

be completed within the planning horizon included in a Transportation Improvement Program or applicable regional transportation plan.

This bill:

- 1) Prohibits a local agency from imposing a land dedication requirement on a housing development for the purpose of mitigating vehicular traffic impacts or achieving an adopted traffic level of service related to vehicular traffic, or achieving a desired roadway width, unless the housing development:
 - a) Is outside of a TPA; and,
 - b) Has a street frontage of 500 feet or more.
- 2) Allows a local agency to override the prohibition on imposing a land dedication requirement in 1) if it makes a finding supported by substantial evidence that the land dedication requirement is necessary to preserve the health, safety, and welfare of the public, as specified.
- 3) Specifies that a local agency may impose a land dedication requirement to construct public improvements, including but not limited to sidewalk and sewer improvements.
- 4) Removes the requirement that projects located within one-half mile of a transit station have direct access to the transit station along a barrier-free walkable pathway to receive lower traffic impact mitigation fees, and replaces it with a requirement that projects be in a TPA.

COMMENTS:

- 1) *Author's Statement.* "AB 3177 promotes efficient land use by placing limits on Spot Widening, whereby developers give up land and pay for road expansions as a permitting requirement. This practice affects the financial feasibility of housing developments, reducing the number of homes a developer can build and increasing tenants' rents. One project in Los Angeles lost over 6,000 square feet of land to road widening, which amounted to a loss of over 30 dwelling units. There was a delay of almost two years for another project, consisting of permanent supportive housing for the homeless, as the developer sought to waive the road-widening requirement. These additional costs and delays contribute to California's housing shortage and homelessness crisis."
- 2) *Traffic mitigation impact fees.* Cities and counties must set lower traffic impact mitigation fees for specified transit-oriented housing developments unless the city or county makes a finding that the development will not generate fewer automobile trips than a non-transit oriented housing development AB 3005

(Jones, Chapter 69, Statutes of 2008). Specifically, this lower fee applies to housing developments that meet all of the following criteria:

- a) The development is located within one-half mile of a transit station, and has direct access to the transit station along a barrier-free walkable pathway.
- b) The development is located within one-half mile of convenience retail uses, including a store that sells food.
- c) At least 50 percent of the floor space of the development is for residential use.
- d) The development provides either the minimum number of parking spaces required by the local ordinances, or no more than one onsite parking space for zero to two bedroom units, and two onsite parking spaces for three or more bedroom units, whichever is less.

The lower fee must reflect the lower rate of automobile trip generation associated with such housing developments in comparison with housing developments without these characteristics. Under AB 3005, transit stations include any rail or light-rail station, ferry terminal, bus hub, or bus transfer station, including and any of these stations that are scheduled to be completed prior to the scheduled completion and occupancy of the housing development.

- 3) *Other mitigation options.* Local governments have other options to mitigate the impacts of a development, including requiring a developer to dedicate land for the public agency to use for infrastructure improvements, rather than require a fee. For example, if a developer plans to build a new apartment complex on a vacant parcel, many new vehicle trips will occur when residents occupy the development. The local government might decide these additional trips warrant additional traffic safety features, such as turn lanes or a wider street, and condition approval of the project on whether the developer dedicates land for that purpose.

While some of these requirements are project specific, some local agencies have enacted ordinances to require the dedication of land for categories of housing development projects, rather than considering the specific characteristics and conditions of a specific project. For example, in 1961, the City of Los Angeles enacted a highway dedication ordinance that requires certain housing developments that abut a highway to dedicate and improve land necessary to meet city planning standards and be up to sixty feet wide.

- 4) *Transit priorities.* TPAs are designated regions within a half-mile radius of an existing or planned major transit stop. These areas are identified as part of the state's strategy to promote sustainable development and reduce greenhouse gas emissions. The rationale behind encouraging car-free or low-car developments

in TPAs is to leverage the proximity to public transit, thereby reducing the reliance on private vehicles for daily commutes. This approach aligns with California's broader environmental and urban planning goals, aiming to create more walkable, bike-friendly, and transit-oriented communities. By fostering developments in TPAs that minimize automobile dependency, the state seeks to alleviate traffic congestion, improve air quality, and enhance the overall quality of life for residents.

5) *Incoming!* This bill was heard in the Senate Local Government Committee on June 11, 2024 and received a vote of 5-2.

RELATED LEGISLATION:

SB 937 (Wiener, 2024) — makes various changes to the process for local agencies to collect development impact fees, and extends development entitlements. *This bill is pending in the Assembly Housing and Community Development Committee.*

SB 1210 (Skinner, 2024) — requires electrical, gas, sewer, and water service utilities to post fee schedules and estimated timeframes for new service connections and capacity upgrades needed to connect new housing construction projects. *This bill is pending in the Assembly Local Government Committee.*

AB 1820 (Schiavo, 2024) — requires a city or county to provide an estimate of fees and exactions for the project within 30 days of receiving a preliminary application for a housing development project upon a request from the project applicant for an estimate. *This bill is being heard in this same hearing.*

AB 2553 (Friedman, 2024) — redefines “major transit stop” for purposes of exempting housing developments within ½ mile of a major transit stop from specified impact fees. *This bill is being heard in this same hearing.*

AB 2663 (Grayson, 2024) — requires local agencies to post certain information regarding affordable housing impact fees on their websites. *This bill is pending hearing in the Senate Local Government Committee.*

AB 3012 (Grayson, 2024) — requires cities and counties to create a fee estimate tool that the public can use to calculate an estimate of fees and exactions for a proposed housing development project available on its internet website. *This bill is being heard in this same hearing.*

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, June 26, 2024.)

SUPPORT:

Streets for All (Sponsor)
Active San Gabriel Valley
All Voting Members of The North Westwood Neighborhood Council
Bike East Bay
Bike LA
California Bicycle Coalition
California Environmental Voters
California Housing Partnership Corporation
Car-lite Long Beach
Conor Lynch Foundation
East Bay for Everyone
Everybody's Long Beach
Housing Action Coalition
LeadingAge California
Long Beach Bike Co-op
Los Angeles Walks
Pedal Movement
Safe Routes Partnership
Seamless Bay Area
SoCal Families for Safe Streets
The Greenlining Institute
Transbay Coalition
Transform
Urban Environmentalists
YIMBY Action
Youth Climate Strike Los Angeles

OPPOSITION:

None received.

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