

SENATE THIRD READING

SB 486 (Cabaldon)

As Amended July 17, 2025

Majority vote

SUMMARY

Requires Metropolitan Planning Organizations (MPOs) to consider postsecondary enrollment when they prepare their Sustainable Communities Strategy (SCS); requires the California State University (CSU), and requests the University of California (UC), to provide specified enrollment information to Councils of Government (COGs) to inform regional housing planning for the next Regional Housing Needs Allocation (RHNA) cycle; and narrows the scope of the environmental analysis that the CSU and UC must perform for projects if specified requirements are met.

Major Provisions

- 1) Requires MPOs to take into account changes in student enrollment at California Community Colleges (CCCs), CSUs, and UCs when they identify areas in the SCS to house the population of the region.
- 2) Amends the Regional Housing Needs Determination (RHND) and RHNA requirements specified in Housing Element Law as follows:
 - a) Requires COGs to provide the Department of Housing and Community Development (HCD) data assumptions, if available, regarding changes in student enrollment levels at campuses of the CSU and UC during the RHND process; and,
 - b) Adds the following items to the list of factors COGs must consider when they develop the RHNA plan:
 - i) The distribution of public and private university students among jurisdictions within the COG; and,
 - ii) For campuses of the CSU and the UC, the optimization of nonvehicle trip efficiency by students to the campus, including off-campus facilities.
- 3) Requires the Trustees of the CSU, and requests the Regents of the UC, six months prior to the development of a proposed RHNA Plan, to provide each COG a forecast of changes in enrollment levels at its campuses including off-campus facilities, within the region, based on factors including but not limited to:
 - a) Cohort progression projections;
 - b) Improvements in the percentage of California residents meeting university admission and transfer standards; and
 - c) Improvements in degree completion by noncohort students.

- 4) Requires the Trustees of the CSU to, and requests that the Regents of the UC, provide the forecast data specified in 3) above, to the Director of Finance, Director of HCD, and the Chairperson of the Joint Legislative Budget Committee.
- 5) Requires the Trustees of the CSU to, and requests that the Regents of the UC, provide trip and travel data to COGs upon request.
- 6) Amends the California Environmental Quality Act (CEQA) to state that the UC and CSU are not required to conduct a "no project" alternatives analysis as part of an Environmental Impact Report (EIR), a supplemental EIR, or in any addendum for a project if:
 - a) The project is consistent with requirements in the Education Code to complete an EIR and the Public Resources Code that precludes enrollment growth at UC or CSU as being the basis for any lawsuit;
 - b) The project is deemed by the applicable transportation planning agency as being "consistent" with its SCS or an alternate strategy approved by the California Air Resources Board (CARB); and
 - c) The UC and CSU have provided the forecast of changes in enrollment levels required by this bill.

COMMENTS

Background on RHNA, Housing Elements, and RTP/SCS Alignment: California requires every city and county to adopt a general plan that includes a housing element, which must demonstrate how the jurisdiction will accommodate its share of the region's housing needs. These housing needs are determined through the RHNA process, which is designed to ensure that all jurisdictions plan for a fair share of the state's housing demand, across income levels and household types. The RHNA process begins with HCD, in consultation with the DOF, issuing a RHND to each region. COGs then develop a methodology for allocating that need to local governments within the region.

State law establishes a range of statutory objectives that must guide this allocation, including promoting infill development, affirmatively furthering fair housing, improving the balance between jobs and housing, and reducing greenhouse gas emissions. Each jurisdiction must then adopt a housing element that accommodates its RHNA share through zoning, land use policies, local programs, and other strategies. Local housing elements are subject to HCD review and must be updated approximately every eight years.

MPOs are responsible for preparing an RTP with a 20+ year planning horizon. Under SB 375 (Steinberg, Chapter 728, Statutes of 2008), the RTP must include a SCS, which aligns land use, housing, and transportation planning in a way that supports regional greenhouse gas reduction targets established by CARB. The SCS must identify areas within the region that can accommodate both future population growth and the RHNA allocation, while also promoting a more sustainable development pattern.

While the law requires consistency between the RHNA and the SCS, achieving that alignment in practice has been challenging. One reason is that the RHND must account not only for

population growth, but also for existing unmet housing need, including cost burden, overcrowding, and homelessness. RTPs, by contrast, are often based on demographic projections and may not incorporate these broader measures of housing demand. As a result, regions may under plan for the full scope of housing need in their transportation and land use strategies.

Higher Education Growth and Regional Planning Gaps: Public university enrollment is a growing driver of housing demand in California, particularly in communities that host CSU and UC campuses. State policy has expanded access to public higher education, and enrollment growth is expected to continue, yet many campuses face long-standing housing shortages. These shortages have ripple effects in surrounding communities, where students, faculty, and staff compete for limited and increasingly expensive off-campus housing. At the same time, regional and local housing planning processes have not consistently or comprehensively accounted for this dynamic.

Under existing law, COGs must consider "the housing needs generated by the presence of a private university or a campus of the CSU or the UC within any member jurisdiction" when developing the methodology for distributing the RHND under Housing Element Law. However, this language is permissive, and implementation is uneven across regions. Moreover, data on student housing demand is often limited or inconsistent, and there is currently no requirement that CSU or UC provide enrollment projections to inform the RHND or RHNA process.

