SANDAG

Preparing for the 7th Cycle Housing Element

HOUSING ACCELERATION PROGRAM – TECHNICAL ASSISTANCE

09.23.2026

INTRODUCTIONS



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AGENDA

- Welcome & Introductions
- Housing Element Fundamentals
- RHNA Process and Timeline
- Housing Element Components + What to Expect in the 7th Cycle
- New Laws and Requirements
- Approaching the 7th Cycle Housing Element
- Resources and Upcoming Webinars

KEY TAKEAWAYS



1

Begin early
to meet the June 15, 2031 statutory deadline and avoid rezoning.



2

Anticipate higher RHNA,
especially for lower-income housing.



3

Prepare for new challenges
with fair housing and sites inventory.



4

Continue implementing
your 6th Cycle Housing Element programs.

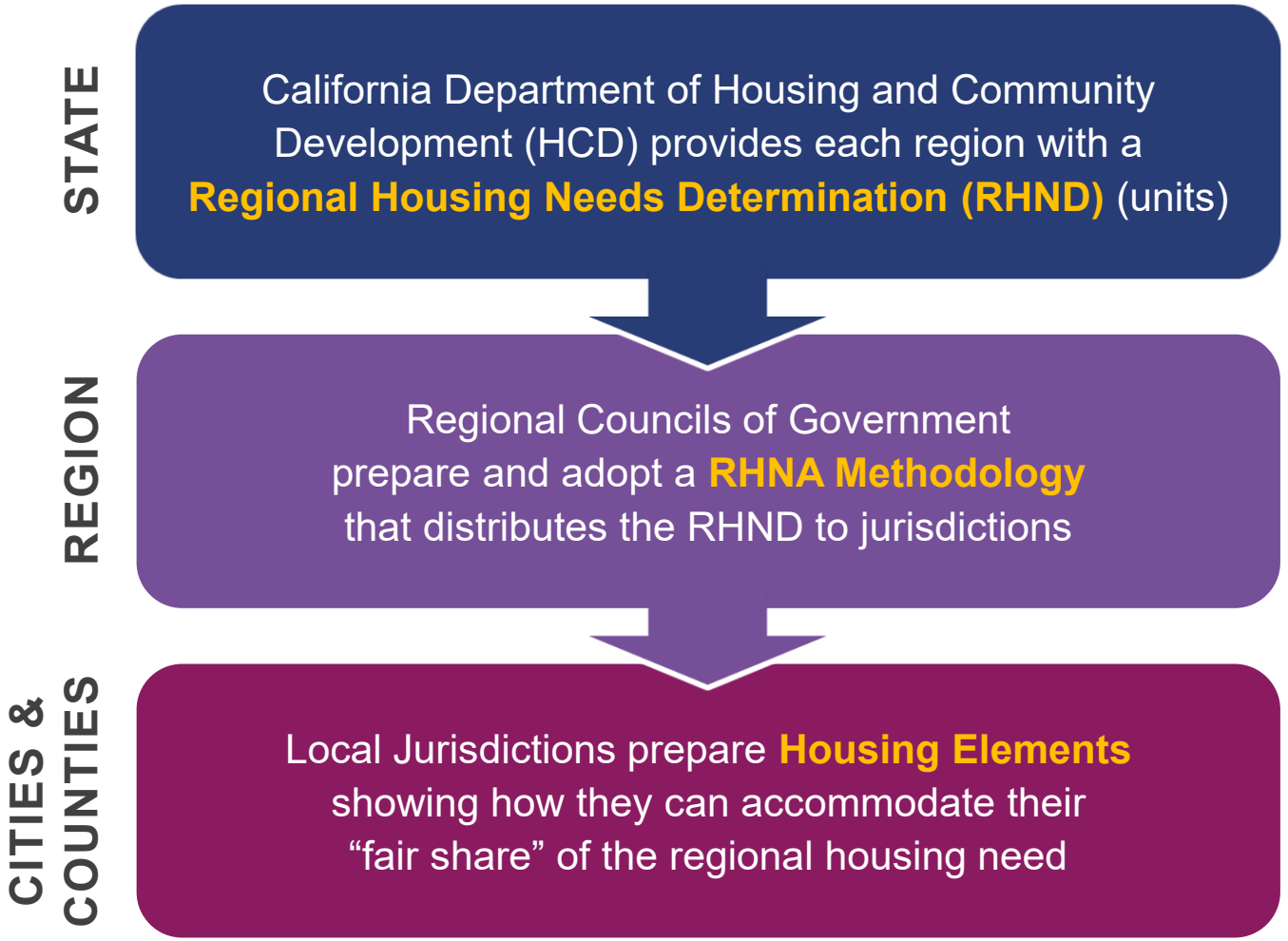
Housing Element Fundamentals

HOUSING ELEMENT BASICS

- Required element of the General Plan
- Reviewed and certified by the State for compliance with State law
- 8-year State-mandated update schedule
- Plan for accommodating the City/County “fair share” of the regional housing need

FAIR SHARE OF HOUSING NEED

Regional Housing Needs Assessment (RHNA)



HOUSING ELEMENT COMPONENTS

- Analysis of existing and projected housing needs
- Inventory of available sites for housing
- Analysis of potential constraints on housing
- Fair housing analysis
- Evaluation of previous housing element
- Goals, policies, and implementation programs

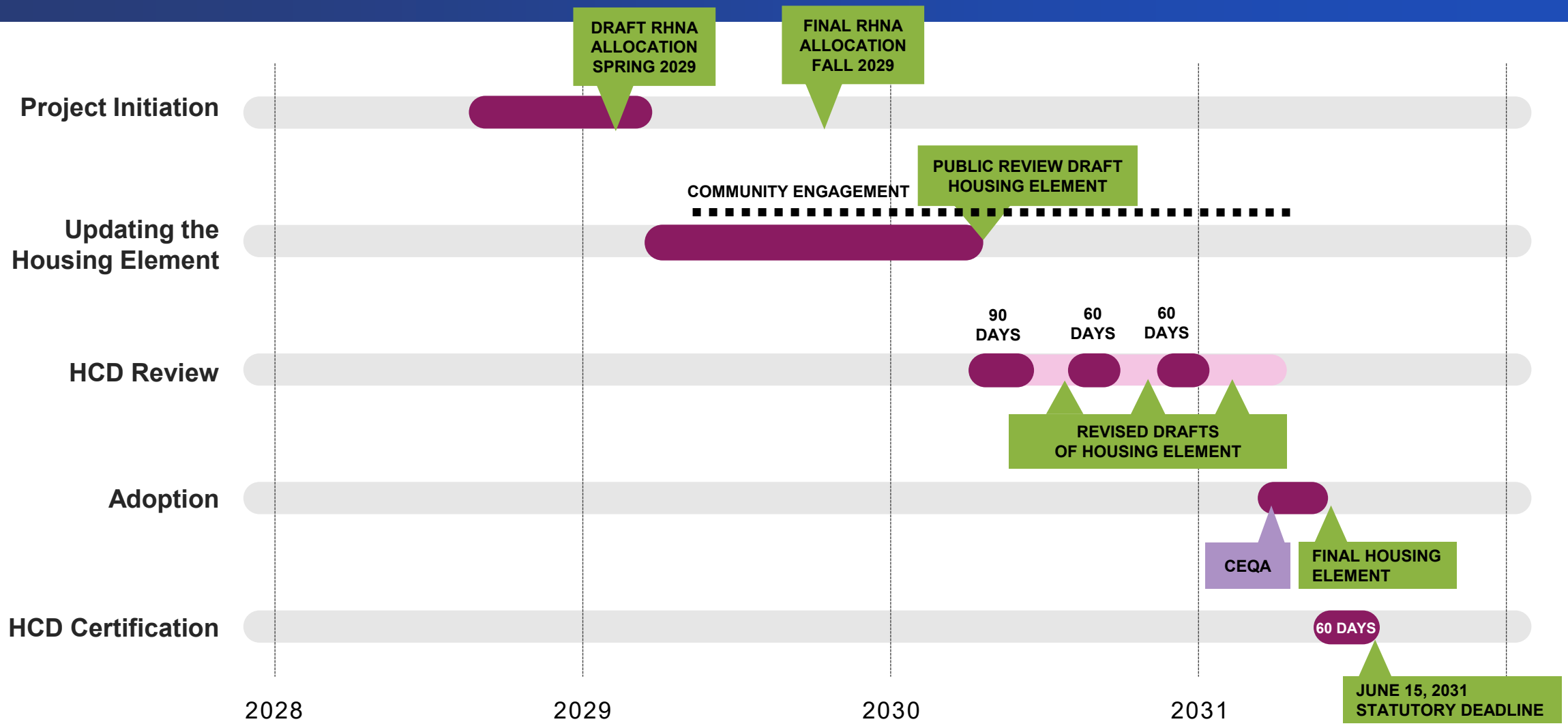
PUBLIC ENGAGEMENT

*The local government shall make a **diligent effort** "to achieve public participation of **all economic segments** of the community in the development of the housing element…" Gov. Code 65583(c)(1)(9)*



- All efforts should be documented in the Housing Element
- Must describe how the community input was addressed
- Typical practices: project website, email updates, workshops, surveys, stakeholder consultations, focus group meetings, pop-up events
- Engagement should include:
  - Housing and community advocacy groups
  - Affordable and market-rate housing developers
  - Service providers and advocates for special needs households
  - Community-based organizations and business groups

HOUSING ELEMENT PROCESS



NON-COMPLIANCE RISKS



Rezone Timing Penalty



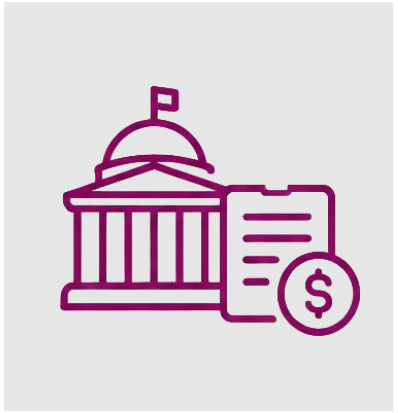
Vulnerability to Legal Actions



Invalid General Plan



Builder's Remedy



Ineligible for Certain Grant Funding

RHNA Process and Timeline

WHAT IS RHNA?

