
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 650 (Papan) - Planning and zoning: housing element: regional housing needs allocation

Version: April 24, 2025

Urgency: No

Hearing Date: August 29, 2025

Policy Vote: HOUSING 11 - 0

Mandate: Yes

Consultant: Mark McKenzie

Bill Summary: AB 650 would require the Department of Housing and Community Development (HCD), if it finds a local agency's draft or adopted housing element is not in substantial compliance, to identify and explain specific deficiencies and to provide the specific analysis or text to the local agency that would bring the housing element into compliance, as specified. The bill would also extend various timelines in the process for determining and allocating regional housing needs, as specified.

******* ANALYSIS ADDENDUM – SUSPENSE FILE *******

**The following information is revised to reflect amendments
adopted by the committee on August 29, 2025**

Fiscal Impact:

- HCD estimates ongoing costs of approximately \$11.1 million annually for 52.0 PY of new staff as a result of the bill shifting core responsibilities for identifying and correcting deficiencies in local agencies' housing elements from cities and counties to HCD. Additional staff would be needed to research local conditions such as site availability, zoning ordinances, and demographic trends, to draft housing element content tailored to each jurisdiction, to conduct stakeholder outreach with developers, experts, and community members, and lead public engagement in order to provide the required feedback to local governments. (General Fund)
- HCD indicates that any costs associated with earlier consultation with regional councils of government (COGs) and determining each region's existing and projected housing deed would be minor and absorbable (General Fund). Staff notes that, in the most recent housing element cycle, HCD moved up the consultation timeline with the state's largest COGs by an additional year, consistent with the requirements of this bill.
- By imposing new duties on regional COGs and revising the process for local agencies to remedy deficiencies in their housing elements, the bill creates a state-mandated local program. Any additional costs to COGs would be minor, and staff notes that COGs are not eligible for reimbursement from the state for costs associated with new mandates or higher levels of service. Local agencies would likely experience overall cost savings by requiring HCD to identify housing element deficiencies and to provide specific text or analysis to bring a local agency's housing element into compliance. Any costs incurred by local agencies related to the housing element revisions would not be state-reimbursable because cities and counties have general authority to charge and adjust planning and permitting fees to offset any increased costs associated with this bill. (local funds)

Author Amendments: Make technical changes necessary to avoid chaptering out provisions of AB 130 (Budget Committee), Chap. 22/2025, the recently enacted housing budget trailer bill.

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