This bill aims to strengthen coordination between state-supported university systems and regional planning agencies by requiring the CSU, and requesting the UC, to provide enrollment forecasts and travel data to COGs. These forecasts must include both on-campus and off-campus facilities, and reflect improvements in transfer pathways, graduation rates, and eligibility. The bill also requires MPOs to incorporate enrollment trends at public colleges and universities when preparing their SCS. These changes are intended to ensure that regional planning more accurately reflects future growth patterns and aligns with state higher education policy.

Student Housing and RHNA: Although state law directs COGs to consider university-related housing needs in developing the RHNA, HCD's current RHNA methodology does not count beds in student dorms toward a jurisdiction's RHNA obligations, except in rare circumstances where those beds are built and operated like traditional multifamily units that are available to the public at large. As a result, cities hosting public universities are required to zone for housing to meet the full RHNA allocation, even if the campus is planning to construct thousands of beds in residence halls. This disconnect may create disincentives for campus-led housing development and put additional pressure on local housing markets. By improving data sharing and requiring regional agencies to explicitly plan for student enrollment growth, SB 486 provides a clearer framework for addressing this planning gap. It does not change the rules for how student housing is counted toward RHNA, but it may support more informed decisions by HCD, COGs, and local governments about how best to meet regional housing needs in university communities.

"No Project" Analysis and CEQA Streamlining: Under existing CEQA regulations, changes in student enrollment themselves are not considered a "project." However, courts have ruled that if enrollment growth results in physical impacts, such as increased demand for housing or transportation infrastructure, a campus may be required to conduct supplemental environmental review if those impacts were not disclosed in its most recent LRDP or campus MP. In some cases, this has led to legal challenges that delay or prevent campus construction projects, even when they are consistent with broader campus growth plans.

As part of an EIR, lead agencies are often required under CEQA to evaluate a "no project" alternative, i.e., what would happen if the proposed project did not go forward. This analysis is meant to provide a baseline for comparison, but can require significant time and resources to develop.

This bill addresses this issue by exempting UCs and CSUs from the requirement to conduct a "no project" alternative analysis as part of an EIR, supplemental EIR, or addendum for a project, provided that three conditions are met:

- 1) The campus development complies with existing Education Code and CEQA requirements, including those that recognize the limits of litigation over enrollment-based impacts;
- 2) The project is consistent with the region's SCS or alternative planning strategy, as determined by the relevant transportation planning agency; and
- 3) The university has submitted the enrollment forecasts required by this bill.

The "no project" alternative can be among the most time-consuming components of CEQA analysis, and its removal in these circumstances is intended to streamline environmental review for campus-related housing and academic facilities. It also recognizes that enrollment growth is driven by statewide policy and demographic trends, not by discretionary decisions of individual campuses. By limiting redundant or speculative analysis, this bill seeks to reduce litigation risk and accelerate the delivery of campus facilities in alignment with regional planning goals.

According to the Author

According to the author, "the State of California has made a promise to its young people: Graduate in the top third of your class and you are guaranteed admission to a CSU campus. Graduate in the top eighth, and you qualify for UC admission. Yet qualified California residents are currently being denied admission to their university of choice due to lack of sufficient space to house them.

Today, campuses seeking to expand often face court challenges to their population growth under the California Environmental Quality Act (CEQA). At the same time, regional planning processes generally don't incorporate detailed population growth projections from the public universities, nor do local governments plan alongside the campuses to sustainably accommodate campus growth.

This bill recognizes that growth of the university student population is not a decision made by individual university campuses. It is a statewide decision based on a demographic reality. SB 486 removes the requirement for the California State University (CSU) and the University of California (UC) to conduct a "no project" alternative analysis in an EIR for a project or long-range development plan that is consistent with the Sustainable Communities Strategy. It also requires the university systems to participate in the development of regional sustainable communities strategies and associated housing and transportation plans."

Arguments in Support

Power CA Action writes in support: "This bill requires the Regents of the University of California and the Trustees of the California State University system to provide comprehensive, sophisticated enrollment forecasts to regional councils of government and metropolitan planning

organizations to be incorporated into regional transportation plans, sustainable communities strategies, and, by extension, regional housing needs allocations. In exchange, enrollment growth would no longer be analyzed as a local population impact under CEQA when a university plan or project is consistent with the regional plan."

Arguments in Opposition

None on file for July 17, 2025 version of the bill.

FISCAL COMMENTS

- 1) HCD estimates minor and absorbable General Fund (GF) costs.
- 2) UC and CSU estimate minor GF costs to provide forecasted enrollment levels to each COG when developing the methodology for determining RHNA.
- 3) Local costs of an unknown amount, but not likely significant amount, to MPOs and COGs to consider higher education enrollment projections when preparing the SCS and RHNA methodologies, respectively. These costs are not reimbursable by the state because neither MPOS nor COGs are eligible claimants with the Commission on State Mandates for state-reimbursement of local mandated costs.

VOTES

SENATE FLOOR: 39-0-1

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNERney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Reyes

ASM HOUSING AND COMMUNITY DEVELOPMENT: 11-0-1

YES: Haney, Patterson, Ávila Farías, Caloza, Garcia, Lee, Quirk-Silva, Ta, Tangipa, Wicks, Wilson

ABS, ABST OR NV: Kalra

ASM NATURAL RESOURCES: 13-0-1

YES: Bryan, Alanis, Connolly, Ellis, Flora, Garcia, Haney, Hoover, Kalra, Muratsuchi, Pellerin, Schultz, Zbur

ABS, ABST OR NV: Wicks

ASM APPROPRIATIONS: 15-0-0

YES: Wicks, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Jeff Gonzalez, Solache, Ta, Tangipa

UPDATED

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