State-mandated process to determine how much housing capacity must be provided to meet projected and existing housing needs at a variety of affordability levels in each jurisdiction



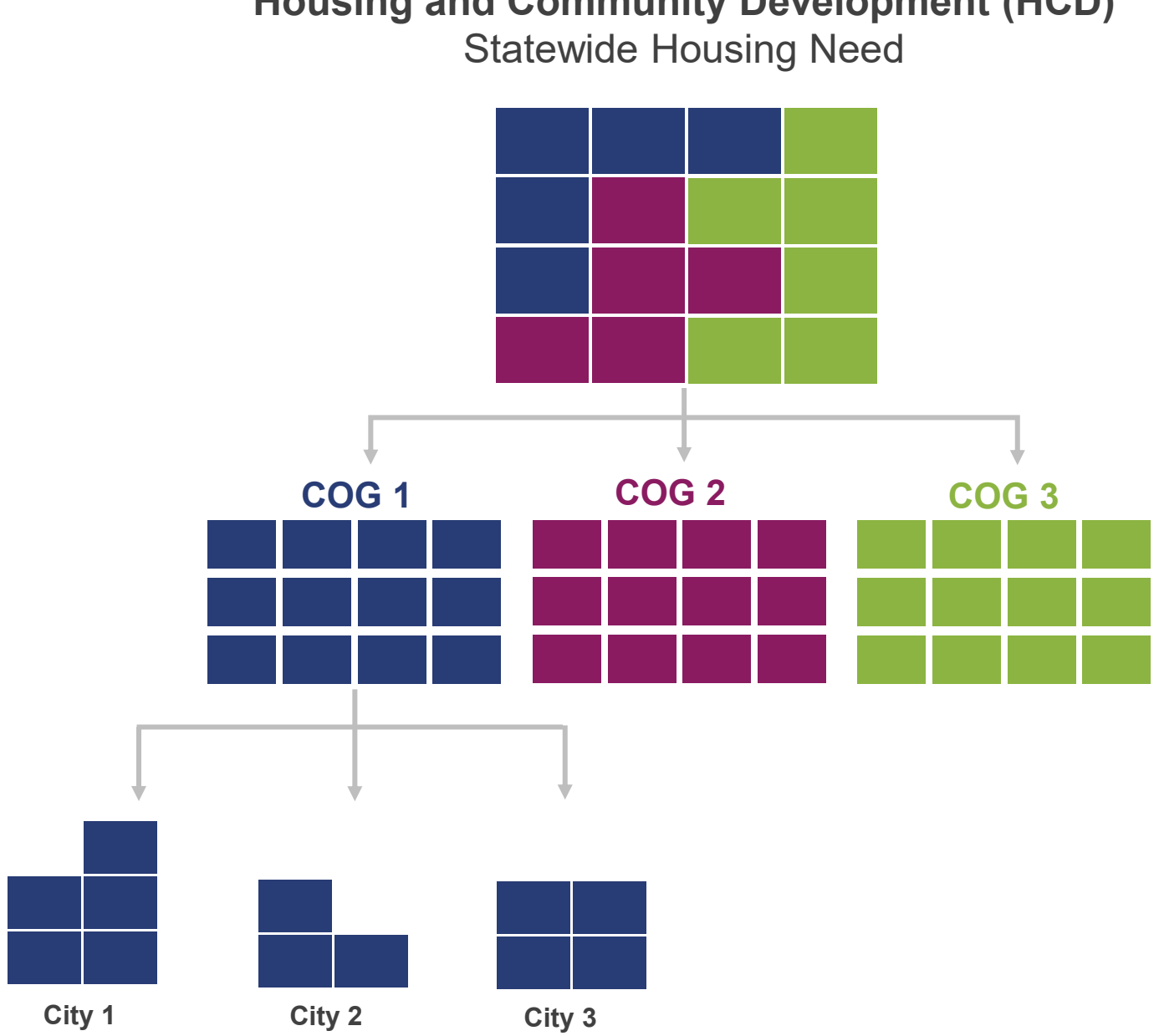
It is **NOT**:

- A building permit mandate or construction quota
- A prediction of how much housing will get built
- Limited by existing zoned capacity (rezoning is often necessary to accommodate RHNA)



RHNA PROCESS

(DETERMINATION & ALLOCATION)



STATUTORY OBJECTIVES OF RHNA

Government Code Section 65584(d)

1



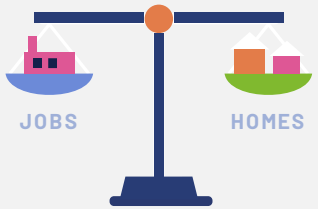
Increase Housing Supply and Mix

2



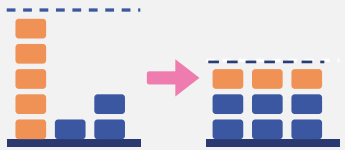
Promote Infill, Equity, and Environment

3



Ensure Jobs-Housing Balance and Fit

4



Promote Regional Income Parity

5



Affirmatively Further Fair Housing

6TH CYCLE REGIONAL HOUSING NEED DETERMINATION

	San Diego County: June 30, 2020 – April 15, 2029 (8.8 years) HCD Determined Population, Households, & Housing Unit Need	
1.	**Population: April 15, 2029 (DOF June 30, 2029 projection adjusted minus 2.5 months to April 15, 2029)**	**3,613,215**
2.	*- Group Quarters Population (DOF June 30, 2029 projection adjusted minus 2.5 months to April 15, 2019)*	-118,075
3.	**Household (HH) Population**	**3,495,140**
4.	**Projected Households (Occupied Unit Stock)**	**1,251,115**
5.	+ Vacancy Adjustment (2.52%)	31,500
6.	+ Overcrowding Adjustment (3.09%)	38,700
7.	+ Replacement Adjustment (0.50%)	6,255
8.	*- Occupied Units (HHs) estimated January 1, 2020*	-1,155,883
Total	**6th Cycle Regional Housing Need Assessment (RHNA)**	**171,685**

