



SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
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MEETING OF THE

LEGISLATIVE/ COMMUNICATIONS AND MEMBERSHIP COMMITTEE

***Members of the Public are Welcome to Attend
In-Person & Remotely***

***Tuesday, August 19, 2025
8:30 a.m. – 10:00 a.m.***

To Attend In-Person:

**SCAG Main Office – Policy B Meeting Room
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017**

To Attend and Participate on Your Computer:
<https://scag.zoom.us/j/84376025323>

To Attend and Participate by Phone:
**Call-in Number: 1-669-900-6833
Meeting ID: 843 7602 5323**

PUBLIC ADVISORY

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Maggie Aguilar at (213) 630-1420 or via email at aguilarm@scag.ca.gov. Agendas & Minutes are also available at: <https://scag.ca.gov/meetings-leadership>.

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation to participate in this meeting. SCAG is also committed to helping people with limited proficiency in the English language access the agency's essential public information and services. You can request such assistance by calling (213) 630-1410. We request at least 72 hours (three days) notice to provide reasonable accommodations and will make every effort to arrange for assistance as soon as possible.



Instructions for Attending the Meeting

To Attend In-Person and Provide Verbal Comments: Go to the SCAG Main Office located at 900 Wilshire Blvd., Ste. 1700, Los Angeles, CA 90017 or any of the remote locations noticed in the agenda. The meeting will take place in the Policy B Meeting Room on the 17th floor starting at 8:30 a.m.

To Attend by Computer: Click the following link: <https://scag.zoom.us/j/84376025323>. If Zoom is not already installed on your computer, click "Download & Run Zoom" on the launch page and press "Run" when prompted by your browser. If Zoom has previously been installed on your computer, please allow a few moments for the application to launch automatically. Select "Join Audio via Computer." The virtual conference room will open. If you receive a message reading, "Please wait for the host to start this meeting," simply remain in the room until the meeting begins.

To Attend by Phone: Call (669) 900-6833 to access the conference room. Given high call volumes recently experienced by Zoom, please continue dialing until you connect successfully. Enter the **Meeting ID: 843 7602 5323**, followed by #. Indicate that you are a participant by pressing # to continue. You will hear audio of the meeting in progress. Remain on the line if the meeting has not yet started.

Instructions for Participating and Public Comments

Members of the public can participate in the meeting via written or verbal comments.

1. **In Writing:** Written comments can be emailed to: ePublicComment@scag.ca.gov. Written comments received **by 5pm on Monday, August 18, 2025** will be transmitted to members of the legislative body and posted on SCAG's website prior to the meeting. You are **not** required to submit public comments in writing or in advance of the meeting; this option is offered as a convenience should you desire not to provide comments in real time as described below. Written comments received after 5pm on **Monday, August 18, 2025** will be announced and included as part of the official record of the meeting. Any writings or documents provided to a majority of this committee regarding any item on this agenda (other than writings legally exempt from public disclosure) are available at the Office of the Clerk, at 900 Wilshire Blvd., Suite 1700, Los Angeles, CA 90017 or by phone at (213) 630-1420, or email to aguilarm@scag.ca.gov.
2. **Remotely:** If participating in real time via Zoom or phone, please wait for the presiding officer to call the item for which you wish to speak and use the "raise hand" function on your computer or *9 by phone and wait for SCAG staff to announce your name/phone number.
3. **In-Person:** If participating in-person, you are invited but not required, to fill out and present a Public Comment Card to the Clerk of the Board or other SCAG staff prior to speaking. It is helpful to indicate whether you wish to speak during the Public Comment Period (Matters Not on the Agenda) and/or on an item listed on the agenda.

General Information for Public Comments

Verbal comments can be presented in real time during the meeting. Members of the public are allowed a total of 3 minutes for verbal comments. The presiding officer retains discretion to adjust time limits as necessary to ensure efficient and orderly conduct of the meeting, including equally reducing the time of all comments.

For purpose of providing public comment for items listed on the Consent Calendar, please indicate that you wish to speak when the Consent Calendar is called. Items listed on the Consent Calendar will be acted on with one motion and there will be no separate discussion of these items unless a member of the legislative body so requests, in which event, the item will be considered separately.

In accordance with SCAG's Regional Council Policy, Article VI, Section H and California Government Code Section 54957.9, if a SCAG meeting is "willfully interrupted" and the "orderly conduct of the meeting" becomes unfeasible, the presiding officer or the Chair of the legislative body may order the removal of the individuals who are disrupting the meeting.



LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE MEETING AGENDA

TELECONFERENCE AVAILABLE AT THESE ADDITIONAL LOCATIONS

Cindy Allen City of Long Beach - City Hall 411 W. Ocean Blvd., 11 th Floor Long Beach, CA 90802	Wendy Bucknum Murrow Development Consultants 16800 Aston Suite 200 Irvine, CA 92606	Ulises Cabrera City of Moreno Valley – City Hall Conference Room D 14177 Frederick Street Moreno Valley, CA 92553
Jenny Crosswhite City of Santa Paula - City Hall 970 E. Ventura Street Santa Paula, CA 93060	Margaret Finlay Dom Pracy Twórczej REYMONTÓWKA Chlewiska 22 08-130 Kotuń, Polska	Curt Hagman Government Center 385 N. Arrowhead Ave. San Bernardino, CA 92415
Jan Harnik City of Palm Desert - City Hall 73-510 Fred Waring Drive Palm Desert, CA 92260	Mark E. Henderson City of Gardena Management Information Center 1700 W. 162nd Street Gardena, CA 90247	Laura Hernandez City of Port Hueneme - City Hall 250 N. Ventura Road Port Hueneme, CA 93041
Fred Jung City of Fullerton - City Hall 303 W. Commonwealth Avenue Fullerton, CA 92832	Ray Marquez 15922 Old Carbon Road Chino Hills, CA 91709	Gil Rebollar SCAG Imperial County Regional Office 1503 N. Imperial Ave. Suite 104 El Centro, CA 92243
Suely Saro City of Long Beach - City Hall 411 W. Ocean Boulevard Floor 2 - The Beach Room Long Beach, CA 90802	David Shapiro City of Calabasas - City Hall 100 Civic Center Way Calabasas, CA 91302	Donald Wagner County Administration North 400 West Civic Center Drive, 6th Floor Conference Room 601 A Santa Ana, CA 92701
Alan Wapner City of Ontario – City Hall Conference Room 1 303 East B Street Ontario, CA 91764	Thomas Wong City of Monterey Park – City Hall 320 West Newmark Avenue Monterey Park, CA 91754	

* Under the teleconferencing rules of the Brown Act, members of the body may remotely participate at any location specified above.



LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE AGENDA

LCMC - Legislative/Communications and Membership Committee *Members – August 2025*

1. **Hon. Patricia Lock Dawson**
LCMC Chair, Riverside, RC District 68
2. **Hon. Margaret Finlay**
LCMC Vice Chair, Duarte, RC District 35
3. **Hon. Cindy Allen**
Long Beach, RC District 30
4. **Hon. Wendy Bucknum**
Mission Viejo, RC District 13
5. **Hon. Ulises Cabrera**
Moreno Valley, RC District 69
6. **Hon. Jenny Crosswhite**
Santa Paula, RC District 47
7. **Sup. Curt Hagman**
San Bernardino County
8. **Hon. Jan C. Harnik**
RCTC Representative
9. **Hon. Mark Henderson**
Gardena, RC District 28
10. **Hon. Laura Hernandez**
Port Hueneme, RC District 45
11. **Hon. Fred Jung**
Fullerton, RC District 21
12. **Hon. Ray Marquez**
Chino Hills, RC District 10
13. **Hon. Gil Rebollar**
Brawley, RC District 1
14. **Hon. Suely Saro**
Long Beach, RC District 29
15. **Hon. David J. Shapiro**
Calabasas, RC District 44
16. **Sup. Donald Wagner**
Orange County



LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE AGENDA

- 17. Hon. Alan Wapner**
SBCTA Representative
- 18. Hon. Thomas Wong**
Monterey Park, RC District 34



LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE AGENDA

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700 – Policy B Room
Los Angeles, CA 90017
Tuesday, August 19, 2025
8:30 AM

The Legislative/Communications and Membership Committee may consider and act upon any of the items listed on the agenda regardless of whether they are listed as information or action items.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

(Chair Appointee)

PRESENTATION

(Rebecca Higgins, Vice President of Policy, Eno Center for Transportation – Surface Transportation Reauthorization Update)

PUBLIC COMMENT PERIOD (Matters Not on the Agenda)

This is the time for public comments on any matter of interest within SCAG's jurisdiction that is **not** listed on the agenda. For items listed on the agenda, public comments will be received when that item is considered. Although the committee may briefly respond to statements or questions, under state law, matters presented under this item cannot be discussed or acted upon at this time.

