

Date of Hearing: April 29, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Matt Haney, Chair

AB 2552 (Ávila Farías) – As Amended April 16, 2026

**SUBJECT:** California Environmental Quality Act: Transit-Oriented Development  
Implementation Fund: contributions

**SUMMARY:** Adds new conditions and requirements for contributions to the Transit-Oriented Development Implementation Fund (TDIF), the statewide vehicle miles traveled (VMT) mitigation bank for affordable housing created by AB 130 (Committee on Budget), Chapter 22, Statutes of 2025. Specifically, **this bill:**

- 1) Provides that a lead agency for a land use project may only require the applicant to contribute to the TDIF if both of the following conditions are met:
  - a) The cost of the VMT reductions established by the Office of Land Use and Climate Innovation (LCI) is equal to or lesser than the cost of any other VMT mitigation measures that are required for the project by the lead agency, or, if the contribution is the only VMT mitigation measure that is required for the project by the lead agency, it is the least cost mitigation option that is feasible; and
  - b) The Department of Housing and Community Development (HCD) and LCI have validated the reductions in VMT that are attributable to the project funded pursuant to this section by contributions to the TDIF from transportation projects.
- 2) Includes an urgency clause.

**EXISTING LAW:**

- 1) Requires lead agencies with the principal responsibility for carrying out or approving a proposed discretionary project to prepare a negative declaration (ND), mitigated negative declaration (MND), or environmental impact report (EIR) for this action, unless the project is exempt from the California Environmental Quality Act (CEQA). (Public Resources Code (PRC) 21000 *et seq.*)
- 2) Requires LCI to prepare and develop proposed guidelines for the implementation of CEQA by public agencies. Requires the guidelines to include objectives and criteria for the orderly evaluation of projects and the preparation of EIRs and NDs. Also requires the guidelines to include criteria for public agencies to follow in determining whether a proposed project may have a significant effect on the environment. (PRC 21083)
- 3) Requires LCI to prepare proposed revisions to the CEQA Guidelines establishing criteria for determining the significance of transportation impacts within transit priority areas (TPAs). Requires the criteria to promote the reduction of greenhouse gas (GHG) emissions, the development of multimodal transportation networks, and a diversity of land uses. (PRC 21099)

- 4) Authorizes LCI to adopt CEQA Guidelines establishing alternative metrics to traffic “levels of service” (LOS) for transportation impacts outside of TPAs. Authorizes the alternative metrics to include the retention of LOS, where appropriate and as determined by LCI. Pursuant to this authority, LCI (under its former name: Office of Planning and Research) revised the CEQA Guidelines to identify vehicle miles traveled (VMT) as the most appropriate metric to evaluate a project’s transportation impacts and to apply VMT statewide. (PRC 21099)
- 5) Establishes the Transit-Oriented Development Implementation Program (TOD Program), to be administered by HCD, to provide local assistance to cities, counties, cities and counties, transit agencies, eligible tribal applicants, and developers for the purpose of developing higher density VMT-efficient affordable housing or related infrastructure, including projects within close proximity to transit stations or projects that could increase public transit ridership. The TOD Program provides gap financing for rental housing developments near transit that include affordable units as well as necessary infrastructure improvements. (Health and Safety Code 53560)
- 6) Establishes an in-lieu fee mechanism for VMT mitigation through the TDIF, as follows:
  - a) Allows a project, which is under the jurisdiction of a regional transportation planning agency (RTPA) and has a VMT mitigation requirement pursuant to CEQA, to satisfy its VMT mitigation requirement by contributing an unspecified amount per VMT to the TDIF, which would then be available, upon appropriation, to HCD to provide financing for transit-oriented affordable housing developments or related infrastructure projects through the TOD Program.
  - b) Provides that the TDIF in 6) does not preclude the lead agency’s use of other mitigation strategies, including, but not limited to, transportation demand management (TDM), transit improvements, active transportation infrastructure, road diets, or utilizing local or regional mitigation banks or exchanges.
  - c) Allows money to be deposited into the TDIF beginning on, or before, July 1, 2026, as determined by HCD;
  - d) Makes money deposited into the TDIF available to HCD, upon appropriation, for purposes of awarding funding to affordable housing or related infrastructure, including infrastructure necessary for higher density uses under the TOD Program, in the following order:
    - i) First priority to affordable housing or related infrastructure projects in location-efficient areas, as defined in LCI’s guidance, within the same region as the project;
    - ii) Second priority to affordable housing or related infrastructure projects within the same region as the project; and
    - iii) Third priority to affordable housing or related infrastructure projects in location-efficient areas that are outside of the originating region but within an adjacent region, provided the project site is located within a defined proximity radius established by LCI.

