

October 3, 2025

Housing Legislation Update

Overview

SANDAG serves the San Diego region through several designations, including Regional Transportation Planning Agency (RTPA), Regional Transportation Commission, Council of Governments (COG) and Metropolitan Planning Organization (MPO). These designations provide the agency with specific, yet limited responsibilities regarding regional housing, including producing a Regional Housing Needs Allocation (RHNA) methodology to distribute the Regional Housing Needs Determination (RHND) set by the California Department of Housing and Community Development (HCD); developing a compliant Sustainable Communities Strategy (SCS) that accommodates RHNA and includes a land use pattern integrated with the transportation network; and distributing Smart Growth Incentive Program and Regional Early Action Planning (REAP) funding to local jurisdictions to incentivize projects that are consistent with the SCS.

Action: **Information**

Staff will present an update on state housing legislation.

Fiscal Impact:

None.

Schedule/Scope Impact:

None.

Key Considerations

Below is a high-level overview of key housing policies emerging from the California Legislature's 2025-2026 session.

Senate Bill 79 (Wiener): [Housing Development: Transit-Oriented Development](#)

Senator Scott Wiener's SB 79, a bill opposed by SANDAG, passed both the Senate and Assembly on September 12 and now awaits the Governor's signature. If enacted, the bill would establish statewide standards for transit-oriented zoning around qualifying transit stops. The bill authorizes housing developments by-right with specific height, density, and floor ratio standards based on the quality of transit service at the station and distance of the development from the transit stop. These provisions would override most applicable local restrictions and beginning July 1, 2026, would require housing development to be an allowable use on any site zoned for residential, mixed, or commercial development. The bill divides transit stops into tiers, based on the type and frequency of transit service at a given transit stop.

The bill creates the following tiers:

Tier 1 transit stop: heavy rail transit ¹ or very high frequency commuter rail

Within 1/4 mile of transit stop: 75 feet height, 120 units/acre minimum, 3.5 floor area ratio

Within 1/2 mile of transit stop and with a city population >35,000: 65 feet height, 100 units/acre minimum, 3.0 floor area ratio

¹ "Heavy rail transit" means a public electric railway line with the capacity for a heavy volume of traffic using high-speed and rapid acceleration passenger rail cars operating singly or in multicar trains on fixed rails, separate rights-of-way from which all other vehicular and foot traffic are excluded, and high platform loading. "Heavy rail transit" does not include California High-Speed Rail.

Tier 2 transit stop: light rail transit, high-frequency commuter rail, qualifying Bus Rapid Transit (BRT)

Within 1/4 mile of transit stop: 65 feet height, 100 units/acre minimum, 3.0 floor area ratio

Within 1/2 mile of transit stop and with a city population >35,000: 55 feet height, 80 units/acre minimum, 2.5 floor area ratio

If the bill is enacted, the standards for housing developments near San Diego Trolley, Sprinter and certain Rapid bus stops in San Diego County would likely be considered Tier 2. At this time, staff believe that no existing transit stops in San Diego County would qualify as Tier 1 transit-oriented development (TOD) stops.

The bill also authorizes a transit agency to adopt by resolution TOD zoning standards for district-owned property located in a TOD zone. All agency TOD projects and any TOD project that exceeds 85 feet are required to comply with labor standards.

To be exempt from the provisions of the bill, local governments must adopt an ordinance or local TOD alternative plan deemed compliant by the Department of Housing and Community Development (HCD) before July 1, 2026.

Assembly Bill 130 (Committee on Budget):[Housing](#) and **Senate Bill 131 (Committee on Budget and Fiscal Review):** [Public Resources](#)

These bills, focusing on CEQA reforms and housing streamlining provisions, were signed by the Governor as part of the FY 2025-2026 budget and became effective on July 1, 2025. On August 27, SANDAG hosted a [webinar on AB 130 and SB 131](#) for jurisdiction staff to review key provisions of these bills.

Some key highlights include:

- CEQA exemption for urban infill housing development projects meeting certain qualifications.
- CEQA exemptions for certain community-serving and infrastructure projects
- Narrowed CEQA analysis for housing development projects meeting all criteria for an exemption except for one condition (“near miss”)
- 60-day deadline for local agencies to approve or disapprove qualifying ministerial housing development projects
- Establishes an opt-in statewide vehicle miles traveled (VMT) mitigation bank program
- REAP 2.0 expenditure deadline extension
- HCD strengthened oversight of RHNA methodology

Assembly Bill 650 (Papan): [Planning And Zoning: Housing Element: Regional Housing Needs Allocation](#)