REVIEW AND PRIORITIZE AGENDA ITEMS

CONSENT CALENDAR

Approval Items

- | | |
|---|---------|
| 1. Minutes of the Meeting – June 17, 2025 | PPG. 7 |
| 2. SCAG Memberships and Sponsorships | PPG. 15 |

Receive and File

- | | |
|--|---------|
| 3. Legislative Tracking Report | PPG. 17 |
| 4. August 2025 Legislative Advocacy Update | PPG. 19 |



LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE AGENDA

INFORMATION ITEMS

- 5. Federal Reconciliation and Appropriations Update PPG. 43
(Francisco Barajas, Sr. Legislative Affairs Analyst, SCAG; Holland & Knight)
- 6. 2025-2026 State Legislative Update PPG. 60
(Francisco Barajas, Sr. Legislative Affairs Analyst, SCAG)
- 7. AB 1275 (Elhawary) – Regional housing needs: regional transportation plans - Update PPG. 82
(Francisco Barajas, Sr. Legislative Affairs Analyst, SCAG)

POLICY AND PUBLIC AFFAIRS DIVISION UPDATE

(Javiera Cartagena, Chief Government and Public Affairs Officer)

FUTURE AGENDA ITEMS

ANNOUNCEMENTS

ADJOURNMENT



AGENDA ITEM 1

REPORT

Southern California Association of Governments
August 19, 2025

LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE (LCMC)
MINUTES OF THE MEETING
TUESDAY, JUNE 17, 2025

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE (LCMC). A DIGITAL RECORDING OF THE MEETING IS AVAILABLE AT: <http://scag.igam2.com/Citizens/>.

The Legislative/Communications and Membership Committee (LCMC) of the Southern California Association of Governments (SCAG) held its regular meeting both in person and virtually (telephonically and electronically). A quorum was present.

MEMBERS PRESENT

Patricia Lock Dawson (Chair)

Wendy Bucknum
Ulises Cabrera
Jenny Crosswhite

Margaret Finlay (Vice Chair)

Curt Hagman
Jan Harnik
Mark Henderson
Laura Hernandez
Fred Jung
Ray Marquez
Suely Saro
David J. Shapiro
Donald Wagner
Thomas Wong

Riverside

Mission Viejo
Moreno Valley
Santa Paula
Duarte

Gardena
Port of Hueneme
Fullerton
Chino Hills
Long Beach
Calabasas

Monterey Park

District 68

District 13
District 69
District 47
District 35
San Bernardino County
RCTC
District 28
District 45
District 21
District 10
District 29
District 44
Orange County
District 34

MEMBERS NOT PRESENT

Cindy Allen
Gil Rebolgar
Alan Wapner

Long Beach
Brawley

District 30
District 1
SBCTA

CALL TO ORDER

Chair Patricia Lock Dawson called the meeting to order at 8:32 a.m. and called upon Hon. Mark Henderson, Gardena, District 28, to lead the Pledge of Allegiance. Staff confirmed that a quorum was present.

PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS

Chair Lock Dawson opened the Public Comment Period for items not listed on the agenda and outlined the instructions for public comments. She noted that this was the time for members of the public to comment on any matter pertinent to SCAG's jurisdiction not listed on the agenda.

SCAG staff confirmed that no public comments were submitted via email to ePublicComment@scag.ca.gov or any raised hands. Seeing and hearing no public comment speakers, Chair Lock Dawson closed the Public Comment Period.

REVIEW AND PRIORITIZE AGENDA ITEM

There were no prioritized agenda items.

CONSENT CALENDAR

Approval Item

1. Minutes of the Meeting – May 13, 2025
2. SCAG Memberships & Sponsorships

Receive and File

3. Legislative Tracking Report
4. 2025 Regional Conference & General Assembly Post-Event Recap

There were no public comments for the Consent Calendar.

Chair Lock Dawson opened the floor to the committee members for questions or comments.

There were no comments for the Consent Calendar.

A MOTION was made (Finlay) to approve Consent Calendar Items 1 through 4. The MOTION was SECONDED (Shapiro) and APPROVED by a majority roll call vote as follows:

AYES: Bucknum, Cabrera, Crosswhite, Finlay, Hagman, Harnik, Henderson, Hernandez, Jung, Lock Dawson, Marquez, Saro, Shapiro, Wagner and Wong (15)

NOES: None (0)

ABSTAINS: None (0)

INFORMATION ITEMS

5. June 2025 Advocacy Update

There were no public comments for Item No. 5.

Mr. David Angel, Senior Legislative Affairs Analyst, shared highlights related to state and federal advocacy efforts. SCAG provided over 80 support letters to member jurisdictions to assist them in obtaining state and federal funding for their grant applications. Mr. Angel noted that some of the top programs for which SCAG received requests included the Caltrans Sustainable Transportation Planning (CSTP), Affordable Housing and Sustainable Communities (AHSC), Better Utilizing Investments to Leverage Development (BUILD), and Safe Streets for All (SS4A).