- e) Requires LCI, in consultation with other state agencies, to issue guidance related to implementation of the TDIF on or before July 1, 2026, and to update the guidance at least once every three years after. The guidance must include:
  - i) A methodology for determining the amounts that are required to be contributed to the TDIF to mitigate the environmental impacts associated with VMT;
  - ii) A definition of location-efficient areas that reflects a reasonable nexus between the location of the transportation impact of the project and the location of the VMT-efficient affordable housing or related infrastructure project;
  - iii) A process for validating a project's VMT funding contribution, which shall be designed to provide certainty to the lead agency and project applicant that the contribution satisfies applicable mitigation requirements for significant transportation impacts; and
  - iv) A methodology for estimating the anticipated reduction in VMT associated with affordable housing or related infrastructure projects funded pursuant to subdivision.
- f) Exempts the drafting of this initial guidance in e) from the Administrative Procedures Act (APA), but requires LCI to provide public notice of the draft, make the draft available for public comment, and consider all comments received during the public comment period before issuing final guidance. Requires LCI to commence the rulemaking process under the APA on or before January 1, 2028.
- g) Requires LCI, in consultation with the department, the Transportation Agency, and regions, to evaluate the use of VMT mitigation resources allocated through the TDIF. Requires the evaluation to assess the distribution of funds across project types, the effectiveness of supported projects in reducing VMT, the affordability of the housing units produced, and other relevant metrics that reflect program performance. Based on this assessment, HCD, in consultation with the office and the Transportation Agency, may revise TOD Program guidelines to enhance outcomes.
- h) Provides that the TDIF does not prevent a local agency from charging local impact fees based on VMT pursuant to the Mitigation Fee Act. (PRC 21080.43 and 21080.44)

**FISCAL EFFECT:** Unknown.

**COMMENTS:**

**Author's Statement:** According to the author, "Last year's budget trailer bill created a promising option under CEQA to mitigate a project's effect on Vehicle Miles Traveled, namely the ability to meet some or all of this obligation by contributing funds to HCD's Transit Oriented Development program to build affordable housing near transit. However, homebuilders are concerned that a lead agency could require a homebuilder to make a contribution to the program even if this form of mitigation were significantly more expensive than other mitigation options or created legal risk. AB 2552 seeks to prevent this possibility by providing that a lead agency may only require use of this mitigation option if the cost is less than or equal to other mitigation options, thereby ensuring that we are reducing the cost of new housing."

**California’s Statewide Housing Plan:** In 2022, HCD released its most recent update to the statutorily required Statewide Housing Plan (Plan). The Plan “lays out a vision to ensure every Californian has a safe, stable, and affordable home.”<sup>1</sup> As part of that vision, HCD puts forward a statewide objective of Producing More Affordable and Climate Smart Housing. HCD writes:

“We aim to increase the supply of housing at all affordability levels throughout the state and target production in the places where people need it the most, without displacing existing residents. This objective seeks to facilitate a greater diversity of housing models and typologies, outside of the status quo, to meet California’s pressing and diverse housing needs. We must produce new housing in areas with high access to opportunities and services without displacing existing residents, mitigate the risk of climate change while developing new housing units, provide housing units that are affordable to all Californians, lower housing development costs, and continue to enforce existing housing laws to achieve results.”<sup>2</sup>

Two of HCD’s recommended actions associated with this objective are to:

- 1) Encourage greater diversity of housing types in all neighborhoods; and
- 2) Encourage new housing development in existing communities to reduce VMT and mitigate climate change while simultaneously addressing housing need.

