

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

AB 2296 (Papan) – As Amended April 16, 2026

SUBJECT: Planning and zoning: housing element: regional housing needs allocation

SUMMARY: Extends a number of timelines in the process of regional housing needs determinations (RHND), regional housing needs allocations (RHNA), and housing element revisions, and requires the Department of Housing and Community Development (HCD) to provide specific analysis or text to local governments to remedy deficiencies in their draft housing element revisions. Specifically, **this bill:**

- 1) Revises the time by which two or more cities and a county, or counties, may form a subregional entity for the purpose of allocating the subregion's RHNA among its members, from 28 months prior to the scheduled housing element update to 34 months prior.
- 2) Revises the time by which a Council of Government (COG) must determine the share of RHNA assigned to each delegate subregion in 1) above from 25 months prior to the scheduled revision to 31 months prior.
- 3) Revises the time by which each COG or delegate subregion shall develop, in consultation with HCD, a proposed methodology for distributing the RHNA to local governments within the region or subregion, from at least two years prior to the scheduled housing element revision to at least two and one-half years prior. For the seventh housing element cycle, this change does not apply to COGs with a housing element revision due date during the 2027 calendar year.
- 4) Revises the time by which each COG and delegate subregion shall distribute a draft RHNA to each local government in the region or subregion and to HCD based on the methodology described in 3) above and to publish the draft RHNA on its website, from at least one and one-half years before the scheduled housing element revision to at least two years prior. For the seventh housing element cycle, this change does not apply to COGs with a housing element revision due date during the 2027 calendar year.
- 5) Requires HCD, if it finds that a draft housing element or draft amendment does not substantially comply with Housing Element Law, to do both of the following in a written communication to the planning agency:
 - a) Identify and explain the specific deficiencies in the draft element or draft amendment, including a reference to the required contents of a housing element that the draft does not comply with.
 - b) Provide the specific analysis or text that HCD expects the planning agency to include in the draft to remedy the deficiencies identified pursuant to a) above.
- 6) Requires a local government's legislative body to consider HCD's findings and the specific analysis or text required by HCD pursuant to 5) above prior to the adoption of its draft element or draft amendment.

- 7) Requires HCD to review any change made to a draft housing element and report its findings to the planning agency within 30 days of receipt of any change, instead of 60 days as required pursuant to existing law.
- 8) Requires the local government's legislative body, if HCD finds that the draft element or draft amendment does not substantially comply with Housing Element Law, to do one of the following:
 - a) Include the specific analysis or text from HCD specified in 5) above in the draft element or draft amendment to substantially comply.
 - b) Adopt the draft element or draft amendment without the specific analysis or text required by HCD and include written findings in its resolution of adoption that explain the reasons the legislative body believes that the draft substantially complies with the law, despite the specific analysis or text required by HCD.
- 9) Requires a local government's legislative body to consider HCD's findings and the specific analysis or text required by HCD pursuant to 5) above prior to the adoption of its draft element or draft amendment.
- 10) Requires HCD, if it finds that an adopted element or amendment is not in substantial compliance with Housing Element Law, to identify each of the contents of the housing element that the housing element does not substantially comply with and provide the specific analysis or text to the planning agency that, if adopted, would bring the housing element or amendment into substantial compliance.
- 11) Declares the intent of Legislature to enact legislation that would assign housing element revision deadlines based on smaller regional groupings and local jurisdiction size, as recommended by the California State Auditor in Report 2024-109 California Department of Housing and Community Development: Increased Support Is Critical for Local Jurisdictions to Complete Timely Housing Plans (January 15, 2026).
- 12) Provides that no reimbursement is required by this bill pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

EXISTING LAW:

- 1) Provides that each community's fair share of housing be determined through the 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 three years prior to the scheduled revision of the housing element, 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 housing element due date for the region. (GOV 65584)

