

## CONCURRENCE IN SENATE AMENDMENTS

AB 1275 (Elhawary)

As Amended September 5, 2025

Majority vote

**SUMMARY**

Requires the Department of Housing and Community Development (HCD) to determine each region with a council of governments (COG)'s existing and projected housing need three years prior to each region's scheduled housing element revision, rather than two years as 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

**Senate Amendments**

- 1) Delete the requirement for HCD to determine a non-COG's projected housing need 30 months prior to the scheduled housing element revision, reverting the timeline back to existing law.
- 2) Require a COG to determine the share of RHNA assigned to each delegate subregion to be allocated in a proportion consistent with the subregion's share of the current adopted final RHNA plan, rather than the distribution of households assumed for the comparable time period of the applicable RTP.
- 3) Make technical changes and include chaptering language.

**COMMENTS**

*RHNA and Housing Elements:* The RHNA process is used to determine how many new homes, and the affordability level of those homes, each local government must plan for in its housing element to cover the duration of the next eight-year planning cycle. The state is currently in the sixth housing element cycle. The RHND is assigned at the COG level, while RHNA is suballocated to subregions of the COG or directly to local governments. RHNA is currently assigned via six income categories: very low-income (0-50% of AMI), low-income (50-80% of AMI), moderate income (80-120% of AMI), and above moderate income (120% or more of AMI). Beginning with the seventh cycle, two new income categories will be incorporated for acutely low-income (0-15% of AMI) and extremely low-income (15-30% of AMI).

The cycle begins with HCD and DOF projecting new RHND numbers every five or eight years, depending on the region. DOF produces population projections and the COG also develops projections during its Regional Transportation Plan update. Then, 26 months before the housing element due date for the region, HCD must meet and consult with the COG and share the data assumptions and methodology that they will use to produce the RHND. The COG provides HCD with its own regional data on several criteria, including:

- a) Anticipated household growth associated with projected population increases;
- b) Household size data and trends in household size;
- c) The percentage of households that are overcrowded, as defined, and the overcrowding rate for a comparable housing market, as defined;

- d) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures;
- e) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs, as specified;
- f) Other characteristics of the composition of the projected population;
- g) The relationship between jobs and housing, including any imbalance between jobs and housing;
- h) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market, as defined; and
- i) The loss of units during a declared state of emergency during the planning period immediately preceding the relevant housing element cycle that have yet to be rebuilt or replaced at the time of the data request.

HCD can take this information and use it to modify its own methodology, if it agrees with the data the COG produced, or can reject it if there are other factors or data that HCD feels are better or more accurate. Then, after a consultation with the COG, HCD makes written determinations on the data it is using for each of the factors bulleted above, and provides that information in writing to the COG. HCD uses that data to produce the final RHND. The COG must then take the RHND and create an allocation methodology that distributes the housing need equitably amongst all the local governments in its region. The RHNA methodology is statutorily obligated to further all of the following objectives:

- 1) Increase the housing supply and mix of housing types, tenure, and affordability in all cities and counties within the regional in an equitable manner, which must result in each jurisdiction receiving an allocation of units for low- and very low-income households;
- 2) Promote infill development, socioeconomic equity, the protection of environmental and agricultural resources, and achievement of regional climate change reduction targets;
- 3) Promote 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;
- 4) Allocate 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; and
- 5) Affirmatively further fair housing.

Once the methodology is developed, the COG creates a draft RHNA allocation plan assigning individual allocations to each local government, who must then incorporate these allocations into their housing elements. This bill would push back the RHND deadlines for the seventh housing element cycle and beyond by requiring HCD to determine each region's RHND three years prior to the scheduled housing element revision, rather than two years under existing law.

*RTP/SCS:* In California, regional transportation planning is primarily conducted by 18 Metropolitan MPOs in urban areas and 26 RTPAs in rural areas. MPOs must prepare a key planning document called the 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 with federal air quality requirements in nonattainment or maintenance areas. Federal law requires MPOs/ RTPAs submit an RTP at least every four years.

The Sustainable Communities and Climate Protection Act, SB 375 (Steinberg), Chapter 728, Statutes of 2008, added a new element to regional planning and requires MPOs to develop SCS, or long-range plans, which align transportation, housing, and land use decisions toward achieving GHG emissions reduction targets set by CARB. As part of the SB 375 process, CARB establishes regional GHG emissions reduction targets for each jurisdiction. MPOs must produce a SCS that (i) identifies the general location of uses, residential densities, and building intensities within the region; (ii) 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; (iii) identifies areas within the region sufficient to house an eight-year projection of the regional housing need for the region; (iv) identifies a transportation network to service the transportation needs of the region; (v) gathers and considers the best practically available scientific information regarding resource areas and farmland in the region; (vi) considers the state housing goals, as specified; (vii) 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/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/SCS. Another problem is that the RHND is required to plan for both project 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/SCS plans sometimes only address population growth.

AB 1275 seeks to implement two recommendations from HCD's report, "California's Housing Future 2040: The Next Regional Housing Needs Allocation." In particular, the bill implements recommendations to move up the RHND determination by one year and clarifies what should occur if the RTP/SCS forecasted development pattern does not further the statutory objectives of RHNA.

### **According to 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."

### **Arguments in Support**

According to the California Home Building Alliance, "This bill corrects existing law that requires two regional planning processes to inform each other, aligning them remains difficult in practice. One issue with this process is that the RHND timeline does not give enough time for regions to incorporate housing need determinations into their updated transportation and sustainability plans. Another challenge in the process is that RHND accounts for both projected population growth and existing unmet housing needs—such as cost burden, overcrowding, homelessness, and jobs/housing imbalance—while RTP/SCS plans often focus only on population growth. This misalignment results in regional plans and incentives placing too little emphasis on housing in strategic locations, reducing our ability to lower VMT and GHG emissions. This also means transportation investments which could support infill housing may not be properly prioritized. We support AB 1275 since it follows recommendations from HCD's California's Housing Future 2040 report. It requires the state to release regional housing numbers (RHND) one year earlier, giving regions more time to include unmet housing needs in their transportation plans. The bill also clarifies that housing targets should be guided by—but not limited to—transportation plans, allowing regions to prioritize housing in areas with the greatest need."

### **Arguments in Opposition**

None on file.

## **FISCAL COMMENTS**

According to the Assembly Appropriations Committee:

- 1) HCD anticipates minor and absorbable costs.
- 2) Costs to local and regional agencies as a result of this bill are likely minor and absorbable.

## **VOTES:**

### **ASM HOUSING AND COMMUNITY DEVELOPMENT: 11-0-1**

**YES:** Haney, Patterson, Ávila Farías, Caloza, Garcia, Kalra, Lee, Quirk-Silva, Ta, Wicks, Wilson

**ABS, ABST OR NV:** Tangipa

### **ASM LOCAL GOVERNMENT: 10-0-0**

**YES:** Carrillo, Ta, Hoover, Pacheco, Ramos, Ransom, Blanca Rubio, Stefani, Ward, Wilson

### **ASM APPROPRIATIONS: 15-0-0**

**YES:** Wicks, Sanchez, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache, Ta, Tangipa

### **ASSEMBLY FLOOR: 71-0-8**

**YES:** Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark

González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wilson, Zbur, Rivas

**ABS, ABST OR NV:** Bryan, Chen, Ellis, Nguyen, Sanchez, Schultz, Sharp-Collins, Wicks

**UPDATED**

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