

Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 358 (Becker) – As Amended July 7, 2025

Policy Committee: Local Government

Vote: 9 - 0

Urgency: No

State Mandated Local Program: Yes

Reimbursable: No

SUMMARY:

This bill revises the criteria a proposed housing development near transit must meet to qualify for a reduced traffic mitigation fee, and authorizes a local agency to charge the full fee if it makes written findings, supported by substantial evidence in the record, the housing development would not generate fewer automobile trips.

Specifically, this bill:

- 1) Revises the authority for a local agency to charge a non-reduced traffic mitigation fee for an otherwise qualified housing development project to require the local agency make written findings supported by substantial evidence in the record, as specified, rather than be adopted after a public hearing, that the housing development will not generate fewer automobile trips than a housing development without all of the qualifying characteristics.
- 2) Revises two of the prescribed characteristics necessary for a housing development to qualify for a reduced traffic mitigation fee as follows:
 - a) Deletes the requirement that a housing development be within one-half mile of convenience retail uses, and instead requires a housing development be within one-half mile of three or more of the following:
 - i) A supermarket or grocery store.
 - ii) A public park.
 - iii) A community center.
 - iv) A pharmacy or drugstore.
 - v) A medical clinic or hospital.
 - vi) A public library.
 - vii) A school that maintains a kindergarten or any of grades 1 to 12, inclusive.
 - viii) A licensed childcare facility.
 - ix) A restaurant, as defined.

- b) Revises the parking requirement to eliminate as a qualifying option a housing development providing the minimum number of parking spaces required by local ordinance.

FISCAL EFFECT:

No state costs. Local costs to revise criteria used to determine whether a housing development qualifies for a reduced traffic mitigation fee are not state-reimbursable because local agencies have general authority to charge and adjust planning and permitting fees to offset any increased costs associated with new planning mandates.

COMMENTS:

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

With California's housing supply still falling drastically short of demand, we need to remove unnecessary barriers that make development more expensive. Impact fees can add nearly 20% to the cost of construction, making new housing more expensive to build and to rent. [This bill] helps lower these costs and ensures that transit-friendly housing is more financially feasible.

- 2) **Background.** Existing law, the Mitigation Fee Act, specifies that a local agency imposing a fee on a housing development to mitigate traffic impacts must set the fee to reflect a lower rate of automobile trips, if the development is within one-half mile of a transit station and meets certain requirements, unless it makes a finding at a public hearing that the housing development would not generate fewer automobile trips than a non-transit oriented development. To qualify for the lower fee, a housing development all of the following criteria:

- a) Be located within a transit priority area and the major transit stop, if planned, is programmed to be completed before or within one year from the scheduled completion and occupancy of the housing development.
- b) Be located within one-half mile of convenience retail uses, including a store that sells food.
- c) Provide either the minimum number of parking spaces required by the local ordinances, or no more than one onsite parking space for units with zero to two bedrooms, and two onsite parking spaces for units with three or more bedrooms, whichever is less.

If the housing project does not satisfy all of these characteristics, the local agency may charge a fee that is proportional to the estimated rate of automobile trip generations.

- 3) **Support and Opposition.** Supporters, including Streets for All and SPUR, sponsors of the bill, assert the bill will make it more affordable to build housing where residents do not need a car for every trip, thereby reducing vehicle trips and emissions, and decreasing household transportation expenses. Opponents, including several cities, assert that eliminating the ability for a city to hold public hearings to demonstrate when developments near transit will

not generate fewer trips could create inaccuracies in the way fees are developed, and make cities vulnerable to costly legal challenges.

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