Adjustment Factors to address **existing need**

DOF Projected Households

Subtract existing households

New 6th Cycle Adjustment Factor: 9 – Cost Burden Adjustment*

*New adjustment factor didn't apply to SANDAG's 6th Cycle RHNA

RHNA = Existing Need + Projected Need

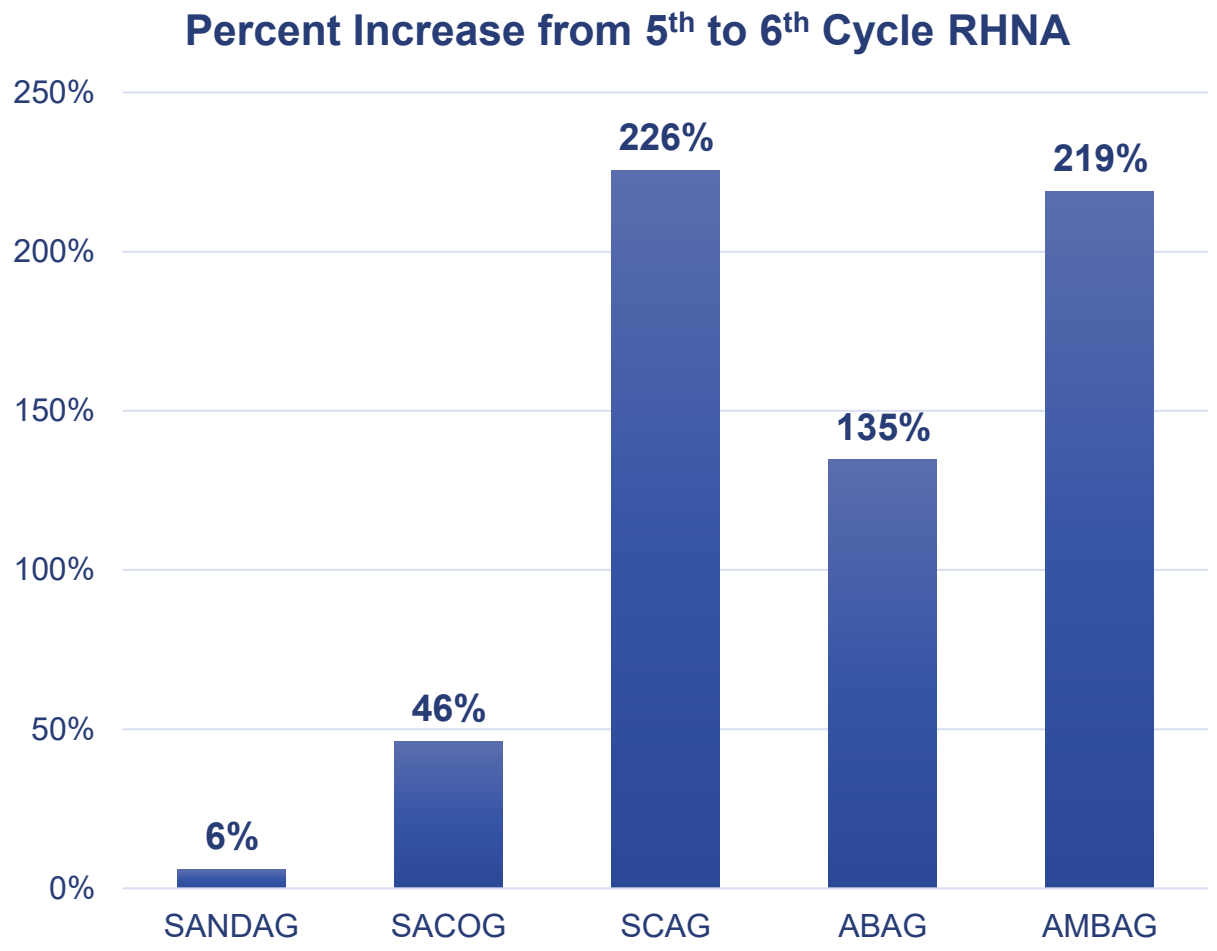
Source: HCD, Final RHNA Housing Needs Determination: SANDAG, July 5, 2018

SANDAG

RHND 5TH VS. 6TH CYCLE

SANDAG had **the lowest** increase in RHNA from the 5th to 6th Cycle

	5th Cycle	6th Cycle	Unit Increase
SANDAG	**161,980**	**171,685**	**+9,705**
SACOG	104,970	153,512	+48,542
SCAG	412,137	1,341,827	+929,690
ABAG	187,990	441,176	+253,186
AMBAG	10,430	33,274	+22,844



RHNA REFORM

California's Housing Future 2040

The Next Regional Housing Needs Allocation (RHNA)

California Department of Housing and Community Development



April 2024

- RHNA timeline
- Income categories: addition of extremely low and acutely low income
- HCD approval of methodology
- New adjustment factors

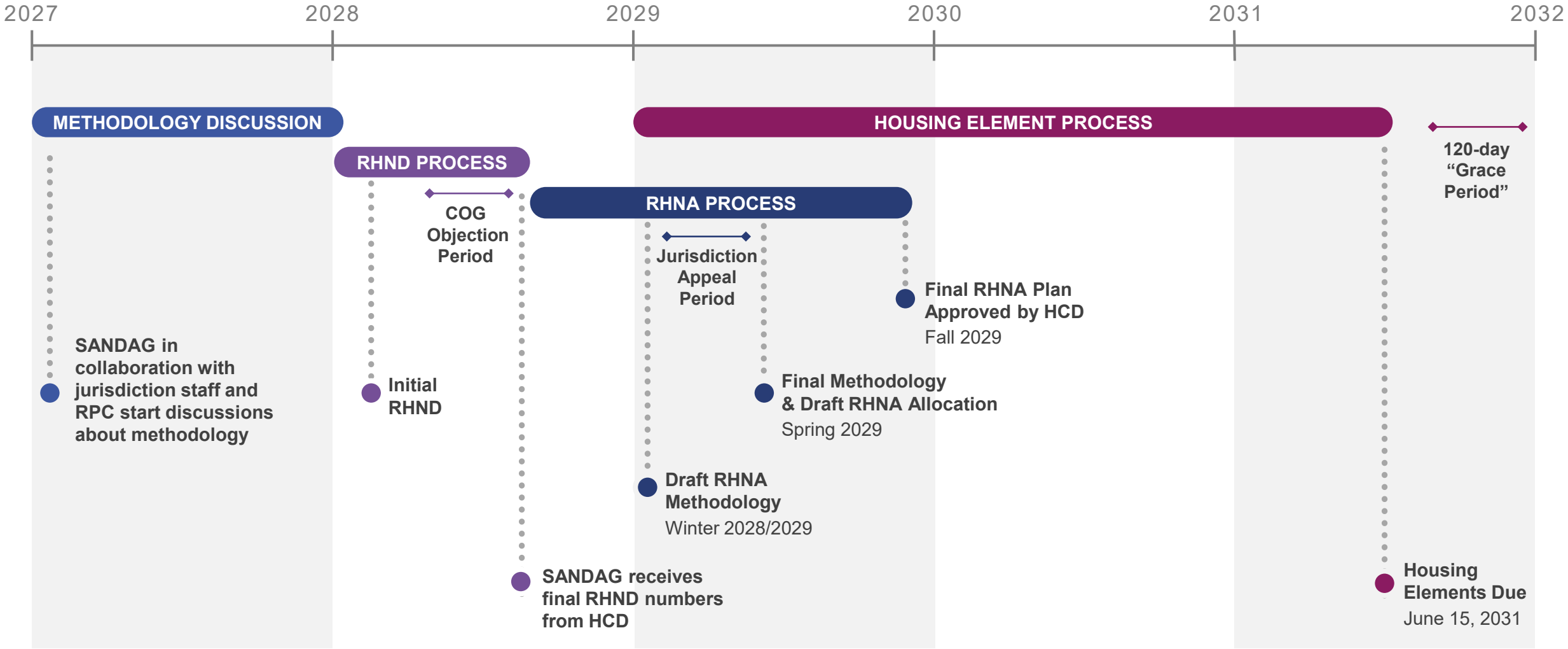
ADDITIONAL ADJUSTMENT FACTORS IN 7TH CYCLE

Resulting in upward adjustments to the existing need portion of the Regional Determination

6th Cycle	7th Cycle
+ Overcrowding (more than one person per room)	+ Overcrowding
+ Vacancy (standard 5% to total housing stock)	+ Vacancy Adjustment for Existing Households (2% owner / 7% renter) + Vacancy Adjustment for Projected Households (2% owner / 7% renter)
+ Replacement Adjustment Demolitions (between 0.5% and 5%)	+ Replacement Adjustment Demolitions (between 0.1% to 5%)
	+ Replacement Adjustment Seasonal, Recreational, and Occasional Use Housing Units
	+ Cost-burden Adjustment*
	- Adjustment to account for HHs that experience both overcrowding and cost-burden
	+ Projected Apartment Style Student Housing
	+ Relationship between jobs and housing (HCD standard of 1.5 housing units per job)
	+ Homelessness Adjustment
	+ Units lost during a state of emergency during the prior planning period

*Cost-burden Adjustment – added during 6th cycle for other COGs

ESTIMATED 7TH CYCLE RHNA TIMELINE



Housing Element Components

WHAT TO EXPECT IN THE 7TH CYCLE

HOUSING ELEMENT COMPONENTS

- Analysis of existing and projected housing needs
- Inventory of available sites for housing
- Analysis of potential constraints on housing
- Fair housing analysis
- Evaluation of previous housing element
- Goals, policies, and implementation programs

HOUSING NEEDS ASSESSMENT

Quantification and analysis of overall housing needs

- Population and household characteristics
- Housing stock conditions
- Trends related to overpayment/ housing cost burden, overcrowding, and substandard housing conditions
- Housing needs for special population groups

