

- a) Increasing the housing supply and mix of housing types, tenure, and affordability,
 - b) Promoting infill development and socioeconomic equity, protecting environmental and agricultural resources, and encouraging efficient development patterns,
 - c) Promoting an improved intraregional relationship between jobs and housing,
 - d) Balancing disproportionate household income distributions,
 - e) Affirmatively furthering fair housing.
- 4) Requires COGs to survey its member jurisdictions to gather information on the factors that must be considered for inclusion in the methodology.
- 5) Requires COGs, or HCD as applicable, to include the following factors, to the extent sufficient data is available from local governments, to develop its RHNA plan, with written explanation of how each factor was incorporated into the RHNA plan methodology and how the methodology furthers the statutory objectives, as specified:
- a) Existing and projected jobs and housing relationship
 - b) Opportunities and constraints to development of additional housing
 - c) Distribution of household growth and opportunities to maximize public transportation
 - d) Loss of units in assisted housing developments
 - e) Percentage of existing households at each income level
 - f) Rate of overcrowding
 - g) Housing needs of farmworkers
 - h) Housing needs generated by universities
 - i) Housing needs of individuals and families experiencing homelessness
 - j) Loss of units during a state of emergency
 - k) Greenhouse gas emissions targets
 - l) Any other factors adopted by COG that further objectives.
- 6) Identifies several criteria that cannot be used as the basis for a determination of a jurisdiction's share of the regional housing need, including:
- a) Any ordinance, policy, voter-approved measure or standard that directly or indirectly limits the number of residential building permits issued
 - b) Prior underproduction of housing from the previous RHNA cycle
 - c) Stable population numbers from the previous RHNA cycle.

This bill:

- 1) Requires, beginning in 2025, that the methodology used by a COG, or HCD as applicable, for allocating regional housing needs must factor in the impacts caused by climate change, including emergency evacuation route capacity, wildfire risk, and sea level rise.
- 2) Provides that no reimbursement is required by this bill because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, as specified.

COMMENTS:

- 1) *Author's statement.* "Climate disasters and the impacts of climate change on our state have made more and more places risky to live. In 2020, California experienced another devastating and record-breaking wildfire season; 4,257,863 acres burned, 33 lives were lost and 10,488 structures damaged or destroyed. In addition to fires, severe drought and periods of record-breaking heat, science has shown that climate change will result in a gradual and permanent rise in global sea levels. The U.S. Geological Survey estimates that by 2100, about 6 feet of sea level rise and recurring annual storms could impact over 480,000 California residents. Unfortunately, as our state faces a climate crisis, it also faces a housing crisis and local governments must factor the impacts of climate disasters into their housing planning. AB 1445 requires a council of governments, a delegate subregion or the Department of Housing and Community Development to, starting in January 1, 2025, additionally consider among other required factors, emergency evacuation route capacity, wildfire risk, sea level rise and other impacts of climate change. This bill will ensure local governments are taking into account the impending impacts of climate change and disasters on risk to residents when planning for housing in their communities."
- 2) *Background: Housing Elements and Regional Housing Needs Assessment (RHNA).* Every city and county in California is required to develop a general plan that outlines the community's vision of future development through a series of policy statements and goals. A community's general plan lays the foundation for all future land use decisions, as these decisions must be consistent with the plan. General plans are comprised of several elements that address various land use topics. State law mandates seven elements: land use, circulation (e.g., traffic), housing, conservation, open-space, noise, and safety.

Each community's general plan must include a housing element, which outlines a long-term plan for meeting the community's existing and projected housing

needs. The housing element demonstrates how the community plans to accommodate its “fair share” of its region’s housing needs. Following a staggered schedule, cities and counties located within the territory of a metropolitan planning organization (MPO) must revise their housing elements every eight years, and cities and counties in rural non-MPO regions must revise their housing elements every five years. These five- and eight-year periods are known as the housing element planning period.

Before each revision, each community is assigned its fair share of the region’s housing need for four separate income categories (very low-, low-, moderate-, and above-moderate income households) through a two-step process known as RHNA. In the first step, HCD determines the aggregate housing need for the region during the planning period the housing element will cover. In the second step, the COG for the region allocates the regional housing need to each city and county within the region.