Next, Mr. Angel provided an update on the Homeless Housing, Assistance, and Prevention (HHAP) Budget Advocacy Letter, stating that the Big City Mayor submitted a budget request of \$1 billion for HHAP to legislative leadership. He also discussed SCAG's positions on various bills, noting that SCAG has adopted positions on 22 bills this year, including 18 support positions. Of these, 15 bills met the House of Origin deadline and are continuing through the legislative process. The three bills that did not meet the deadline are now considered two-year bills since they were introduced during the first year of the state's two-year legislative session, and they can be reconsidered beginning in January 2026. Additionally, Mr. Angel mentioned that the bills opposed by SCAG also passed, and SCAG will continue to monitor those.

Lastly, Mr. Angel provided an update on the 2025 DC Advocacy Trip, during which a small delegation of SCAG board members and staff traveled to Washington, DC, to advocate for agency priorities. During the trip, SCAG met with 18 members of Congress to discuss its priorities.

Chair Lock Dawson opened the floor to the committee members for questions or comments.

Committee members raised questions regarding the advocacy trip and recently passed bills, which were addressed by SCAG Executive Director Kome Ajise.

6. June 2025 State Budget Update

There were no public comments for Item No. 6.

Mr. Francisco Barajas, Senior Legislative Affairs Analyst, informed the committee that the Senate and Assembly had reached an agreement on a budget plan earlier that week, which was introduced as SB 101. With the constitutional deadline set for Sunday, June 15, the Legislature acted promptly and passed the budget on Friday, June 13.

Steve Cruz and Nick Romo from Cruz Strategies joined the meeting to provide further insights. Nick Romo explained that the Governor's May Revise aimed to close a \$12 billion deficit through significant cuts to healthcare, transit, and homelessness programs. In response, the Legislature pushed back, restoring funding in key areas, including \$110 million for the implementation of Proposition 36, \$500 million for low-income housing tax credits, and \$300 million for first-time homebuyers. While homelessness programs, such as the HHAP program, remain unfunded for FY 2024–25, \$500 million was allocated for the following year. Additionally, Mr. Romo noted that CEQA reform bills were included in a budget trailer bill, and \$1 billion in borrowing was authorized to support wildfire recovery efforts in Los Angeles County.

Steve Cruz also shared that the Senate Democratic Caucus elected Senator Monique Limón as the next Senate President pro Tempore the previous Monday.

Chair Lock Dawson opened the floor to the committee members for questions or comments.

There were no comments for item number 6.

7. Upcoming Major Events – State & Federal Advocacy Update

There were no public comments for Item No. 7.

Mr. Francisco Barajas, Senior Legislative Affairs Analyst, informed the committee that the SCAG region is preparing to host several major global events, including the 2026 FIFA World Cup and the 2028 Olympic and Paralympic Games. In response, state and federal leaders have begun planning for the necessary infrastructure, transportation, and public safety needs.

To address these areas, the California Assembly and Senate have formed special committees focused on related legislation. There was progress in advancing bills aimed at expanding access to youth sports and integrating transit with event ticketing.

Multiple budget requests have been made, including \$100 million for World Cup preparations, \$2 billion for public transit, and funding for a dedicated Olympic Games Route Network. At the federal

level, proposed funding includes \$625 million for the World Cup and \$1 billion for the Olympics, in addition to the establishment of federal task forces to coordinate security efforts.

Chair Lock Dawson opened the floor to the committee members for questions or comments.

Hon. Bucknum, Mission Viejo, District 13, raised the topic of AB 1445, a bill on downtown revitalization and economic recovery financing districts, noting that Mission Viejo had expressed interest while asking if the committee should consider weighing in. Chair Lock Dawson acknowledged that the Big City Mayors had already supported similar legislation by Assemblymember Haney and suggested reviewing their letter as a basis for the committee's potential support.

ACTION ITEM

8. S. 1218 (Cantwell & Moran) – Transportation Assistance for Olympic and World Cup Cities Act of 2025

There were no public comments for Item No. 8.

Francisco Barajas presented Senate Bill 1218, known as the Transportation Assistance for Olympic and World Cup Cities Act of 2025. This bill was introduced by Senators Maria Cantwell and Jerry Moran. It proposes allocating up to \$50 million annually in federal funding to support transportation projects within 100 miles of the host cities for the 2026 FIFA World Cup, the 2028 Summer Olympic and Paralympic Games, and the 2034 Winter Olympics.

Mr. Barajas noted that eligible recipients for this funding would include states, tribes, local governments, port authorities, and transit agencies. The funding would be utilized for various projects, such as road improvements, transit expansions, bike lanes, airport upgrades, and more. Additionally, the bill mandated that the Department of Commerce conduct a study on the economic impact of hosting these events.