- 3) 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 housing element due date for the region. (GOV 65584.01)
- 4) 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 housing element due date for the region. (GOV 65584.04)
- 5) Requires each COG or delegate subregion to distribute a draft RHNA based on the methodology under 4) above to each local government in the region and to HCD, and to publish the draft RHNA on its website, at least one and one-half years prior to the housing element due date for the region. (GOV 65584.05)
- 6) Requires each city and county to adopt a housing element, which must contain specified information, programs, and objectives, including:
 - a) An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs, including a quantification of the locality's existing and projected housing needs for all income levels; an inventory of land suitable and available for residential development; an analysis of potential and actual governmental and nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels; and a demonstration of local efforts to remove constraints that hinder the locality from meeting its share of the regional housing need, among other things;
 - b) A statement of the community's goals, quantified objectives, and policies relative to affirmatively furthering fair housing and to the maintenance, preservation, improvement, and development of housing; and
 - c) A program that sets forth a schedule of actions during the planning period, and timelines for implementation, that the local government is undertaking to implement the policies and achieve the goals and objectives of the housing element, including actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the local government's share of the regional housing need for each income level that could not be accommodated on sites identified in the sites inventory without rezoning, among other things. (GOV 65583)
- 7) Requires a local government to submit a draft housing element revision or amendment to HCD at least 90 days prior to adoption of a revision of its housing element, as specified, or at least 60 days prior to the adoption of a subsequent amendment to the housing element. (GOV 65585)
- 8) Requires HCD to review the draft and report its written findings to the planning agency within 90 days of its receipt of the first draft submittal for each housing element revision or within 60 days of its receipt of a subsequent draft. Prohibits HCD from reviewing the first draft submitted for each housing element revision until the local government has made the

draft available for public comment for at least 30 days and, if comments were received, taken at least 10 business days to consider and incorporate public comments, as provided. (GOV 65585)

- 9) Requires HCD, in its written findings under 8) above, to determine whether the draft element or amendment substantially complies with Housing Element Law. (GOV 65585)
- 10) Requires the legislative body of a local government to consider the findings made by HCD under 8) above prior to the adoption of its draft element or amendment. Allows the legislative body to act without the findings if HCD's findings are not available within specified time limits. (GOV 65585)
- 11) Requires the legislative body of a local government, if HCD finds the draft element or amendment does not substantially comply with Housing Element Law, to take one of the following actions:
 - a) Change the draft element or amendment to substantially comply with Housing Element Law, as provided; or
 - b) Adopt the draft element or amendment without changes and include written findings in its adoption resolution that explain the reasons the legislative body believes the draft element or amendment substantially complies with Housing Element Law despite the findings of HCD. (GOV 65585)
- 12) Requires HCD to review adopted housing elements or amendments and any findings described under 11) b) above within 60 days and make a finding as to whether the adopted element or amendment is in substantial compliance with Housing Element Law and report its findings to the planning agency. (GOV 65585)

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

COMMENTS:

- 1) **Author's Statement.** According to the author, "AB 2296 will improve the housing element review process by addressing the delays and challenges local governments face in dealing with HCD. This bill makes three key improvements: first, it starts the Regional Housing Needs Allocation (RHNA) process six months earlier, giving municipalities more time to work on their housing elements and allowing them to engage with HCD sooner; second, it mandates clear and actionable feedback from HCD to ensure local governments have the guidance they need to comply; finally, the bill will stagger housing element deadlines within Councils of Government to ease the workload on HCD staff, freeing up their time for one-on-one, tailored feedback to municipalities. These changes will help local governments develop compliant housing elements on time, supporting the production of much-needed housing and ensuring clarity in the process."
- 2) **Background.** 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 planning 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.
- 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 noted above and provides that information in writing to the COG. HCD uses that data to produce the final RHND, which must be distributed at least two years prior to the region's expected housing element due date. 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:

- a) 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.
 - b) Promote infill development, socioeconomic equity, the protection of environmental and agricultural resources, and achievement of regional climate change reduction targets.
 - c) 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.
 - d) Allocate a lower proportion of housing needs to an income category when a jurisdiction already has a disproportionately high share of households in that income category.
 - e) Affirmatively further fair housing.
- 3) **Adoption and Implementation of Housing Elements.** Counties and cities must plan for new housing 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 an accelerated deadline for completing rezoning, exposure to the "builder's remedy," public or private lawsuits, financial penalties, potential loss of permitting authority, or even court receivership.