AB 650, by Assemblymember Papan, has been passed by the Legislature and is pending the Governor’s signature to become law. This SANDAG-supported bill would extend several deadlines related to the seventh housing element review cycle. Specifically, HCD would need to consult with COGs 38 months before a scheduled housing element revision (up from the current 26-month period mandated by state law) and determine each region’s Regional Housing Need Determination 36 months in advance (up from the current 24-month requirement). COGs would be required to develop their RHNA methodology and distribute draft RHNA allocation plans at least 30 and 24 months prior, respectively, instead of the current 24 and 18 months—excluding COGs with 2027 due dates. Based on this legislation, we anticipate SANDAG’s consultation with HCD for the 7th housing element revision to begin in early 2028 and for HCD to provide SANDAG’s RHND by mid-2028. SANDAG would in turn be required to develop its proposed RHNA methodology by December of 2028 and distribute its draft RHNA allocation plan by mid-2029.

AB 650 responds to challenges from the 6th RHNA cycle—such as compressed timelines, shifting requirements, and unclear state guidance—by allowing local governments to start updating their housing elements up to six months earlier than under current law. The bill also requires HCD to provide clear direction by identifying the exact text and analysis necessary to remedy deficiencies in a housing element.

Assembly Bill 1275 (Elhawary): [Regional Housing Needs: Regional Transportation Plan](#)

This bill by Assemblymember Elhawary addresses two recommendations from HCD's report, "California's Housing Future 2040: The Next Regional Housing Needs Allocation." The bill, currently awaiting the Governor's signature, implements recommendations to move up the RHND determination by one year and improve the alignment between the RHNA and the SCS by requiring each region to incorporate elements of its SCS into its RHNA methodology and allocation plan. Specifically, it adds the development pattern set forth in the region's SCS to the list of factors COGs must consider when they develop the RHNA plan. Based on this legislation, SANDAG would receive its RHND from HCD by mid-2028 for the region's 7th housing element update. Under existing law, two or more contiguous local jurisdictions are allowed to form a subregion and conduct a parallel process for allocating their share of the regional housing need among themselves. Instead of the COG, the subregion creates its own methodology which needs to fulfill the statutory requirements of RHNA and be approved by HCD. This bill changes the share of RHNA assigned to the subregion to be allocated in a proportion consistent with the subregion's share of the current adopted final RHNA plan, rather than the distribution of households assumed for the comparable time period of the applicable RTP. This change means any subregional entity formed would receive a proportional share of the regional housing need consistent with the proportion it was allocated in the last adopted RHNA, not based on RTP/SCS assumptions for future household distribution in the region. This could limit large differences in allocations for subregions in future RHNA cycles, however, each jurisdiction would still be allocated its own share of the housing need based on the subregion-developed methodology which could differ from the prior cycle's allocation.

Senate Bill 233 (Seyarto): [Regional Housing Need: Determination: Consultation With Councils Of Governments](#)

This SANDAG-supported bill by Senator Seyarto aligns with the RHND consultation timeline revisions in AB 650 (Papan). It extends the deadline for HCD to meet and consult with councils of governments from 26 months before a housing element update to 38 months for most regions, with limited exceptions for certain COGs in the 7th cycle. Beginning with the 8th cycle, the 38-month deadline applies statewide. This bill has passed both the Senate and the Assembly and has been sent to the Governor for signature.

Senate Bill 486 (Cabaldon): [Regional Housing: Public Postsecondary Education: Changes In Enrollment Levels: California Environmental Quality Act](#)

This bill, awaiting the Governor's signature, would formalize coordination standards for MPOs/COGs to consider higher education enrollment projections when preparing the SCS and RHNA methodologies. Specifically, it requires MPOs to consider changes in student enrollment at California Community Colleges, California State Universities (CSUs), and Universities of California (UCs) when they identify areas in the SCS to house the population of the region. In addition, it adds two additional items to the list of factors COGs must consider when they develop the RHNA plan: 1) The distribution of public and private university students among jurisdictions within the COG; and 2) For CSU and the UC campuses, the optimization of non-vehicle trip efficiency by students to the campus, including off-campus facilities. Although the specific impacts to the region's future allocations are still unclear, this could potentially increase our region's RHNA determination and further complicate the RHNA process by adding additional factors that need to be considered.

Next Steps

Staff will continue to monitor housing legislation and RHNA reform efforts and bring updates to the Regional Planning Committee and Sustainable Communities Working Group. Through our local jurisdiction Technical Assistance program, we will continue to provide support to jurisdiction staff as they implement their 6th Cycle Housing Elements and comply with new housing legislation. Consultation with HCD for 7th Cycle RHNA is anticipated to begin in early 2028.

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