Given SCAG's previous support for a similar bill (H.R. 7462), staff recommended adopting a supportive position on SB 1218.

Chair Lock Dawson opened the floor to the committee members for questions or comments.

Hon. Wagner, Orange County, asked whether the bill's focus on "cities" also included counties and regional entities like Metrolink and local transportation authorities, or if an amendment might be needed. Mr. Barajas clarified that the bill covered units of local government, including counties and transit agencies. He explained that the \$50 million annual funding would be allocated roughly \$10

million to each host city, with the Metropolitan Planning Organization responsible for distributing funds based on project needs.

A MOTION was made (Wagner) to approve Item No. 8. The MOTION was SECONDED (Bucknum) and APPROVED by a majority roll call vote as follows:

AYES: Bucknum, Cabrera, Crosswhite, Finlay, Hagman, Harnik, Henderson, Hernandez, Jung, Lock Dawson, Marquez, Saro, Shapiro, Wagner and Wong (15)

NOES: None (0)

ABSTAINS: None (0)

POLICY AND PUBLIC AFFAIRS DIVISION UPDATE

There were no public comments on division updates.

Ms. Javiera Cartagena, Chief Government and Public Affairs Officer, provided a report on the 2025 Regional Conference and General Assembly. She noted that it had been one of the best events in recent years. Ms. Cartagena noted that there was a significant increase in both registration and attendance over the past three years, with 944 individuals registering and 864 attending this year, resulting in a 92% attendance rate compared to 81% in 2023. Post-event surveys indicated high levels of satisfaction, and planning for next year's events is already underway. Ms. Cartagena also mentioned that SCAG attended the National Association of Regional Councils (NARC) Annual Conference in Seattle, where staff and officials shared best practices. She congratulated Committee Member Alan Wapner on his reelection to the NARC Board of Directors, where he represents all of California.

FUTURE AGENDA ITEMS

None.

ANNOUNCEMENTS

None.

ADJOURNMENT

There being no further business, Chair Lock Dawson adjourned the Legislative/Communications and Membership Committee meeting at 9:23 a.m.

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE LEGISLATIVE/COMMUNICATIONS AND
MEMBERSHIP COMMITTEE]

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Legislative / Communications and Membership Committee

2025-2026																Total Mtgs Attended YTD	
MEMBERS		Representing	MAY	JUN	JUL (Dark)	AUG	SEP	OCT	NOV	DEC (Dark)	JAN	FEB	MAR	APR	MAY		
1	Allen, Cindy	Long Beach, RC District 30	1	0	D					D						1	
2	Bucknum, Wendy	Mission Viejo, RC District 13	1	1													2
3	Cabrera, Ulises	Moreno Valley, RC District 69	1	1													2
4	Crosswhite, Jenny	Santa Paula, RC District 47	1	1													2
5	Finlay, Margaret (Vice Chair)	Duarte, RC District 35	0	1													1
6	Hagman, Curt	San Bernardino County	1	1	A					A						2	
7	Harnik, Jan C.	RCTC	1	1													2
8	Henderson, Mark	Gardena, RC District 28	1	1													2
9	Hernandez, Laura	Port Hueneme, RC District 45	1	1													2
10	Jung, Fred	Fullerton, RC District 21	1	1													2
11	Lock Dawson, Patricia (Chair)	Riverside, RC District 68	1	1	R					R						2	
12	Marquez, Ray	Chino Hills, RC District 10	1	1													2
13	Rebollar, Gil	Brawley, RC District 1	1	0													1
14	Saro, Suely	Long Beach, RC District 29	1	1													2
15	Shapiro, David J.	Calabasas, RC District 44	1	1													2
16	Wagner, Donald P.	Orange County	0	1	K					K						1	
17	Wapner, Alan	SBCTA	1	0													1
18	Wong, Thomas	Monterey Park, District 34	1	1													2



AGENDA ITEM 2

REPORT

Southern California Association of Governments
August 19, 2025

To: Legislative/Communications and Membership Committee (LCMC)

**EXECUTIVE DIRECTOR'S
APPROVAL**

From: David Angel, Senior Legislative Affairs Analyst
(213) 630-1422, angel@scag.ca.gov

Subject: SCAG Memberships and Sponsorships

Kome Ajise

RECOMMENDED ACTION:

Approve up to \$7,500 to sponsor 1) CoMotion LA '25.

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

EXECUTIVE SUMMARY:

The Legislative/Communications and Membership Committee (LCMC) is asked to approve up to \$7,500 to sponsor 1) CoMotion LA '25.