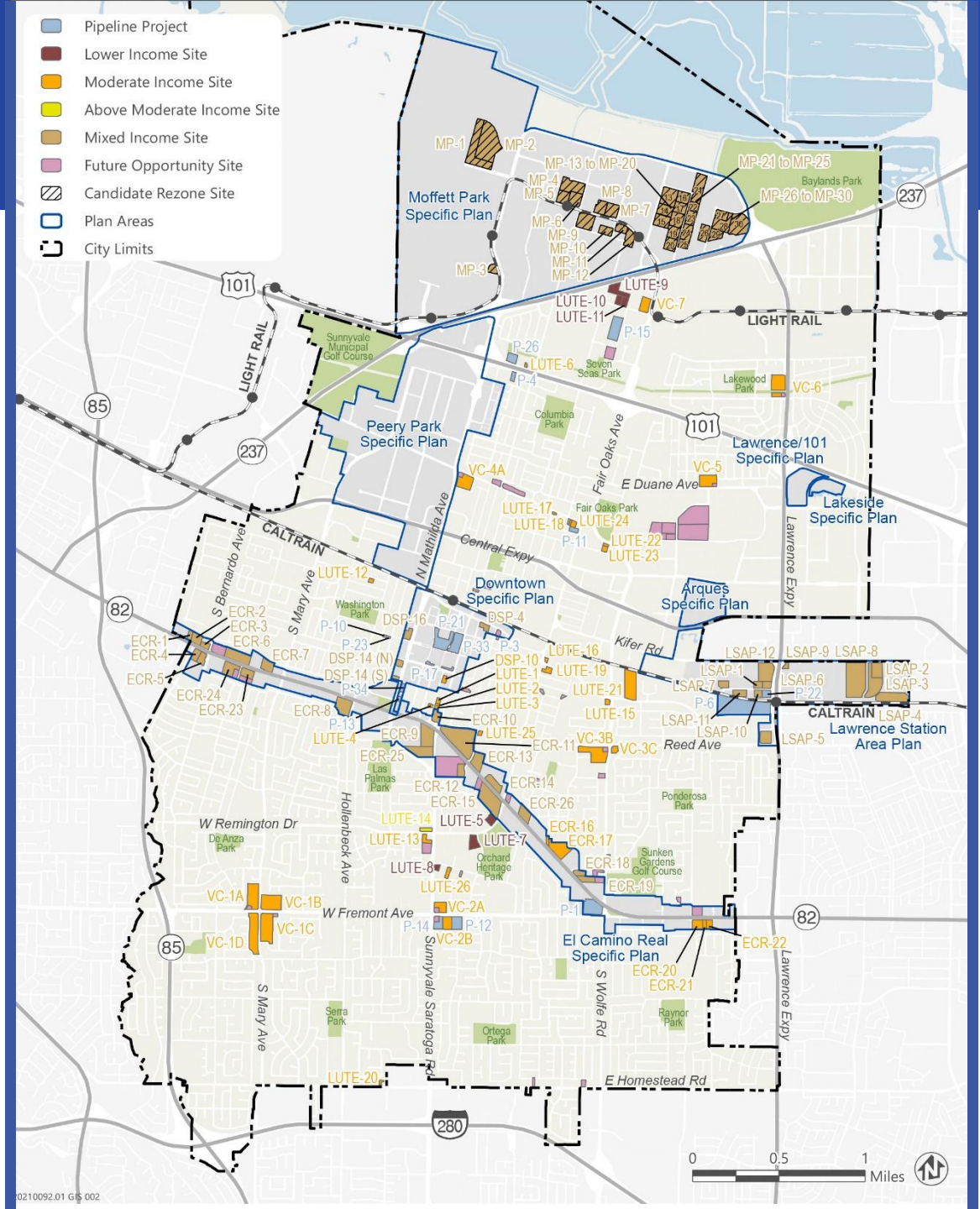
Special Housing Needs Groups

- Seniors (65+)
- People with disabilities, including developmental disabilities
- People experiencing homelessness
- Extremely low-income households
- Acutely low-income households (NEW)
- Large households
- Female-headed households
- Farmworkers
- Optional: Students, Military, Others

HOUSING ELEMENT COMPONENTS:

SITES INVENTORY

- Identifies vacant and underutilized non-vacant parcels that are adequately zoned and can realistically accommodate the RHNA across all income categories
- Estimates realistic capacity (number of units) for each site
  - **Realistic capacity ≠ maximum capacity**
  - Must reflect what's likely to be built in the planning period
  - Must be based on density of recently built projects by type/zone (not counting density bonus)
- Inventory is submitted to HCD using required Excel form



HOUSING ELEMENT COMPONENTS:

SITES INVENTORY

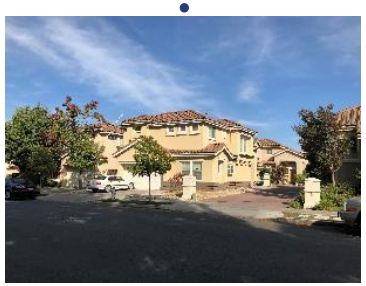
LOWER DENSITY

HIGHER DENSITY

ABOVE MODERATE INCOME

MODERATE INCOME

LOWER INCOME



Large-lot Single Family Home



Townhome



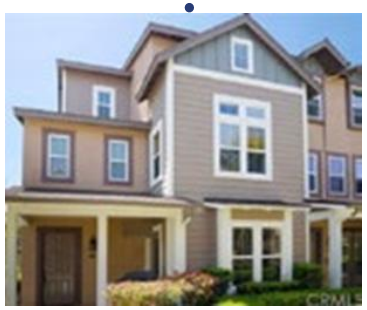
Manufactured/ Mobile Home



Multifamily Housing



Small-lot Single Family Home



Duplex & Triplex



Accessory Dwelling Unit (ADU)

SITES INVENTORY

- State law assigns minimum **"default densities"** by jurisdiction type/location as a proxy for affordability [Gov. Code Section 65583.2(c)(3)(B)]
  - Sites must be zoned at or above these densities to count toward lower-income RHNA
  - In SANDAG region, “default density” is 30 du/ac for most jurisdictions

SANDAG Jurisdictions
Default Density of

30 units/acre

Except in the jurisdictions of
Coronado, Del Mar, and Solana Beach:

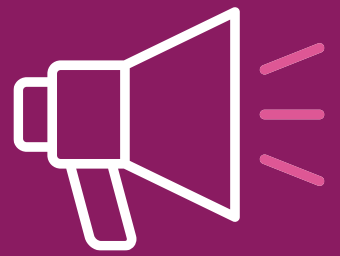
20 units/acre

HOUSING ELEMENT COMPONENTS:

SITES INVENTORY

What counts in the housing sites inventory:

- Vacant sites
- Nonvacant/underutilized sites
- Entitled/approved projects (i.e., pipeline projects)
- Publicly owned surplus land
- Projection of accessory dwelling units (ADUs)



New for the 7th Cycle

- SB 79 TOD sites

SITES INVENTORY

Analyzing Suitability of Non-Vacant Sites

- Description of existing uses
- Analyze the extent existing uses impede additional development during the 8-year timeframe
- Factors to consider
  - Age and condition (of structures)
  - Marginal vs. operational uses
  - Degree of underutilization
  - Property owner or developer interest
  - Existing leases
  - Development trends on sites with similar characteristics

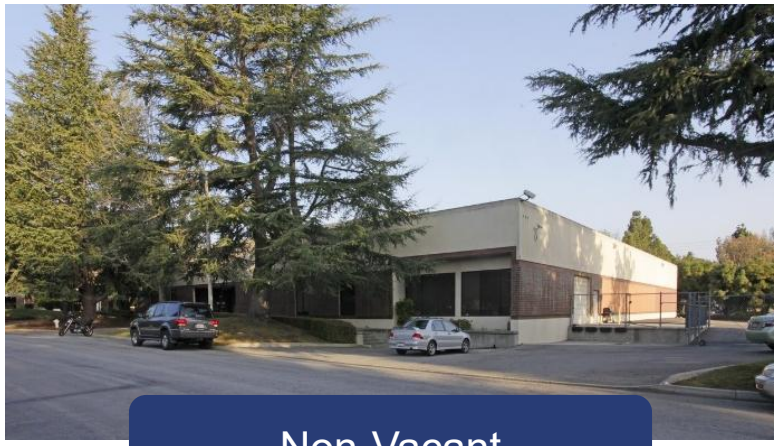




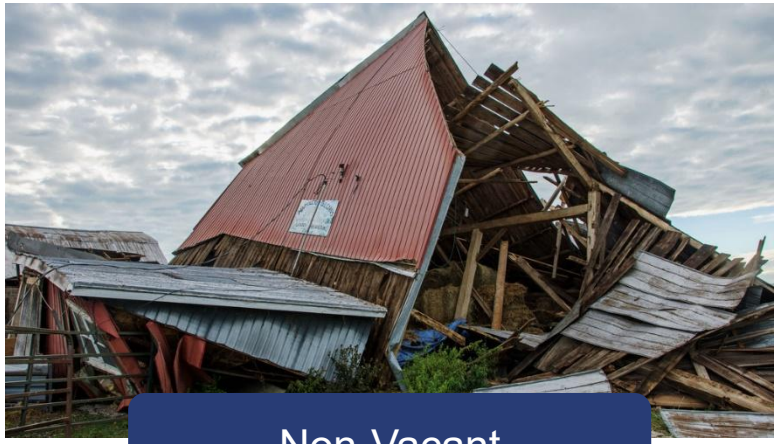
SITES INVENTORY



Non-Vacant



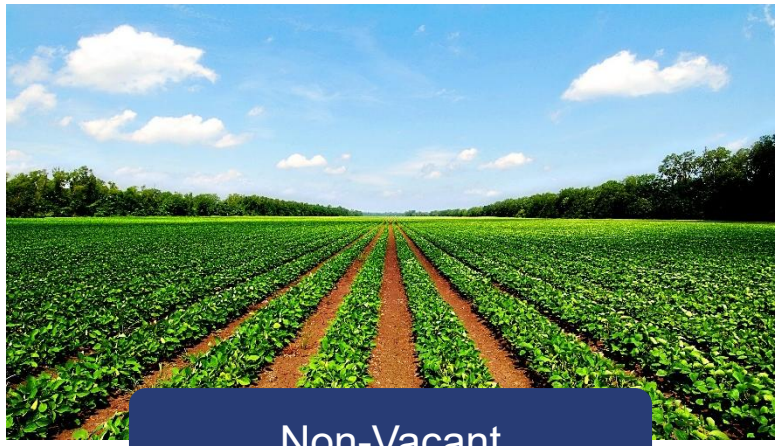
Non-Vacant



Non-Vacant



Non-Vacant



Non-Vacant



Non-Vacant

SITES INVENTORY

Other Considerations for Lower-Income Sites:

