



- a) Local governments must submit a draft of their housing element to HCD for review.
  - b) HCD must review the draft housing element, and determine whether it substantially complies with housing element law, in addition to making other findings.
  - c) Local governments must incorporate HCD feedback into their housing element.
  - d) HCD must review any action or failure to act by local governments that it deems to be inconsistent with an adopted housing element. HCD must notify any local government, and at its discretion the office of the Attorney General, if it finds that the jurisdiction has violated state law.
- 5) Requires each city and county to submit an APR to the Governor's Office of Planning and Research (OPR) and HCD by April 1 of each year. The report is to evaluate the general plan's implementation, including how local housing needs have been met (construction of new units, changes to zoning laws, facilitating regulatory hurdles to housing development, etc.).

**This bill:**

- 1) Allows HCD to reject the housing element portion of an APR if it is not in substantial compliance with the requirements specified in local planning law.
- 2) Requires, if HCD rejects the housing element portion of an APR, HCD to provide the reasons the report is inconsistent to the planning agency in writing within 30 days after HCD receives the report.

**COMMENTS:**

- 1) *Author's statement.* According to the author, "Providing HCD the ability to reject non-compliant APRs will improve the caliber of the quantitative and qualitative information included in APRs. This will support better local housing element implementation, help HCD pinpoint where to provide technical assistance to local governments, and ensure robust data sets that facilitate informed statewide policymaking."
- 2) *Planning for Housing and Tracking Outcomes.* Existing law requires each city and county's legislative body to adopt a "general plan" for land use within its jurisdiction. Each general plan must include a "housing element" that details existing housing conditions within the jurisdiction, the need for new housing, and the strategy that the jurisdiction will use to address that need. The need for

new housing is determined through the RHNA process, which involves three main stages:

The Department of Finance and HCD develop regional housing needs estimates at four income levels: very low-income, low-income, moderate-income, and above moderate-income; Councils of Governments (COGs) use these estimates to allocate housing within each region (HCD makes the determinations where a COG does not exist); and cities and counties plan for accommodating these allocations in their housing elements.

Local governments must adopt a new housing element every eight years (though some rural jurisdictions must do so every five). These adopted housing elements are approved by HCD and must be in “substantial compliance” with the law.

Each year, the local government’s planning agency must submit an APR to HCD and OPR that documents the jurisdiction’s progress towards meeting its general plan goals, including the implementation of its housing element and progress towards meeting its RHNA target. The APR must include information about all proposed and approved development projects, a list of rezoned sites to accommodate housing for each income level, and information on density bonus applications and approvals, among other provisions.

APRs are an important tool for both local governments and the state, as both parties can rely on them to track progress in implementing the housing policy in their housing element, as well as to track outcomes. They also help highlight implementation challenges that may require technical assistance or other support from HCD. Additionally, APRs are important for informing statewide housing policy. The APRs provide the data that, aggregated across the state’s 539 cities and counties, convey the amount, type, location, and affordability of housing be produced in California. This bill would provide HCD with the authority to reject an APR should a local government not meet the requirements in the APR.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, June 15, 2022.)

**SUPPORT:**

California Housing Consortium  
California Rural Legal Assistance Foundation  
City of Santa Monica  
Western Center on Law & Poverty

**OPPOSITION:**

None received.

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