BACKGROUND:

Item 1: CoMotion LA '25

Type: Sponsorship **Amount:** \$7,500

The CoMotion LA '25 Conference will be held from November 12-13, 2025, in the heart of the Arts District at the Japanese American National Museum. The event will bring together key public and private stakeholders shaping the future of mobility to emerge with new policy and innovation mandates for a more connected, innovative, and sustainable urban future by discussing the future of cities and the vehicles and systems that power them. CoMotion will offer a curated two-day conference full of immersive and interactive talks, pitches, demos, and workshops to find a path forward for cities and mobility systems.

CoMotion LA is the leading global conference and expo focused on New Mobility. It is an initiative of the NewCities Foundation, the Montreal-based nonprofit institution dedicated to improving the quality of life and work in 21st-century cities worldwide. CoMotion LA has the support of LA Mayor Eric Garcetti, the Los Angeles County Metropolitan Transportation Authority (Metro), the International Organization for Public Transport Authorities (UITP), and other leading city, state, national, and international organizations, both public and private. Over a thousand international leaders, including mayors, policymakers, CEOs, leading researchers, innovators, nonprofit, and civil

society leaders, will gather to discuss key themes, including reimagining infrastructure, designing seamless journeys, connecting communities, and powering sustainable mobility. Speakers for last year's conference include SCAG President Cindy Allen, SCAG Executive Director Kome Ajise, ITS America CEO Laura Chace, LADOT General Manager Laura Rubio-Cornejo, and other top officials across the public, private, and nonprofit sectors.

SCAG sponsored this event from 2017 to 2019 and from 2022 to 2024. The feedback was very positive due to the integration of the agency's *GoHuman* campaign. SCAG staff recommends sponsorship of this event of \$7,500, which is a reduced cost of \$2,500 relative to 2024, but will provide SCAG with the same benefits as last year, including the following:

- SCAG to be branded as a CoMotion LA '25 Partner, which includes branding on websites, print, marketing materials, social media channels, and on-site signage;
- SCAG Executive Director or President invited to speak on a CoMotion Panel at the conference (whether virtual or in-person);
- Ten (10) admission passes for senior SCAG executives and leadership and/or clients to the event;
- List of CoMotion LA '24 participants;
- Opportunity to share SCAG content on the CoMotion LA newsletter; and
- Exhibitor Space.

FISCAL IMPACT:

\$7,500 to sponsor CoMotion LA '25 is included in the approved FY 2025-26 Indirect Cost budget.



AGENDA ITEM 3 REPORT

Southern California Association of Governments
August 19, 2025

To: Legislative/Communications and Membership Committee (LCMC)

**EXECUTIVE DIRECTOR'S
APPROVAL**

From: David Angel, Senior Legislative Affairs Analyst
(213) 630-1422, angel@scag.ca.gov

Subject: Legislative Tracking Report

Kome Ajise

RECOMMENDED ACTION:

Receive and File.

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

EXECUTIVE SUMMARY:

The Legislative Tracking Report is provided to keep the Legislative/Communications and Membership Committee (LCMC) apprised of the bills in Sacramento that have a nexus to the Regional Council's adopted Legislative Platform. This report also contains an update on key legislative deadlines.

BACKGROUND:

SCAG's Legislative Tracking Report serves as a resource for the Committee to remain informed on bills moving through the legislative process in Sacramento. The report tracks 474 measures with a nexus to the Regional Council's adopted 2025-26 State and Federal Legislative Platform. SCAG's State Bill Tracking document, containing information on all 474 measures, can be found at www.scag.ca.gov/legislation, under the "Legislative Tracking" tab.

Looking forward to the next few weeks, the Legislature will work to act on any remaining bills after reconvening from Summer Recess on August 18, 2025. Policy committees may no longer meet to report bills, and the appropriations committees have until the end of August to consider bills. In September, the Legislature will conduct floor sessions to finalize bills, with the deadline to amend bills on September 5, 2025. The last day for the Legislature to pass bills will be on September 12, 2025, after which the body will adjourn for its interim recess until January 2026. Finally, the last day for the Governor to sign or veto bills that the Legislature passed before the September 12, 2025, deadline is October 12, 2025.

As the Session nears its end for the year, staff will continue to provide updates on the most relevant bills to SCAG, as well as an end-of-session report detailing final legislative outcomes.

Date	Deadline
July 18, 2025	Last day for policy committees to meet and report bills. Summer Recess begins upon adjournment of session, provided the Budget Bill has been passed.
August 18, 2025	Legislature reconvenes from Summer Recess.
August 29, 2025	Last day for fiscal committees to meet and report bills.
September 2-12, 2025	Floor Session Only. No committees, other than conference or Rules committees, may meet for any purpose.
September 5, 2025	Last day to amend bills on the floor.
September 12, 2025	Last day for each house to pass bills. Interim recess until January 2026 begins upon adjournment.
October 12, 2025	Last day for Governor to sign or veto bills.