**Cost of Building Housing:** It is expensive to build housing in California. The UC Berkeley Turner Center finds that challenging macroeconomic conditions, including inflation and high interest rates, affect the availability and cost of capital, resulting in rising costs for labor and materials.<sup>3</sup> Furthermore, workforce and supply shortages have exacerbated the already high price of construction in California, and economic uncertainty has made equity partners and lenders apprehensive about financing new housing development proposals.<sup>4</sup> These conditions are particularly acute during the early stages of development, when projects rely on higher-risk, higher-cost forms of capital, such as predevelopment and construction financing, which are often the most difficult to secure.

A 2025 study found that California is the most expensive state for multifamily housing production, in part due to the long timeline it takes to go from an application to an approved project.<sup>5</sup> This report found that longer production timelines are strongly associated with higher costs, and the time to bring a project to completion in California is more than 22 months longer than the average time required in Texas.<sup>6</sup> These cost and timing challenges can make it difficult to build housing at all in the current environment, and are especially pronounced for high-rise and other complex urban developments, which carry higher construction costs, longer timelines, and greater exposure to financing risk. More broadly, when development projects are perceived as too costly or risky, capital may be redirected to lower-risk investments or to other states with

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<sup>1</sup> <https://storymaps.arcgis.com/stories/94729ab1648d43b1811c1698a748c136>

<sup>2</sup> IBID.

<sup>3</sup> David Garcia, Ian Carlton, Lacy Patterson, and Jacob Strawn, *Making It Pencil: The Math Behind Housing Development (2023 Update)*, Turner Center for Housing Innovation, December 2023, <https://turnercenter.berkeley.edu/research-and-policy/making-it-pencil-2023/>

<sup>4</sup> IBID.

<sup>5</sup> [https://www.rand.org/pubs/research\\_reports/RRA3743-1.html](https://www.rand.org/pubs/research_reports/RRA3743-1.html)

<sup>6</sup> [https://www.rand.org/pubs/research\\_reports/RRA3743-1.html](https://www.rand.org/pubs/research_reports/RRA3743-1.html)

more predictable timelines and lower development costs, further constraining housing production in California.

***SB 743 and VMT:*** CEQA requires cities, counties, and other public agencies to evaluate whether a project may have a significant impact on the environment, including transportation-related impacts. Historically, these impacts were assessed by examining whether a project would cause automobile delay at intersections or congestion on nearby roadway segments, typically measured using Level of Service (LOS).

SB 743 (Steinberg), Chapter 386, Statutes of 2013, directed changes to the CEQA Guidelines for evaluating transportation impacts, shifting CEQA analysis away from automobile delay or LOS and toward VMT. CEQA Guidelines section 15064.3 provides that VMT is generally the most appropriate measure of transportation impacts and defines VMT as the amount and distance of automobile travel attributable to a project. Beginning July 1, 2020, the VMT provisions applied statewide, and automobile delay, as measured solely by LOS or similar congestion metrics, generally no longer constitutes a significant environmental impact under CEQA. A project that exceeds an applicable VMT threshold may have a significant transportation impact, and significant impacts must be mitigated or avoided when feasible. Before the statewide implementation date, local agencies had the option to begin using VMT, and LCI noted that cities representing nearly one-fifth of California's population had already done so. VMT mitigation may include a range of strategies, including transit passes, bicycle and pedestrian infrastructure, and transportation demand management programs. In some jurisdictions, developers may also have the option to pay into a VMT mitigation fee or program as a mitigation strategy.