- **Site Size.** Sites smaller than 0.5 acres or larger than 10 acres are presumed inappropriate for lower-income housing [Gov. Code Section 65583.2(c)(2)]
- **50% nonvacant threshold** - if more than half of the lower-income RHNA relies on nonvacant sites, there must be *substantial evidence* that existing uses will not impede development and findings in the adoption resolution [Gov. Code Section 65583.2(g)(2)]
- **Carryover Sites.** Nonvacant sites from the prior cycle, or vacant sites carried 2+ cycles, can still count toward lower-income RHNA if rezoned to allow by-right residential approval [Gov. Code Section 65583.2(c)]

SITE INVENTORY

Example Sites Inventory Summary Table

	Lower-Income	Moderate-Income	Above Moderate	Total
RHNA	**930**	**340**	**805**	**2,075**
Approved Projects	321	1,344	744	2,409
Vacant and Underutilized Sites	83	38	57	178
Projected Accessory Dwelling Units	54	99	15	168
Total Capacity	**458**	**1,481**	**816**	**2,755**
Surplus (+) / Shortfall (-)	**-472**	**+1,141**	**+11**	

Best practice to include 15-30% more capacity than lower-income RHNA, as a buffer to account for "No Net Loss" (Government Code Section 65863)

SITES INVENTORY

Adequate Sites Program

- Must rezone sufficient land to meet the unaccommodated lower-income RHNA within **3 years** (or 1 year if housing element is adopted/certified late)
- Rezoned sites must have a **minimum density** of 20 units per acre
- Rezoned sites must allow development with 20 percent affordable housing **by-right**

SITES INVENTORY

Be cautious using Overlay Zones as lower-income rezone sites

- ***Martinez v. City of Clovis***
  - Both the base zone and the overlay zone must comply with the minimum density requirements (20 units/acre)
- ***New Commune DTLA LLC v. City of Redondo Beach***
  - Overlay zone cannot be used on sites where the base zoning expressly permits non-residential uses (i.e., commercial or industrial zoning)

Bottom line: You can't use an overlay zone to satisfy a rezone requirement (you can still rely on it for lower-income sites in your Housing Element inventory)

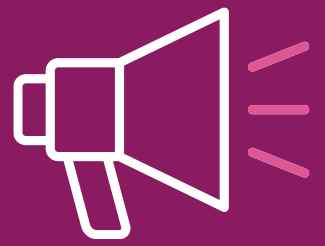
CONSTRAINTS ANALYSIS

Governmental Constraints

- Zoning/land use controls
- Fees and exactions
- Permit processing times/ procedures
- On/off-site improvement standards
- Any local policy, ordinance, or procedure that potentially impacts supply and affordability of housing

Non-Governmental Constraints

- Price of land
- Cost of construction
- Availability of financing
- Requests to develop below anticipated densities
- Time between approvals and building permit submittals

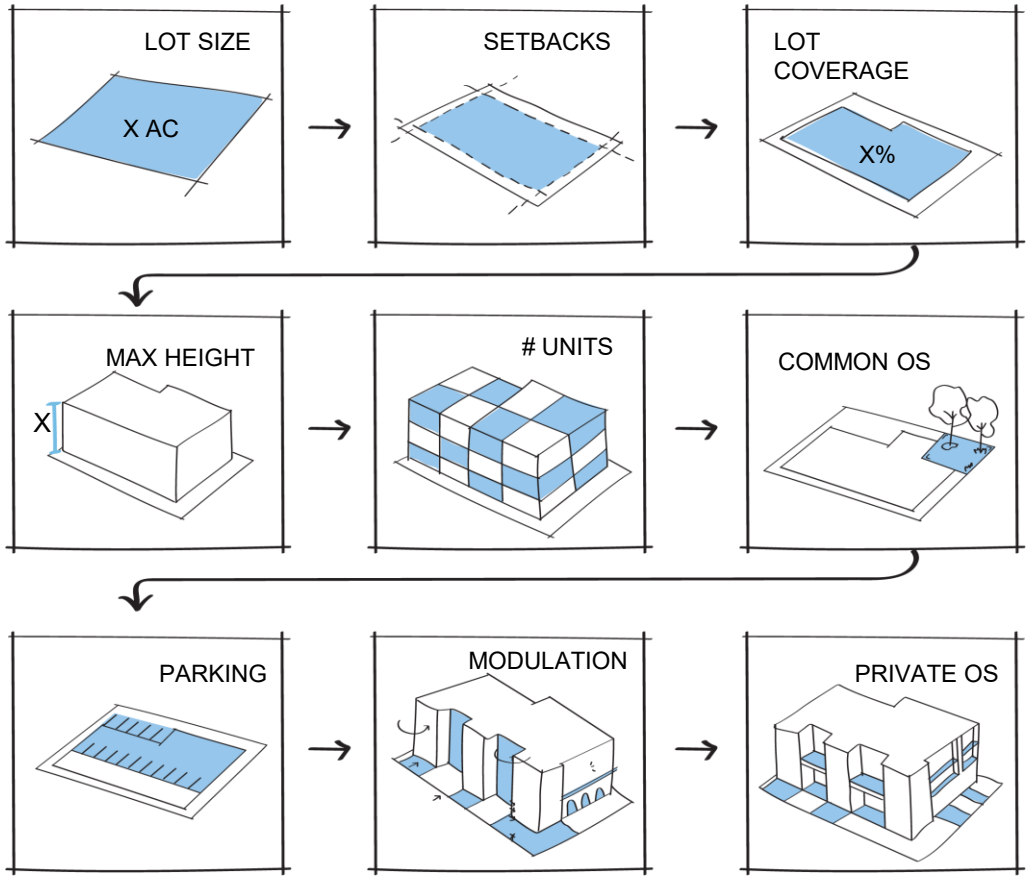


New for the 7th Cycle

- Governmental Constraints Disclosure Statement (AB 610, 2025)
- Requirement to analyze historic preservation policies (AB 3093, 2024)

CONSTRAINTS ANALYSIS

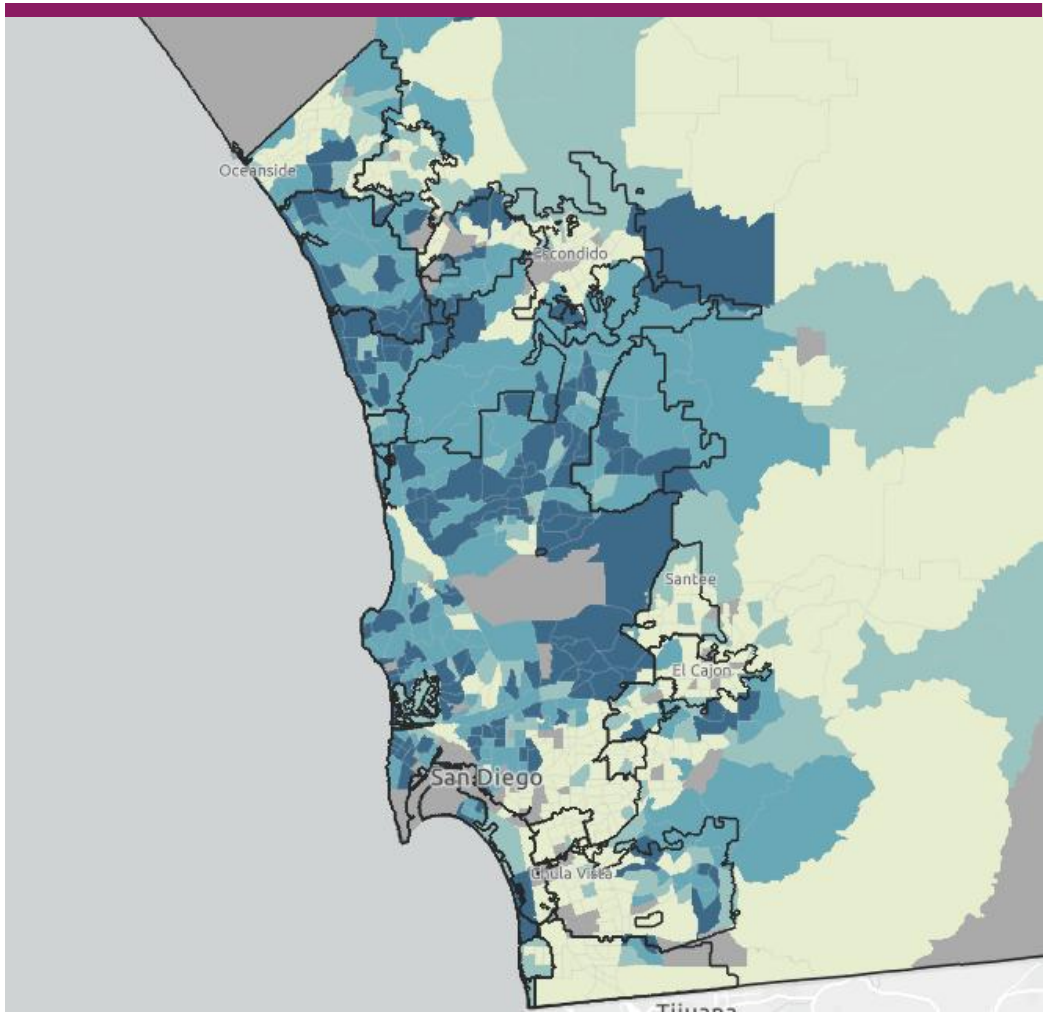
- Cumulative analysis of development standards and ability to meet densities