Among other things, the housing element must demonstrate how the community plans to accommodate its share of its region's RHNA, described above. To do so, each community establishes an inventory of sites designated for new housing that is sufficient to accommodate its fair share. Where a community does not already contain the existing capacity to accommodate its fair share of housing, it must undertake a rezoning program to accommodate the housing planned for in the housing element. Depending on whether the jurisdiction met its statutory deadline for housing element adoption, it will have either one year (if it failed to meet the deadline) or three years (if it met the deadline) from its adoption deadline to complete that rezoning program.

Local governments have a statutory deadline to submit a housing element based on region. Ninety days before the deadline to adopt a housing element, localities must submit a draft to HCD. HCD must review the draft element within 90 days of receipt and provide written findings as to whether the draft amendment substantially complies with Housing Element Law. If HCD finds that the draft element does not substantially comply with the law, the local agency may either make changes to the draft element to substantially comply with the law or adopt the element and make findings as to why it complies with the law despite HCD's findings.

Following adoption of a housing element, a local agency submits it to HCD. When a local government adopts its housing element without making the changes HCD provides, the process is called "self-certification." Despite the fact that the process allows a local agency to adopt a housing element without making the changes required by HCD to be in substantial

compliance, a local agency is not considered compliant until receiving ultimate approval from HCD. AB 1886 (Alvarez), Chapter 267, Statutes of 2024, further clarified that a housing element is in compliance when both a local agency has adopted a housing element and HCD has found the element in compliance.

- 4) **Bill Summary.** This bill makes a number of changes to the timelines for and requirements of the RHND/RHNA and housing element process.

Timelines

This bill extends a number of timelines in the RHND/RHNA and housing element process by six months as follows:

- a) Each COG must develop its proposed RHNA methodology at least 2.5 years prior to the scheduled housing element revision, rather than two years under existing law.
- b) Each COG must distribute its draft RHNA allocation plan at least two years prior to the scheduled housing element revision, rather than 1.5 years under existing law.

These changes do not apply for the seventh housing element cycle to COGs with a housing element revision due date during the 2027 calendar year.

This bill extends the timeline that cities and counties have to form a subregional entity to allocate the subregions' RHNA from 28 months to 34 months. In addition, COGs must determine the share of RHNA assigned to each delegate subregion 31 months before a housing element revision, instead of 25 months beforehand.

Draft Housing Elements

This bill also requires HCD to identify and explain specific deficiencies in a draft element or draft amendment and provide specific analysis or text that HCD expects the planning agency to include in the draft element or draft amendment to remedy the deficiencies. The legislative body must consider this specific analysis or text before adopting its draft element or draft amendment.

If HCD finds that the draft element or draft amendment does not substantially comply with Housing Element Law, the legislative body must include the specific analysis or text in the draft element or draft amendment, or adopt the draft element or draft amendment without changes and explain in its resolution of adoption the reasons the legislative body believes that the draft element or draft amendment substantially complies with Housing Element Law despite the specific analysis or text required by HCD.

This bill requires HCD to review any change made to a draft housing element and report its findings to the planning agency within 30 days of receipt of any change, instead of 60 days under existing law.

Adopted Housing Elements

This bill requires HCD, if it finds that an adopted element or amendment is not in substantial compliance with Housing Element Law, to identify each of the required contents of the housing element that the adopted housing element does not substantially comply with and provide the specific analysis or text to the planning agency that, if adopted, would bring the adopted housing element or amendment into substantial compliance

This bill is sponsored by the League of California Cities.

- 5) **Previous Legislation.** AB 650 (Papan) (2025) was similar to this bill. AB 650 was vetoed with the following message:

“I share the author's interest in improving the housing element process. In partnership with the Legislature, we have enacted numerous reforms to strengthen this process by demanding more rigorous site inventories, enforceable rezoning, and stronger accountability mechanisms to uphold state law.