Some Councils of Governments (COGs) have adopted, or are developing, regional programs to address VMT impacts and invest in infill housing development. For example, the Western Riverside Council of Governments has explored a program in partnership with local agencies, including the housing authority, to fund VMT-reducing activities. According to materials presented in a California Association COG webinar, these programs may treat certain affordable housing investments, particularly those located in lower-VMT areas, as a form of VMT mitigation, in some cases comparing their effectiveness or cost-efficiency to other strategies such as transit subsidies or bicycle infrastructure. The Housing Authority of the County of Riverside has identified multiple affordable housing projects with partial funding that could potentially be advanced with additional gap financing, and VMT mitigation funds may be one potential source of funding for such projects.

***TOD Affordable Housing Development and VMT:*** A 2014 analysis of data from Caltrans' California Household Travel Survey (CHTS) by Transform and the California Housing Partnership provides empirical support for the nexus between TOD affordable housing and VMT reduction.<sup>7</sup> The analysis identified over 36,000 surveyed households and divided them into five income groups across three location types defined by proximity to transit. The study found that lower-income households drive 25–30% fewer miles when living within one-half mile of transit compared to those in non-TOD areas, and when living within one-quarter mile of frequent transit (HCD's definition of TOD), they drove nearly 50% less. Higher-income households drive more than twice as many miles and own more than twice as many vehicles as extremely low-income

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<sup>7</sup> Transform and California Housing Partnership Corporation, *Why Creating and Preserving Affordable Homes Near Transit Is a Highly Effective Climate Protection Strategy* (May 2014)

households living within one-quarter mile of frequent transit, indicating that affordable housing near transit produces greater per-unit VMT reductions than market-rate TOD. Within HCD-defined TOD areas, all income groups own cars at a rate at least 30% lower than in non-TOD areas, with extremely low-income households averaging only 0.70 vehicles per household compared to 1.65 for higher-income households.

The VMT reductions associated with affordable housing TOD translate into long-term greenhouse gas benefits. The average difference in daily VMT for extremely low-income and very low-income households in HCD-defined TOD areas versus non-TOD areas is 19.25 VMT per day, or 7,026 VMT annually. While this study is now a decade old and vehicle ownership patterns, transit service levels, and travel behavior continue to evolve, it provides a window into the mechanisms by which affordable TOD can reduce VMT and GHG emissions.

***TOD Program and TDIF:*** Existing law establishes the TOD Program, administered by HCD, to support the development of higher-density, VMT-efficient affordable housing and related infrastructure near transit. The program provides gap financing for affordable housing developments located in proximity to transit, as well as grants for the infrastructure necessary to support those developments, including improvements that enhance transit access and increase transit ridership. Eligible applicants include local governments, transit agencies, developers, and tribal entities.

Recent statutory changes enacted by AB 130 (Committee on Budget), Chapter 22, Statutes of 2025, expand the role of the TDIF by integrating it into CEQA VMT mitigation. Under this framework, if a lead agency determines that a project will have a significant transportation impact, the lead agency may mitigate the transportation impact to a less than significant level by helping to fund or otherwise facilitating VMT-efficient affordable housing or related infrastructure projects. Functionally, this means project proponents may be required, by the lead agency, to pay into the TDIF as a VMT mitigation measure. The statute does not preclude the lead agency from using or requiring other VMT mitigation strategies, including transportation demand management, transit improvements, active transportation infrastructure, road diets, or local or regional mitigation banks and exchanges. AB 130 just added the TDIF as an option for VMT mitigation.

Moneys may be deposited into the TDIF beginning on or before July 1, 2026, and are available, upon appropriation by the Legislature, to HCD for the purpose of funding affordable housing or related infrastructure projects through the TOD Program. AB 130 establishes a priority order for the use of these funds, prioritizing projects in location-efficient areas within the same region as the impacting project, followed by other projects within the same region, and then certain location-efficient projects in adjacent regions. LCI is required to issue guidance establishing, among other things, the methodology for determining TDIF contribution amounts, defining location-efficient areas, validating mitigation contributions, and estimating VMT reductions associated with funded projects. The concept of this TDIF structure was originally proposed as a standalone policy in AB 1244 (Wicks, 2025) and was later incorporated into AB 130 in an amended form.