Development Standard	*R-2 Zone Standards*	*R-3 Zone Standards*	*R-4 Zone Standards*
Prototype Project Site Size	43,560 sq. ft. (1.0 acres)	43,560 sq. ft. (1.0 acres)	43,560 sq. ft. (1.0 acres)
Net site size w/ required setbacks	33,264 sq. ft.	36,234 sq. ft.	35,244 sq. ft.
Maximum site volume at story limit	66,528 sq. ft. (2 stories)	108,702 sq. ft. (3 stories)	140,976 sq. ft. (4 stories)
Maximum lot coverage	19,602 sq. ft. (45%)	19,602 sq. ft. (45%)	26,136 sq. ft. (60%)
Maximum permitted density	15 units	30 units	43 units
1 bedroom (900 sf)	10 units	20 units	30 units
2 bedroom (1,100 sf)	5 units	10 units	13 units
Unit square footage total	14,500 sq. ft.	29,000 sq. ft.	41,300 sq. ft.
Unit square footage per story	7,250 sq. ft.	9,667 sq. ft.	10,325 sq. ft
Parking requirement			
1-bedroom units @2 sp/unit (1 covered)	20 spaces	40 spaces	60 spaces
2-bedroom units @2 sp/unit (1 covered)	10 spaces	20 spaces	26 spaces
Total parking required	30 spaces	60 spaces	86 spaces
Square footage for surface parking @350 sq. ft./space[1]	10,500 sq. ft.	21,000 sq. ft.	30,100 sq. ft.
Open Space @260 sq. ft./unit (private and/or common)	3,900 sq. ft.	7,800 sq. ft. (including 600 sq. ft. play area)	11,180 sq. ft. (including 600 sq. ft. play area)
Total sq. ft. to accommodate project[2]	21,650 sq. ft.	38,467 sq. ft	51,605 sq. ft.
Total excess sq. ft. available[3]	+ 11,614 sq. ft.	-2,233 sq. ft.	-16,361 sq. ft.

FAIR HOUSING ANALYSIS

- Geographic analysis based on fair housing conditions within jurisdiction and region
- Draws on data, local knowledge, and community input
- Identifies fair housing issues and their contributing factors
- Establishes priorities that inform the sites inventory and Housing Element programs



HOUSING ELEMENT COMPONENTS:

FAIR HOUSING ANALYSIS



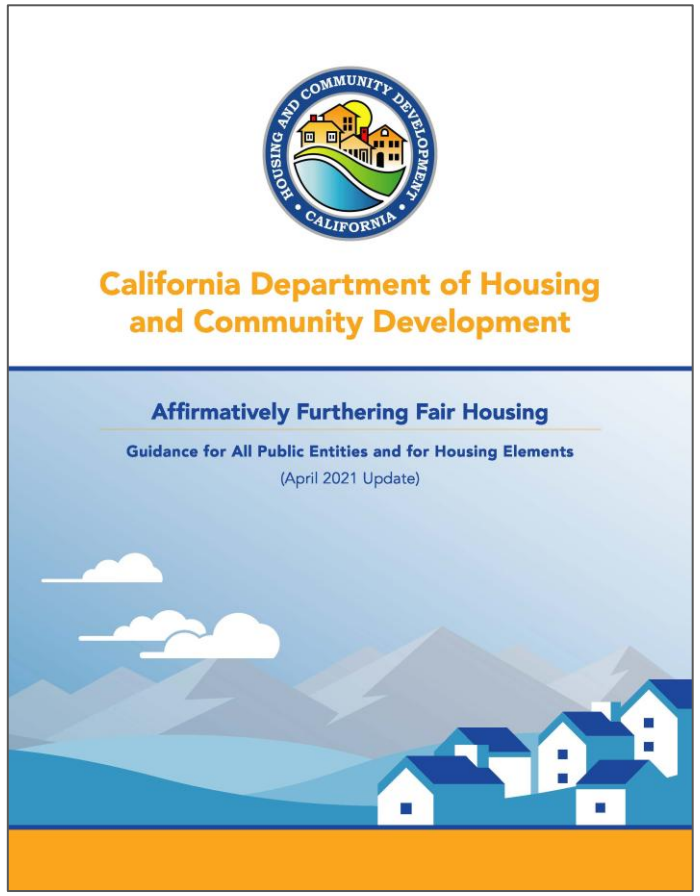
FAIR HOUSING ANALYSIS

Sites Analysis and Program Requirements

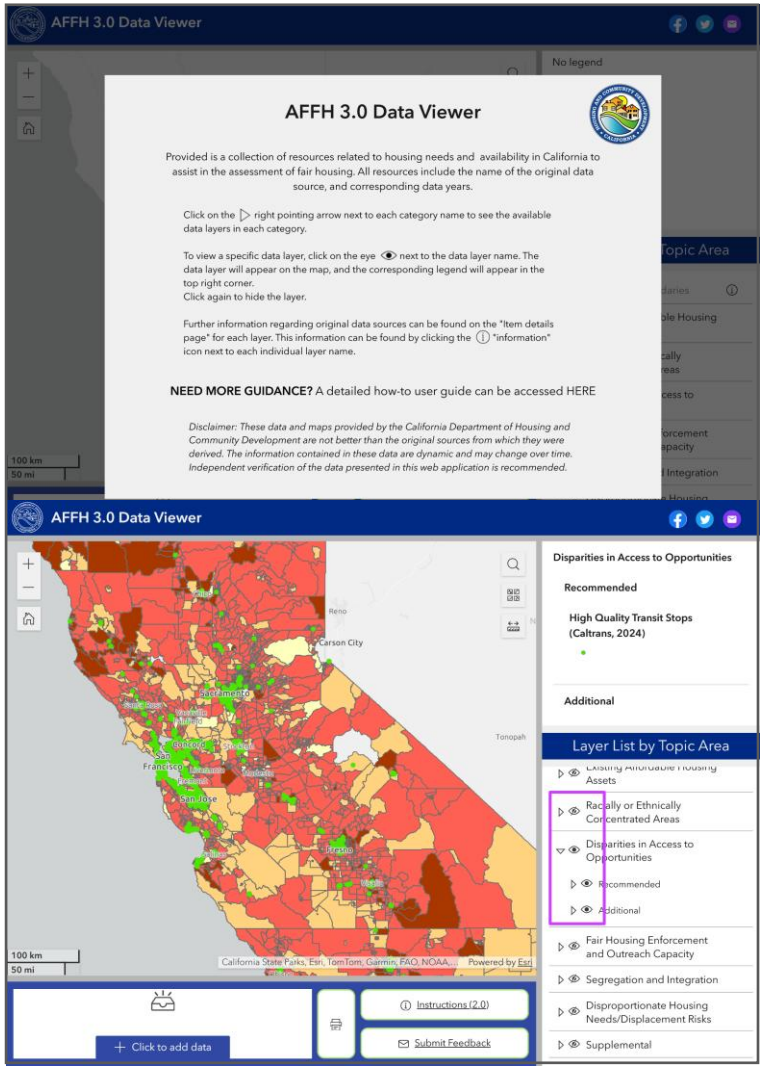
- Must analyze sites inventory to determine whether it will improve or exacerbate fair housing issues
- Must develop “significant and meaningful” AFFH programs
  - **Housing mobility -** siting lower-income capacity in Higher/Highest Resource areas to increase access to opportunity
  - **Place-based strategies –** improving quality of life in lower-resource or high-segregation/high-poverty areas
  - Programs must include specific commitments, milestones, geographic targeting, quantified objectives

FAIR HOUSING ANALYSIS

- HCD guidance and review expectations have evolved throughout the 6th cycle
- HCD Guidance Memo
- AFFH Data Viewer



Affirmatively Furthering Fair Housing: Guidance for all Public Entities and for Housing Elements (PDF), April 2021



SANDAG

EVALUATION OF PREVIOUS HOUSING ELEMENT

- Actual results/outcomes of the prior element's goals, objectives, policies, programs
  - Use APRs from the previous planning period
  - Quantify where possible (units rehabilitated, permits issued)
  - Must also describe effectiveness of addressing the housing needs of special populations



GOALS, POLICIES, AND IMPLEMENTATION

Required Program Categories

- Provide adequate sites
- Facilitate development for all income levels and special needs households
- Incentivize ADUs
- Address constraints
- Preserve units at risk of converting to market-rate
- Affirmatively further fair housing

Program Themes:

- Quantified objectives connect to APRs and HCD tracking/enforcement
- Timelines and progress
- Focus on affirmatively furthering fair housing through geographic targeting