FISCAL IMPACT:

Work associated with the Legislative Tracking staff report is contained in the Indirect Cost budget, Legislation 810-0120.10.



AGENDA ITEM 4

REPORT

Southern California Association of Governments
August 19, 2025

To: Legislative/Communications and Membership Committee (LCMC)

**EXECUTIVE DIRECTOR'S
APPROVAL**

From: David Angel, Senior Legislative Affairs Analyst
(213) 630-1422, angel@scag.ca.gov

Subject: August 2025 Legislative Advocacy Update

Kome Ajise

RECOMMENDED ACTION:

Receive and file.

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

EXECUTIVE SUMMARY:

This report provides the Legislative/ Communications and Membership Committee (LCMC) with an update on recent legislative advocacy efforts conducted by SCAG and some of our partners organizations, including advocacy letters detailing SCAG priorities regarding the reauthorization of the Cap-and-Trade program, an update on letters submitted to committees in support of SCAG-supported legislation, advocacy on agency priorities related to the federal Surface Transportation Reauthorization, and an update on SCAG's support letters program.

BACKGROUND:

STATE

Cap-and-Trade Advocacy Letters

On June 14, 2025, SCAG distributed a letter containing the agency's Cap-and-Trade priorities to Governor Gavin Newsom, Senate Pro Tempore Mike McGuire, and Assembly Speaker Robert Rivas. The Governor has proposed renaming Cap-and-Trade to Cap-and-Invest and extending the program, which is set to expire in 2030, for 10 to 15 years. Additionally, the Governor is proposing reworking the program, including reserving \$1.5 billion for the California Department of Forestry and Fire Protection (CalFIRE) and \$1 billion for the High-Speed Rail (HSR) projects annually. However, these are simply the Governor's proposals, and he has indicated that negotiations with the Legislature will be necessary to create a final spending plan for the program. In recent years, the Cap-and-Trade program has generated between \$3 billion and \$4.3 billion annually, according to the Legislative Analyst's Office (LAO). If this trend continues, around \$500 million to \$1 billion in funding would

remain to allocate to other programs, assuming the Governor's CalFIRE and HSR proposals are included in the final spending plan. We anticipate that the Legislature and Governor may move to extend and rename the Cap-and-Trade program as a standalone item while they continue to negotiate on the new spending plan. Negotiations are likely to continue until the final day of the Legislative Session on September 12, 2025.

To ensure SCAG's voice is heard during negotiations on the Cap-and-Trade extension and spending plan, we collaborated with our regional partners to identify the top five priorities for the region. SCAG's letter focuses on the following priorities: (1) Leverage the Sustainable Communities Strategies to target Cap-and-Invest dollars better, (2) Establish a permanent Regional Early Action Planning grant program, (3) Prioritize funding to reduce greenhouse gas (GHG) emissions in communities most impacted by pollutants, (4) Provide funding for the Active Transportation Program (ATP), (5) Maintain funding for critical programs previously included in Cap-and-Trade, including the Affordable Housing and Sustainable Communities (AHSC) Program, Transit and Intercity Rail Capital Program (TIRCP), Low Carbon Transit Operations Program (LCTOP), and the Zero-Emission Transit Capital Program (ZETCP).

In addition to drafting our letter, SCAG also co-authored an additional letter to Legislative leadership on the four largest California Metropolitan Planning Organizations' (Big 4's) Cap-and-Trade priorities. The Big 4 includes SCAG, the Metropolitan Transportation Commission/Association of Bay Area Governments (MTC/ABAG), San Diego Association of Governments (SANDAG), and Sacramento Area Council of Governments (SACOG). Like SCAG's letter, the Big 4's letter calls for the Cap-and-Trade spending plan to include additional funding for REAP, as well as maintaining funding for critical programs previously included in Cap-and-Trade, including AHSC, TIRCP, and LCTOP. In addition, the Big 4's letter also requests that additional funding for infill projects be included in the spending plan and highlights that Metropolitan Planning Organizations are well-positioned to identify the best investments to reduce GHG emissions to meet the state's bold reduction goals. Both SCAG and the Big 4's letters are attached to this report.

