

Date of Hearing: July 16, 2025

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

SB 233 (Seyarto) – As Amended June 19, 2025

SENATE VOTE: 35-0

SUBJECT: Regional housing need: determination: consultation with councils of governments

SUMMARY: Revises deadlines for the Department of Housing and Community Development (HCD) to meet and consult with each council of governments (COG) in the regional housing needs determination (RHND) process. Specifically, **this bill:**

- 1) Revises the deadline for HCD to meet and consult with each COG from at least 26 months prior to the scheduled housing element revision due date for the region, to the following:
 - a) For the seventh revision of the housing element, the applicable of the following:
 - i) At least 26 months prior to the scheduled revision for the Humboldt County Association of Governments, the Lake Area Planning Council, the Mendocino Council of Governments, Nevada County, and the San Luis Obispo Council of Governments.
 - ii) At least 34 months prior to the scheduled revision for the San Luis Obispo Council of Governments and the Sacramento Area Council of Governments.
 - iii) For all other COGs other than those in i) and ii) above, at least 38 months prior to the scheduled revision.
 - b) For the eighth and subsequent revisions of the housing element, at least 38 months prior to the scheduled revision of the housing element for the region.

EXISTING LAW:

- 1) Provides that each community's fair share of housing be determined through the RHND/regional housing needs allocation (RHNA) process. Sets out the process as follows: (a) Department of Finance (DOF) and HCD develop 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 RHND at least two 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(b)]
- 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(b)(1)]

- 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(a)]

FISCAL EFFECT: According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

COMMENTS:

- 1) **Bill Summary.** This bill requires HCD, for the 7th housing element cycle, to consult with the Humboldt County Association of Governments, the Lake Area Planning Council, the Mendocino Council of Governments, and Nevada County at least 26 months before the revision of the housing element and 34 months San Luis Obispo Council of Governments and the Sacramento Area Council of Governments. HCD is required to meet and consult with all other regional COGs regarding the RHND for that COG 38 months rather than 26 months prior to the due date for housing element revisions.

Beginning the 8th cycle revision of the housing element, HCD shall consult the regional COGs at least 38 months prior to the scheduled revision of the housing element.

This bill is author sponsored.

- 2) **Author's Statement.** According to the author, "California is currently in the midst of a crippling housing affordability crisis. According to the Legislative Analyst's Office, in December 2024 monthly payments for a mid-tier home and bottom-tier home had increased by 84% and 88% respectively since January 2020. That is more than 5 times the rate of inflation. Consequently, polling done in September 2024 showed 56% of Californians have considered leaving the state due to high cost of living. Clearly, this affordability crisis demands the Legislature's immediate attention and urgent action. Over the last several years, California has aggressively expanded housing production goals as well as various mandates on local governments to achieve them. However, these local jurisdictions have seen little added support in complying with the state's new housing aspirations. SB 233 recognizes the myriad of recent changes to housing element requirements and seeks to help local governments better plan to meet our state's housing goals by requiring the state to conduct regional need consultation 12 months earlier than current practice."
- 3) **Planning for Housing.** The California Constitution allows cities and counties to "make and enforce within its limits, all local, police, sanitary and other ordinances and regulations not in conflict with general laws." It is from this fundamental power (commonly called the police power) that cities and counties derive their authority to regulate behavior to preserve the health, safety, and welfare of the public—including land use authority.

Cities and counties use their police power to enact zoning ordinances that shape development, such as setting maximum heights and densities for housing units, minimum numbers of required parking spaces, setbacks to preserve privacy, lot coverage ratios to increase open space, and others. These ordinances can also include conditions on development to address aesthetics, community impacts, or other particular site-specific consideration. Zoning ordinances and other development decisions must be consistent with the city or county's general plan.

- 4) **Adoption and Implementation of Housing Elements.** One important tool in addressing the state's housing crisis is to ensure that all of the state's cities and counties appropriately plan for new housing. Such planning is required 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 exposure to the "builder's remedy" as well as public or private lawsuits, financial penalties, potential loss of permitting authority, or even court receivership. Localities that do not adopt a compliant housing element within 120 days from their statutory deadline also must complete any rezones within one year of their deadline, rather than the three years afforded to on-time adopters.

Among other things, the housing element must demonstrate how the community plans to accommodate its share of its RHNA which is a figure 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, and in turn each jurisdiction uses its housing element to show how it will accommodate that number of new housing units, split out by income level and with a focus on certain special needs housing types and on affirmatively furthering fair housing.

Adequate zoning, removal of regulatory barriers, protection of existing stock and targeting of resources are essential to obtaining a sufficient permanent supply of housing affordable to all economic segments of the community. Although not requiring the community to develop the housing, housing element law requires the community to plan for housing. Recognizing that local governments may lack adequate resources to house all those in need, the law nevertheless mandates that the community do all that it can and not engage in exclusionary zoning practices.

- 5) **Related Legislation.** SB 507 (Limon) authorizes a local government in the same county as a tribe to enter into a voluntary agreement with a tribe to allow new tribal housing development projects, as defined, to count toward the locality's share of the RHNA if certain conditions are met. This bill is pending in this Committee.

AB 650 (Papan) extends a number of timelines in the process of determining regional housing needs and RHNA and housing element revisions, and requires HCD to provide specific analysis or text to local governments to remedy deficiencies in their draft housing element revisions. This bill is in the Senate Appropriations Committee.

AB 1275 (Elhawary) extends timelines for determining RHNA and RHND for each region and requires each region to incorporate elements of its sustainable communities strategy (SCS) into its RHNA methodology and allocation plan, as specified. This bill is in the Senate Appropriations Committee.

- 6) **Arguments in Support.** According to the Southern California Association of Governments (SCAG), “Under current law, HCD is required to provide a regional determination to a COG at least 26 months before a housing element due date. As such, SB 233 would provide an additional 12 months for COGs to begin working on the Regional Housing Needs Allocation (RHNA) process. This bill would apply to all jurisdictions statewide for their 7th cycle RHNA with the exception of those who have already begun their 7th cycle, including the Humboldt County Association of Governments, the Lake Area Planning Council, the Mendocino Council of Governments, the San Luis Obispo Council of Governments, and the San Diego Association of Governments. It will then apply to all jurisdictions for the 8th and all subsequent cycles. SB 233 would ensure that there is more time available to coordinate with the concurrent Sustainable Communities Strategy, prepare the RHNA methodology, increase local engagement, and allow for additional time for the appeals process.”
- 7) **Arguments in Opposition.** None on file.
- 8) **Double-Referral.** This bill is double-referred to the Assembly Housing and Community Development Committee, where it passed on an 11-0 vote on June 18, 2025.

REGISTERED SUPPORT / OPPOSITION:**Support**

California Apartment Association
City of Los Alamitos
Housing Action Coalition
New Livable California DbA Livable California
Orange County Council of Governments
San Diego Association of Governments
Southern California Association of Governments (SCAG)

Opposition

None on file

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