“Although intended to build on these recent efforts, I am concerned that this bill would inappropriately shift responsibility for preparing housing elements from local jurisdictions to HCD. While HCD provides technical assistance when requested and in response to inadequate housing elements, that support is no substitute to the local government's fundamental responsibility to plan for its share of housing needs. Further, shifting these duties to the state would add at least \$11 million in new annual costs.

“Housing element law has advanced considerably through recent legislation, much of which is now being implemented in the current planning cycle. As these changes take hold, it is critical to preserve the fundamental structure of local planning responsibility under state oversight. However, I look forward to continuing to work with the Legislature on additional opportunities to further improve this process.”

AB 1275 (Elhawary), Chapter 593, Statutes of 2025, required HCD to determine each region with a 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 made changes to how the transportation and job projections in a region's sustainable communities strategy (SCS) must be incorporated into each COG's RHNA methodology and final RHNA plan.

AB 1886 (Alvarez), Chapter 267, Statutes of 2024, clarified that a housing element or amendment is not considered substantially compliant with housing element law until the local agency has adopted a housing element that HCD has determined is in substantial compliance with housing element law, as specified.

- 6) **Arguments in Support.** The League of California Cities, sponsor of this measure, writes, “During the 6th RHNA cycle, local governments experienced various challenges in obtaining certification from HCD. Some of the challenges include multiple housing element drafts before certification within a short timeline for completing these complex documents, a nearly 126% increase in the duration to complete the housing element compared to the 5th RHNA Cycle¹, a lack of clarity regarding what the state expects from local governments when reviewing additional housing element drafts, and an ever-changing legal environment mid-cycle that local jurisdictions must account for and incorporate into their housing elements.

“AB 2296 would address these issues by allowing local governments to begin updating their housing elements six months early and by staggering housing element statutory deadlines to help manage HCD's workload capacity. Additionally, the measure would require HCD to identify specific sections in housing element drafts that are not compliant with state law, to clarify in written findings whether the findings are suggestions from the department or based on state law, and to offer to schedule a technical assistance call with planning staff to discuss the department’s findings. Finally, the measure would provide time for local agencies to receive guidance and resources from HCD around new housing element laws prior to their effective date.”

- 7) **Arguments in Opposition.** South Pasadena Residents for Responsible Growth, opposed to a prior version of this bill, write, “The Housing Element process has been a complete failure. Cities have pretended to zone for housing while making sure that housing cannot be built. That is why almost every single cities in California hasn’t built anywhere near their RHNA number and will be considered an affected city under SB 423. In 2017 we had 58,700 multifamily housing units permitted. That number has only been topped once since then and in 2024 we had only 40,000 multifamily permits.

“Again, the current RHNA system is a failure, and this bill locks in that system. It requires that no new laws be produced for 34 months before a new RHNA cycle. For SCAG which makes up almost half of Californias population, that means that any RHNA reforms will have to be passed by December of this year. That is dooming the 7th RHNA cycle to another failure. That provision should be completely struck from the bill. There might be plenty of great RHNA reforms proposed next year and this bill shouldn’t ban them from happening.

“This bill also requires HCD to basically write the Housing Elements for the cities. Most Housing Element drafts come no where near compliances and this bill asks HCD to write in everything needed in order to be compliant. That would require massive amounts of new staff at HCD and it was the reason the governor cited in vetoing the last version of this bill.”

- 8) **Double-Referral.** This bill is double-referred to the Housing and Community Development Committee, where it passed on a 11-0 vote on April 15, 2026.

REGISTERED SUPPORT / OPPOSITION:

Support

League of California Cities (prior version) [SPONSOR]
City/County Association of Governments of San Mateo County (prior version)

Opposition

California Yimby (prior version)
CBIA (prior version)
Greenbelt Alliance (prior version)
South Pasadena Residents for Responsible Growth (prior version)
SPUR (prior version)

Analysis Prepared by: Angela Mapp / L. GOV. / (916) 319-3958