As reflected in HCD's 2026 draft guidelines, released on April 8, 2026, TOD Program funding is awarded to "mitigating projects" that must include an affordable housing component and may

include related infrastructure improvements.<sup>8</sup> Eligible projects must generally be located in transit-accessible or “location-efficient” areas, meet minimum density and affordability requirements, and demonstrate that the project is financially infeasible without program assistance. Funding is typically structured as low- or no-interest loans for housing developments and grants for infrastructure, with long-term affordability restrictions (generally 55 years) imposed on assisted units.

LCI released its draft TDIF guidance for public comment in April 2026, providing the proposed framework for implementing AB 130’s TDIF.<sup>9</sup> The draft guidance outlines the methodology required by statute, including how TDIF contribution amounts would be calculated, how “location-efficient areas” would be defined, and how VMT reductions associated with funded projects would be estimated and validated. It also describes the overall program structure, including the process by which a lead agency determines a significant transportation impact, the “impacting project” elects to use the program subject to lead agency approval, a contribution is calculated and deposited into the TDIF, and HCD subsequently awards those funds to qualifying affordable housing or related infrastructure projects. A December 2025 announcement from LCI provided that the rollout of these measures would be implemented in phases, beginning with publicly funded projects.<sup>10</sup>

***TDIF as VMT Mitigation Reactions:*** The enactment of the TDIF as a VMT-mitigation option through AB 130 faced vocal pushback, particularly from segments of the development community concerned about cost, feasibility, and legal uncertainty. During budget negotiations, developer groups, including the California Building Industry Association, opposed the proposal, warning that a VMT mitigation fee imposed at the discretion of local agencies could add tens of thousands of dollars to the cost of new homes. These concerns appear to be especially acute among greenfield and master-planned community developers, whose developments are more likely to generate significant VMT impacts and may have fewer feasible on-site mitigation options. While AB 130 does not create a new obligation to mitigate those impacts, it establishes a new, standardized pathway for doing so through contributions to the TDIF. As a result, developers have raised concerns that the policy could translate into more consistent and quantifiable mitigation costs, particularly for projects in suburban and rural areas.

At the same time, supporters (including environmental and affordable housing advocates) note that the framework could provide a more standardized, CEQA-compliant mitigation option and expand the range of feasible strategies for addressing VMT impacts, an issue that has proven legally and technically challenging for many lead agencies. Supporters also argue that the program aligns transportation mitigation with broader state climate and housing goals by directing mitigation funding toward VMT-efficient affordable housing in transit-accessible areas, rather than relying solely on traditional transportation improvements. In this view, the program allows affordable housing production itself, particularly in infill, transit-oriented locations, to function as a form of climate mitigation, while also helping to close persistent financing gaps for affordable housing developments that might not otherwise be built.

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<sup>8</sup> Department of Housing and Community Development, *Transit-Oriented Development Program 2026 Draft Guidelines*, released April 8, 2026.

<sup>9</sup> Office of Land Use and Climate Innovation, *DRAFT AB 130 Statewide Vehicle Miles Traveled (VMT) Mitigation Program Guidance*, Released April 2026.

<sup>10</sup> <https://lci.ca.gov/news/2025/12-30.html>

***This Bill:*** This bill provides that a lead agency for a land use project can only require the applicant to contribute to the TDIF as a VMT mitigation measure if both of the following conditions are met:

- 1) The cost of the VMT reductions established by LCI is equal to, or less than, the cost of any other VMT mitigation measures required for the project by the lead agency. If a contribution to the TDIF is the only VMT mitigation measure that the lead agency requires for the project, it must be the least cost mitigation option that is feasible; and
- 2) HCD and LCI have validated VMT reductions attributable to affordable housing development or associated infrastructure funded through the TDIF, based on reductions demonstrated through contributions to the TDIF from transportation projects.

