

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

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

Policy Committee:	Housing and Community Development	Vote:	11 - 0
	Local Government		10 - 0

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

**SUMMARY:**

This bill extends various timelines in the regional housing needs determination and allocation (RHNA) process 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 elements.

Specifically, among other provisions, this bill:

- 1) Extends 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) Extends the time by which a Council of Government (COG) must determine the share of RHNA assigned to each delegate subregion in item 1, above, from 25 months prior to the scheduled revision to 31 months prior.
- 3) Extends the time by which each COG or delegate subregion must 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, and for the seventh housing element cycle, applies this change to housing elements adopted after 2027.
- 4) Extends the time by which each COG and delegate subregion must distribute a draft RHNA to each local government in the region or subregion and to HCD based on the methodology described in item 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 and, for the seventh housing element cycle, applies this change to housing elements adopted after 2027.
- 5) Requires HCD, if it finds a draft housing element or 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 each subdivision of specified law with which the draft does not comply.

- b) Provide the specific analysis or text that HCD expects the planning agency to include in the draft to remedy the deficiencies identified under item a, above.
- 6) Requires HCD to review any change made to a housing element as a result of item 5, above, and report its findings to the planning agency within 30 days of receipt of any change, instead of 60 days.
- 7) Requires a local government's legislative body to consider HCD's findings and the specific analysis or text required by HCD pursuant to item 5, above, prior to the adoption of its draft element or draft amendment.

**FISCAL EFFECT:**

- 1) HCD estimates ongoing General Fund costs of \$11 million annually for 52 positions to meet HCD's new obligations. HCD indicates this bill shifts core responsibilities for preparing compliant housing elements from local jurisdictions to HCD. Additional staff will be needed to complete several new tasks that were previously the responsibility of the local jurisdictions, including researching local conditions such as site availability, zoning ordinances, and demographic trends, drafting housing element content tailored to each jurisdiction, and conducting stakeholder outreach with developers, experts, and community members, in order to provide the required feedback to local governments.
- 2) Costs of an unknown amount, but likely minor and potentially cost-saving to local agencies to adjust their housing element revision processes. These costs are not reimbursable by the state because local agencies have general authority to charge and adjust planning and permitting fees to offset increased costs associated with the provisions of this bill.

According to the Legislative Analyst's Office, the General Fund faces a structural deficit in the tens of billions of dollars over the next several fiscal years.

**COMMENTS:**

- 1) **Purpose.** According to the author:

[This bill] 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 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 COGs 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. *Housing Elements and RHNA.*** Existing law requires each city and county to prepare a general plan that includes, among other things, a housing element detailing existing

housing conditions within the jurisdiction, the need for new housing and the strategy the jurisdiction will use to address that need. Local governments generally must adopt a new housing element every eight years, although some rural jurisdictions must do so every five years. Each local agency must plan for the amount of housing established by the state's RHNA process, which includes housing allocations for all income levels.

The RHNA is 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.

Ninety days before the deadline to adopt a housing element, cities and counties must submit a draft housing element to HCD. HCD must review the draft element within 90 days of receipt and provide written findings as to whether the draft substantially complies with housing element law. If HCD finds that the draft housing 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 may "self-certify" the housing element by adopting the element and making findings as to why it complies with the law despite the findings of HCD. Even if a local agency self-certifies its housing element, a local agency is not considered compliant until receiving approval from HCD.

This bill generally provides local agencies an additional six months to prepare their housing elements and submit them to HCD for review and approval. The bill also requires HCD's findings of noncompliance for either a draft or adopted housing element to identify and explain the specific deficiencies, by reference to each subdivision of housing element law, and requires HCD to provide specific analysis or text to address the deficiencies if the local government were to include them in a revised element or amendment.

- 3) **Related Legislation.** AB 650 (Papan), of this legislative session, was substantially similar to this bill. AB 650 was vetoed by the Governor, who cited concerns over the \$11 million cost to HCD and that the bill would "inappropriately shift responsibility for preparing housing elements from local jurisdictions to HCD."

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