- 3) *Climate change impacts in California.* California’s climate is generally expected to become hotter, drier, and more variable over the coming decades, increasing the risk of catastrophic wildfires, droughts, floods, extreme weather, biodiversity loss, and sea level rise. These changes will impact California’s residents, water supply, ecosystems, and economy. California’s Fourth Climate Assessment estimates the economic cost to California for these losses by 2050 will be over \$100 billion annually. The scale and type of impacts will vary across regions. People who are already vulnerable, including lower-income and other marginalized communities, have lower capacity to prepare for and cope with extreme weather and climate-related events and are expected to experience greater impacts.

This bill would require that the impacts of climate change be included as a required factor in developing the methodology for allocating regional housing need within a region. Regions would specifically need to consider emergency evacuation route capacity, wildfire risk, and sea level rise, but could also consider any other climate change-related factor.

The requirements in this bill would not become operative until 2025. As such, it would first apply to the 7th eight-year cycle of RHNA and housing elements, which is the earliest this bill could be applicable, given that the regional distribution methodology for the 6th cycle was developed for most jurisdictions in 2019 and 2020. However, its delayed implementation may effect this bill’s efficacy.

It is important to note that currently, COGs are able to consider any other factors it adopted that further the statutory objectives and there is nothing preventing a COG from considering climate change impacts as a factor to develop its RHNA methodology.

- 4) *Piecemeal RHNA reform?* It is likely that the requirements for the next RHNA cycle will be considered in a more holistic way in the coming years. Such a review would provide a more timely opportunity than proposed amendments in this bill to discuss the issue of climate change as it relates to the entire RHNA and housing element process. Adding one factor at a time without reexamining the entirety of the methodology may not be useful or accurate. The unfortunate reality is that most jurisdictions are impacted by various climate change effects, which rarely stay within its jurisdiction's boundaries. There are better factors and geographic analyses to determine where new housing should be developed, which does not need to undermine mitigation of climate change impacts. For example, the Association of Bay Area Governments (ABAG), while not required, did consider the impacts of climate change during the development of its 6th cycle RHNA methodology. Almost all of ABAG's member jurisdictions have a moderate to high climate change impact risk, therefore ABAG ultimately decided to focus on existing factors, such as access to high opportunity areas and proximity to jobs by automobiles and public transit.
- 5) *Unintended consequences?* While it is essential that the impact of climate change informs and improves how we plan for more housing, the general plan process already must account and plan for climate change. Creating an additional factor in an already complex methodology of housing need may bring some unintended consequences, such as creating or promoting "no growth" planning policies that restrict opportunities for development.

Some anti-housing and anti-growth advocates make bad faith "climate arguments" against new housing, claiming that new housing in urbanized areas makes climate change worse, when the opposite is true. It is important not to empower anti-housing advocates to rely on climate change to kill new housing.

The committee may wish to consider amending the bill to:

- 1) Identify, but not constrain, development planning within RHNA for climate change impacts.**
- 2) Identify the climate change impacts of not building housing (i.e., sprawl).**

6) *Opposition.* The California Association of Realtors (CAR) is opposed to AB 1445 unless amended, as they have concerns that the bill could be used to stop growth throughout California.

RELATED LEGISLATION:

SB 12 (McGuire, 2021) — will, among other provisions, require RHNA methodologies to further the objective of promoting resilient communities, and specifically reduce development pressure within areas with very high risk of wildfires. *This bill is currently in the Assembly Housing and Community Development Committee.*

SB 182 (Jackson, 2020) — would have, among other provisions, required RHNA methodologies to further the objective of promoting resilient communities, and specifically reduce development pressure within areas with very high risk of wildfires. *This bill was vetoed by the Governor.*

AB 139 (Quirk-Silva, Chapter 335, Statutes of 2019) — made several changes to housing element law regarding emergency shelters; including requiring a COG, or HCD where appropriate, to the extent sufficient data is available from local governments, to include the housing needs of individuals and families experiencing homelessness in developing the methodology that allocates regional housing needs.

AB 2238 (Aguiar-Curry, Chapter 990, Statutes of 2018) — enacted a number of changes to laws affecting local agencies to account for threats posed by fires; including requiring a COG, or HCD where appropriate to include units lost during a Governor-declared emergency to the list of data considered to develop the methodology that allocates regional housing need.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, May 25, 2022.)

SUPPORT:

Alameda Citizens Task Force
California Environmental Voters
Catalysts for Local Control
City of Agoura Hills
City of Rancho Palos Verdes
City of Santa Rosa

League of Women Voters of California
Livable California
Sierra Club California

OPPOSITION:

California Association of Realtors

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