In effect, this bill conditions the use of the TDIF as a required VMT mitigation measure on both comparative cost and demonstrated VMT reduction performance, which may limit when lead agencies can rely on the fund to mitigate a land use project's VMT impacts. This bill was substantially amended in the Committee on Natural Resources. As introduced, it would have stipulated that a contribution made pursuant to the TDIF, in the amount determined consistent with LCI's guidance, is a full and complete mitigation for that portion of the project's significant transportation impact and a legally sufficient mitigation measure under CEQA.

***Policy Considerations:*** This bill raises policy considerations about how best to balance cost, flexibility, and effectiveness in mitigating the impacts of VMT under CEQA. Under existing law, lead agencies have discretion to select among a range of mitigation strategies, provided those measures are feasible, supported by substantial evidence, and reasonably related to the project's impacts. By limiting required contributions to the TDIF to circumstances where the contribution is no more expensive than other feasible mitigation measures, this bill would make comparative cost a condition for using that mitigation pathway. Supporters argue that this approach helps ensure that VMT mitigation strategies remain cost-effective and do not unnecessarily increase the cost of housing production, noting that even relatively small cost increases can affect a housing development's financial feasibility and resulting affordability.

Opponents contend that focusing primarily on cost could limit the ability of lead agencies to select mitigation strategies that provide longer-term or more durable environmental benefits. In particular, they note that VMT-reducing affordable housing in transit-accessible locations may offer sustained reductions in vehicle travel over time, which may not be fully captured through a simple cost comparison. They also raise concerns that the bill could constrain the use of the TDIF, which was established to link CEQA mitigation with affordable housing production, and thereby reduce the program's potential to advance both climate and housing goals.

While this bill seeks to provide greater predictability and certainty to developers, in addition to controlling construction costs, it may also impact how frequently the fund is used as a mitigation pathway relative to other strategies, which could have implications for both VMT mitigation outcomes and the availability of funding for affordable housing and related infrastructure in location-efficient areas. Proponents argue that the increased cost-certainty that this bill would provide, and the guaranteed similar, if not lower, costs to use the TDIF as a VMT mitigation measure, will make the TDIF attractive to developers. Opponents maintain that the statutory price ceiling limits the TDIF's viability before the program has even been implemented.

More broadly, the Committee may wish to consider how this bill aligns with the state's housing and climate policy goals. The Statewide Housing Plan identifies reducing VMT and directing new housing to existing, infill, and transit-accessible communities as a core strategy for mitigating climate change. To the extent that VMT mitigation requirements increase costs for higher-VMT, greenfield projects, they may function as a policy tool that discourages sprawl and reinforces these state objectives. By prioritizing lower-cost mitigation options, this bill could reduce those cost differentials, potentially weakening incentives to site housing in lower-VMT locations and shifting development toward areas with higher baseline vehicle miles traveled. The Committee may wish to consider these policy tradeoffs in the context of the state's broader housing production challenges and severe housing deficit. Housing development in California remains among the most expensive in the nation, driven in part by high labor and materials costs, financing constraints, and lengthy and uncertain approval timelines. These conditions can make projects difficult to finance, particularly in the early stages, and may discourage investment in new housing construction. In this context, efforts proposed by this bill to improve cost predictability and reduce financial risk may support sustained housing production. However, they could also limit the range of mitigation strategies that local agencies are able to require, potentially reducing their flexibility to rely on the TDIF as a mitigation tool.

Lastly, this bill raises questions about the clarity of the existing requirements of LCI and HCD, and efforts currently underway by those departments, when it comes to the use of the TDIF as a VMT mitigation measure. Supporters assert that the language requiring validation of VMT reductions by the state on transportation projects before contributions are imposed will help ensure that the program is grounded in demonstrated outcomes and provides a legally defensible VMT mitigation pathway. Opponents, however, argue that similar validation and guidance requirements already exist in statute and in LCI's current program implementation efforts,<sup>11</sup> and that adding additional statutory conditions may be duplicative of existing law and executive branch efforts currently underway.

