housing within each region by COGs, or by HCD in an area not within a COG; and (3) incorporation of RHNA allocations into city and county housing elements. If the city or county does not have enough sites within its existing inventory of residentially zoned land to accommodate its share of the regional housing needs, it must adopt a program to rezone land within the first three years of the planning period. Housing elements must be updated every eight years in urban areas, and every five years in more rural areas.

Existing law requires each COG, delegate subregion, or HCD for an area not within a COG, as applicable, to develop a proposed methodology for distributing the existing and projected regional housing need to cities and counties within the region. To the extent data from local governments or other sources are available, the development of the RHNA methodology must include the following factors:

- Each jurisdiction's existing and projected jobs/housing relationship.
- Opportunities and constraints to development of additional housing, as specified.
- Distribution of household growth and opportunities to maximize public transportation.
- Agreements between a county and cities within a county to direct growth to certain areas, as specified.
- Loss of units in assisted housing developments.
- Percentage of existing households at each income level.
- The rate of overcrowding.
- Housing needs of farmworkers.
- Housing needs generated by the presence of specified university campuses within a jurisdiction.
- Housing needs of individuals and families experiencing homelessness.
- Loss of units during a state of emergency.
- Greenhouse gas emissions targets.
- Any other factors adopted by COG that further specified objectives.

After considering input from each constituent jurisdiction and public comments on the proposed methodology, and making any appropriate revisions, the COG must adopt the final RHNA methodology and provide notice to each jurisdiction and HCD. Following the adoption of a final methodology, the COG distributes a draft allocation plan to each city affected city and county. Existing law prescribes a public process for local governments to request revisions to their RHNA shares, and specifies the requirements for COGs to make final determinations regarding the allocation plan. Once the final plan that fully allocates the regional share of statewide housing need is adopted in a public hearing, the COG must submit the plan to HCD for a determination of consistency with the region's existing and projected housing need.

Proposed Law: AB 1445 would, beginning in 2025, require COGs, delegate subregions, or HCD, as applicable, to include emergency evacuation route capacity, wildfire risk, sea level rise, and other impacts caused by climate change on the development of additional housing in each member jurisdiction as factors that are included in the development of the methodology that allocates regional housing needs.

Staff Comments: This bill is intended to ensure that local governments are taking into account the impending impacts of climate change when planning for future housing development. HCD estimates that it would incur ongoing costs of approximately \$61,000 annually to evaluate the specified impacts of climate change on the development of housing when developing final regional housing plans for cities and counties without a COG, and to provide guidance and technical assistance to COGs for the preparation of local agency surveys to collect that information.

The bill's mandated local costs would not be subject to state reimbursement because local agencies have the authority to charge and adjust planning and permitting fees as necessary to cover administrative costs. Existing law authorizes planning and zoning

fees to “include the costs reasonably necessary to prepare and revise the plans and policies that a local agency is required to adopt before it can make any necessary findings and determinations.” Case law and previous decisions by the Commission on State Mandates support the position that local governments’ planning costs are not reimbursable when the state imposes new planning mandates. In addition, staff notes that any additional costs incurred by COGs would not be state-reimbursable.

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