New Laws and Requirements

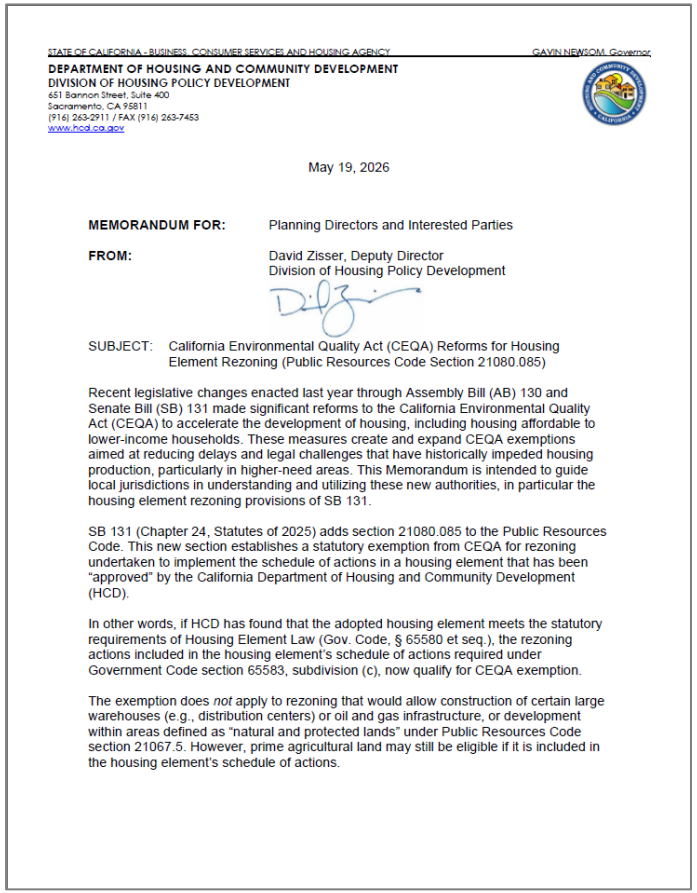
SB 79: SITES INVENTORY

- SB 79 sites may be counted toward the 7th cycle sites inventory
  - Capacity assumptions must be justified, similar to nonvacant sites
  - Evidence will need to be based on local trends, market conditions, and programmatic actions
- Examples of program actions related to SB 79
  - Outreach to property owners
  - Reduced, deferred, or waived impact fees for SB 79 projects
  - Monitoring programs with follow-up actions to ensure sites develop as anticipated
- If a jurisdiction adopts its own HCD-approved TOD alternative plan, that relationship needs to be addressed in the element



SB 131: CEQA EXEMPTION FOR REZONING

- Exempts rezoning undertaken to implement a schedule of actions in the Housing Element
  - Rezoning to meet a RHNA shortfall
  - Rezoning to AFFH
  - Rezoning to address no net loss
  - Zoning text amendments to remove barriers identified in the constraints analysis (e.g., increase height, reduce parking, allowing more housing types in single family zones)
- Can only be used after Housing Element is approved
  - Determined to be in substantial compliance or meeting statutory requirements by HCD.



STATE OF CALIFORNIA - BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY — GAVIN NEWSOM, Governor

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT
651 Bannon Street, Suite 400
Sacramento, CA 95811
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov

May 19, 2026

MEMORANDUM FOR: Planning Directors and Interested Parties

FROM: David Zisser, Deputy Director
Division of Housing Policy Development

SUBJECT: California Environmental Quality Act (CEQA) Reforms for Housing Element Rezoning (Public Resources Code Section 21080.085)

Recent legislative changes enacted last year through Assembly Bill (AB) 130 and Senate Bill (SB) 131 made significant reforms to the California Environmental Quality Act (CEQA) to accelerate the development of housing, including housing affordable to lower-income households. These measures create and expand CEQA exemptions aimed at reducing delays and legal challenges that have historically impeded housing production, particularly in higher-need areas. This Memorandum is intended to guide local jurisdictions in understanding and utilizing these new authorities, in particular the housing element rezoning provisions of SB 131.

SB 131 (Chapter 24, Statutes of 2025) adds section 21080.085 to the Public Resources Code. This new section establishes a statutory exemption from CEQA for rezoning undertaken to implement the schedule of actions in a housing element that has been "approved" by the California Department of Housing and Community Development (HCD).

In other words, if HCD has found that the adopted housing element meets the statutory requirements of Housing Element Law (Gov. Code, § 65580 et seq.), the rezoning actions included in the housing element's schedule of actions required under Government Code section 65583, subdivision (c), now qualify for CEQA exemption.

The exemption does *not* apply to rezoning that would allow construction of certain large warehouses (e.g., distribution centers) or oil and gas infrastructure, or development within areas defined as "natural and protected lands" under Public Resources Code section 21067.5. However, prime agricultural land may still be eligible if it is included in the housing element's schedule of actions.

California Environmental Quality Act (CEQA) Reforms for Housing Element Rezoning (PDF), May 19, 2026

AB 3093: NEW INCOME CATEGORIES

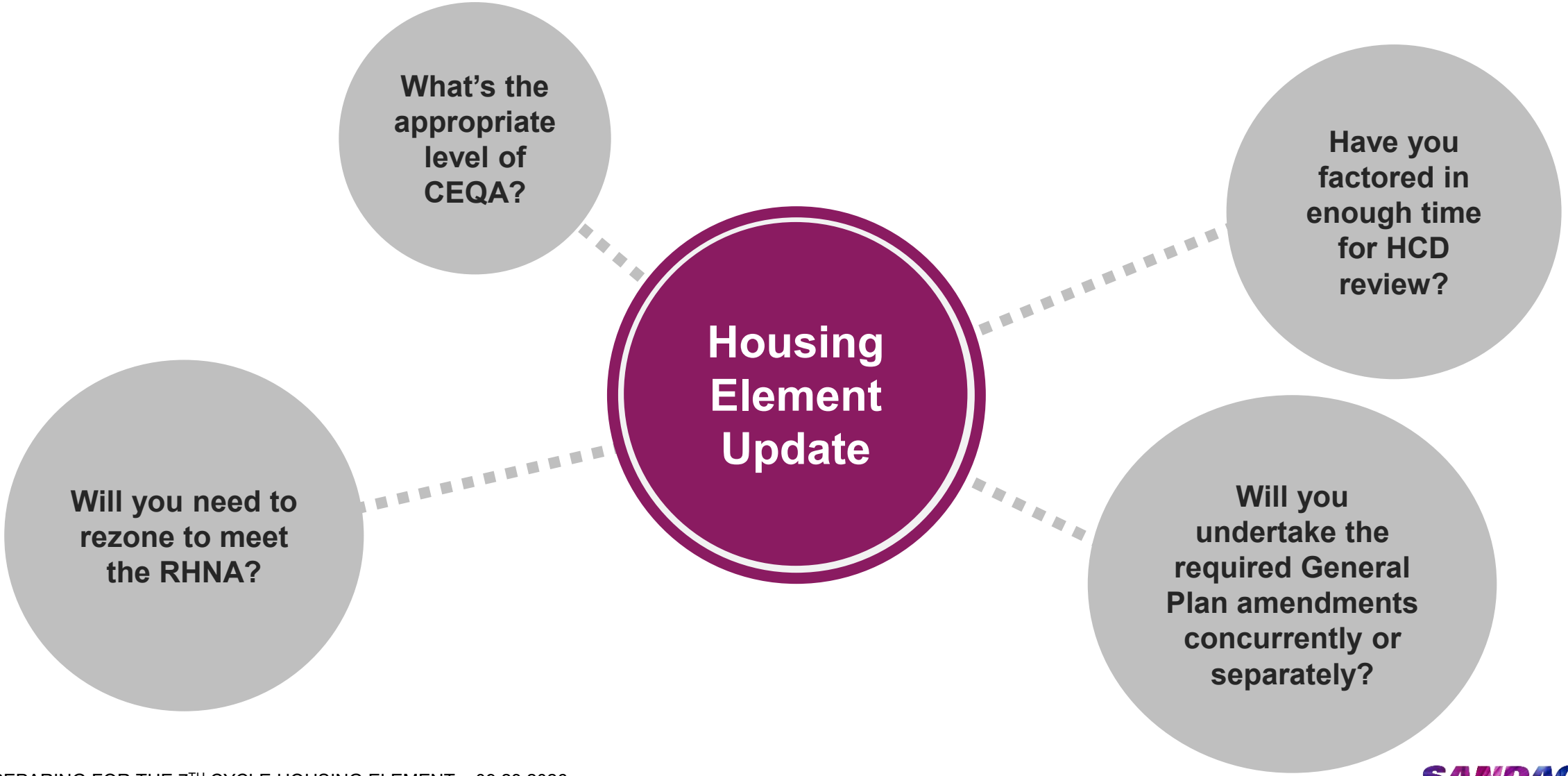
- **AB 3093 (Ward, 2024)**
  - New income categories created for RHNA/housing element purposes:
    - Extremely low-income (ELI): 15–30% of AMI
    - Acutely low-income (ALI): 0–15% of AMI
  - Previously ELI existed informally but wasn't a distinct income category
- HCD guidance forthcoming – advisory guidelines, sample analyses, and template programs for ALI/ELI due by Dec. 31, 2026

NEW LAWS – CONSTRAINTS ANALYSIS

- **Analysis of Historic designations – AB 3093 (Ward, 2024)**
  - Housing elements are required to analyze historic preservation practices and policies and assess how existing and proposed historic designations affect the ability to meet RHNA.
- **Governmental Constraints Disclosure Statement – AB 610 (Alvarez, 2025)**
  - Housing elements are required to include a governmental constraints disclosure statement that identifies new, amended, or revised constraints adopted after the previous housing element but before the current draft is submitted.