***Arguments in Support:*** The California Building Industry Association, the bill sponsor, and a broad coalition of 26 building industry associations, chambers of commerce, and other organizations write in support: "AB 2552 is intended to ensure that California's new statewide Vehicle Miles Traveled (VMT) Mitigation Program actually helps reduce emissions without driving up the cost of new housing.

The bill would provide that a lead agency may require a housing project to use the statewide mitigation option only if that option costs no more than other available mitigation measures. It also requires the state to validate that the program is producing real VMT reductions before its use can be imposed on land use projects, helping ensure the program is grounded in demonstrated results rather than assumption alone.

That matters because even modest cost increases can put housing further out of reach for California's working families. A \$1,000 increase prices out 11,302 California households. AB 2552 is designed to prevent this new mitigation pathway from becoming an expensive mandate on housing production and instead ensure it remains a workable, cost-effective option that supports both climate goals and housing affordability."

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<sup>11</sup> <https://lci.ca.gov/news/2025/12-30.html>

**Arguments in Opposition:** Housing California, the Planning & Conservation League, the California Housing Partnership, Enterprise Community Partners, and Transform write in opposition: “By only allowing a CEQA lead agency to require a project developer to contribute to the TDIF if it is less costly than the cost of other VMT mitigation measures, AB 2552 elevates cost as a singular threshold requirement, even though CEQA provides lead agencies flexibility to evaluate mitigation strategies based on multiple factors, including feasibility, effectiveness, durability, and proportionality - not just cost alone. That flexibility is essential, as agencies often rely on a mix of mitigation strategies, and cost cannot be meaningfully assessed without a clear basis for comparison and without being required to consider the duration of the mitigation relative to a project’s significant transportation impacts.

AB 2552 is also inconsistent with a core principle of existing mitigation practices under CEQA: that lead agencies should be able to *choose* the VMT mitigation strategies that best fit project and community needs (among which affordable housing often ranks high). By constraining this flexibility, AB 2552 would limit the use of a proven mitigation strategy and undermine the program’s ability to deliver affordable housing and climate benefits. By imposing a new undefined standard, the bill reduces the ability of lead agencies to select mitigation options that effectively and durably address environmental impacts.”

### **Related Legislation**

*AB 130 (Committee on Budget), Chapter 22, Statutes of 2025*, expanded the role of the TDIF by integrating it into CEQA transportation mitigation.

*AB 1244 (Wicks) of 2025* introduced the concept of this TDIF for VMT mitigation structure, which was later incorporated into AB 130 in an amended form.

*SB 743 (Steinberg), Chapter 386, Statutes of 2013*, directed changes to the CEQA Guidelines for evaluating transportation impacts, shifting CEQA analysis away from automobile delay or LOS and toward VMT.

**Double-Referred:** This bill was also referred to the Committee on Natural Resources, where it passed with a vote of 13-0 on April 13, 2026.

### **REGISTERED SUPPORT / OPPOSITION:**

#### **Support**

California Building Industry Association (Sponsor)  
American Council of Engineering Companies  
Apartment Association of Greater Los Angeles  
Boma California  
Building Industry Association of Fresno and Madera Counties  
Building Industry Association of the Bay Area  
Building Industry Association of Tulare/kings County  
California Apartment Association  
California Association of Realtors  
California Business Properties Association  
California Business Roundtable  
California Chamber of Commerce

California Council for Affordable Housing  
California Hotel & Lodging Association  
Carlsbad Chamber of Commerce  
Central Valley Taxpayers Association  
Downtown San Diego Partnership  
Family Business Association of California  
Home Builders Association of Kern County  
Inland Empire Economic Partnership  
NAIOP of California  
National Association of Royalty Owners - California  
North State Building Industry Association  
Orange County Business Council  
Sacramento Metro Chamber of Commerce  
San Diego Regional Chamber of Commerce  
Simi Valley Chamber of Commerce  
The Two Hundred for Homeownership  
United Chamber Advocacy Network Ucan

**Opposition**

California Housing Partnership Corporation  
Enterprise Community Partners  
Housing California  
Planning and Conservation League  
Transform

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