Approaching the 7th Cycle Housing Element

STRATEGY CONSIDERATIONS



HOUSING ELEMENT REZONE DEADLINES

Note: Information on this slide has been updated since the webinar.

ESTIMATED STATUTORY DEADLINE: **JUNE 15, 2031**

WITHIN 120 DAYS (October 13, 2031*)

- Submitted to HCD at least 90 days before the statutory deadline.
- Found substantially compliant by HCD before statutory deadline.
- Adopted within 120 days after the statutory deadline.

Gov. Code § 65583(c)(1)(A)(iii) and §65588(e)(4)(C)

3 years and 90 days to complete rezoning

WITHIN 1 YEAR (June 15, 2032)

Substantial compliance and adoption within 1 year.

Gov. Code § 65583(c)(1)(A)(ii)

1 year to complete rezoning

BEYOND 1 YEAR (After June 15, 2032)

Substantial compliance and adoption more than a year after the deadline.

Gov. Code § 65588(e)(4)(C)(iv)

Housing Element cannot be found in compliance until the rezoning is complete.

HCD must provide written findings that the housing element “substantially complies”.

Gov. Code § 65585(d)

** October 13, 2031 is the estimated date 120-days from June 15, 2031.*

CEQA APPROACHES



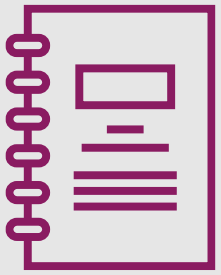
Categorical Exemption



Addendum to Existing EIR



Initial Study/ (Mitigated) Negative Declaration



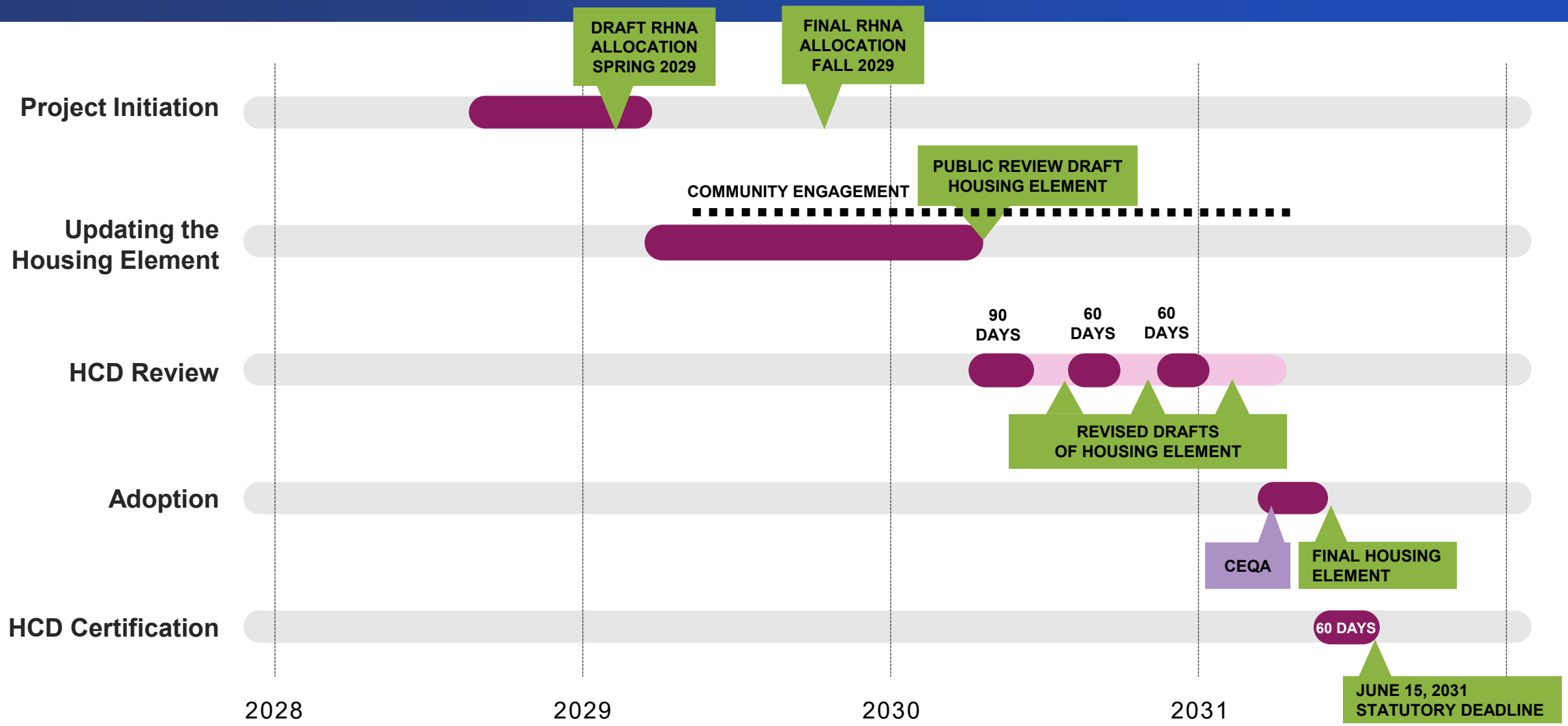
Environmental Impact Report

HCD REVIEW PROCESS

- **387 days** = Median HCD review process time during the 6th cycle (initial submission to HCD to certification)
- Median number of drafts: 3 submissions
- HCD review times:
  - 90 days initial submittal
  - 60 days each subsequent submittal



HOUSING ELEMENT PROCESS



OTHER GENERAL PLAN AMENDMENTS

- **Safety Element** [Government Code 65302(g)]
  - SB 1035 (Jackson, 2018) Safety Element update upon each revision of the Housing Element or Local Hazard Mitigation Plan, but not less than once every 8 years.
- **Environmental Justice Element** [Government Code 65302(h)]
  - SB 1000 (Leyva, 2016): Requires adoption of an environmental justice element upon the adoption or next revision of two or more elements concurrently on or after January 1, 2018.
  - ***PENDING*** AB 1457 (Bryan, 2026): Adds very specific community engagement requirements to engage disadvantaged communities in the EJ Element and adds a specific deadline of June 30, 2031.

KEY TAKEAWAYS



1

Begin early
to meet the June 15, 2031 statutory deadline and avoid rezoning consequences.



2

Anticipate higher RHNA, especially for lower-income housing.



3

Prepare for new challenges with fair housing and sites inventory.



4

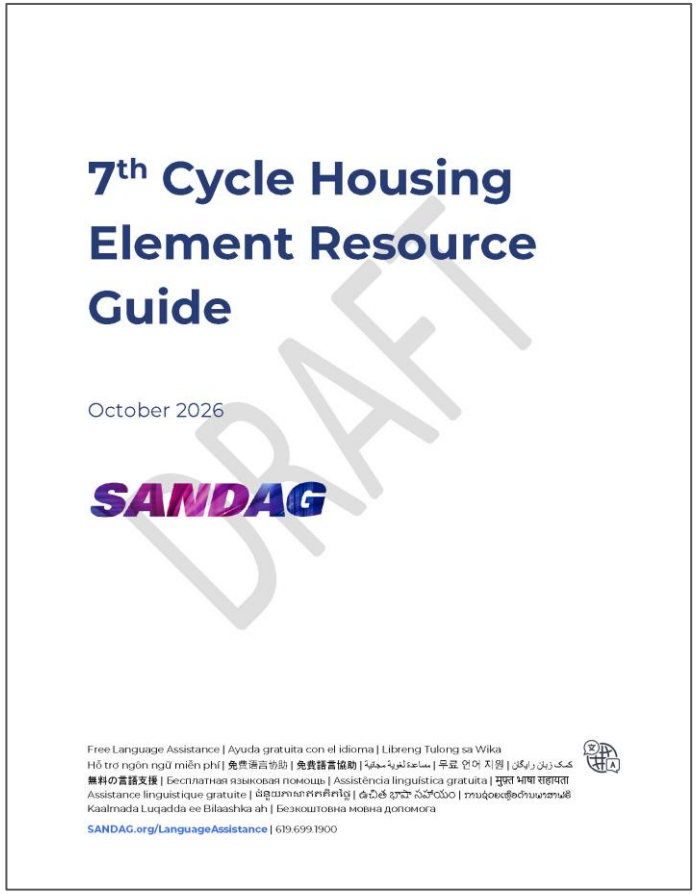
Continue implementing your 6th Cycle Housing Element programs.

Resources and Upcoming Webinars

SANDAG TECHNICAL ASSISTANCE RESOURCES

7th Cycle Housing Element Resource Guide

- Links to References and Resources
- Sample RFP
- Example Schedule
- Data Needs List



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Q+A

CONNECT WITH SANDAG'S HOUSING TEAM

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