SCAG's Most Recent Bill Positions

Since January 2025, the Regional Council has adopted 24 bill positions forwarded by the LCMC. As a follow-up to the adopted bill positions, staff have drafted 52 letters addressed to the authors and the Chairs of the Committees in which these bills were heard to express our support or opposition. Most of the bills the agency has supported are pending hearings in the second house's appropriations committee, with a few being held until next year as two-year bills. However, two SCAG-supported California Environmental Quality Act (CEQA) reform bills, Senate Bill (SB) 607 and Assembly Bill (AB) 609 (Wicks), were signed into law as they were included in housing-related budget trailer bills. One SCAG-opposed bill, SB 681 (Wahab), as well as another bill which the agency was watching, AB 1244 (Elhawary), were also signed into law as part of the housing-related budget trailer bill package. The latest bill position tracker is attached to the State Budget and

Legislative Update report and can also be found on the SCAG website at www.scag.ca.gov/legislation, on the “Bill Position Tracker” tab.

A summary of the agency’s bill positions, along with the latest status of those bills, is included below.

Support		
Bill Number	Topic	Status
SB 71 (Wiener)	CEQA Exemptions for Environmental Leadership Transit Projects	Passed Senate Floor 36-0. Pending hearing in Asm. Approps.
SB 233 (Seyarto)	RHNA Determination Consultation	Passed Senate Floor 35-0. Pending hearing in Asm. Approps.
SB 239 (Arreguín)	Brown Act Modernization	Two-year bill.
SB 360 (Rubio, S.)	Land Conservation: San Bernardino County	Passed Senate Floor 37-0. Pending hearing in Asm. Water, Parks and Wildlife.
SB 607 (Weiner)	CEQA Exemptions for Infill Projects	Included in SB 131 (Housing Budget Trailer Bill II) and signed into law by Governor Newsom on 6/30/25.
SB 752 (Richardson)	Tax Exemptions for ZEBs	Two-year bill.
AB 226 (Calderon & Alvarez)	FAIR Plan	Passed Assembly Floor 77-0. To be heard in Sen. Approps 8/18/25.
AB 239 (Harabedian)	LA County Disaster Housing Task Force	Passed Assembly Floor 79-0. To be heard in Sen. Approps 8/18/25.

AB 259 (Rubio, B.)	Brown Act Modernization	Passed Assembly Floor 73-0. Referred to Sen. Local Gov. and Sen. Judiciary pending hearing.
AB 334 (Petrie- Norris)	National Interoperability of Toll Facilities	Passed Assembly Floor 74-0. Pending Sen. Floor vote.
AB 609 (Wicks)	CEQA Exemptions: Housing Development	Included in AB 130 (Housing Budget Trailer Bill I) and signed into law by Governor Newsom on 6/30/25.
AB 650 (Papan)	RHNA Reform	Passed Assembly Floor 79-0. Placed on Approps Suspense File pending hearing.
AB 736 (Wicks) SB 417 (Cabaldon)	Affordable Housing Bond Act	Passed Assembly Floor 65-11.
AB 888 (Calderon)	California Safe Homes Grant Program	Passed Assembly Floor 79-0. To be heard in Sen. Approps 8/18/25.
AB 891 (Zbur)	Quick-Build Project Pilot Program	Passed Assembly Floor 61-17. To be heard in Sen. Approps 8/18/25.
AB 1007 (Rubio)	Permit Streamlining Act Reform	Passed Assembly Floor 71-0. Placed on Approps Suspense File pending hearing.
AB 1131 (Ta)	Congregate Care Housing Units for RHNA	Passed Assembly Floor 77-0. Placed on Approps Suspense File pending hearing.

AB 1276 (Carrillo)	Housing Developments: Ordinances, Policies, and Standards	Passed Assembly Floor 71-0. To be heard in Sen. Approps 8/18/25.
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Oppose		
Bill Number	Topic	Status
SB 681 (Wahab)	Housing and COG revisions to RHNA	Included in AB 130 (Housing Budget Trailer Bill I) and signed into law by Governor Newsom on 6/30/25.
AB 735 (Carrillo) & SB 415 (Gomez Reyes)	AB 98 reform	AB 735: Passed Assembly Floor 61-4. To be heard in Sen. Approps 8/18/25. SB 415: Passed Senate Floor 38-0. Pending hearing in Asm. Approps.

Watch		
Bill Number	Topic	Status
AB 1244 (Wicks)	VMT Mitigation Fund for Transit-Oriented Development	Included in AB 130 (Housing Budget Trailer Bill I) and signed into law by Governor Newsom on 6/30/25.
AB 1275 (Elhawary)	Regional Housing Planning and RTP/SCS	Passed Asm. Floor 71-0. Pending amendments before Senate Floor vote.

FEDERAL

Surface Transportation Reauthorization Advocacy Letters

On July 17, 2025, Secretary Sean Duffy of the U.S. Department of Transportation (USDOT) inaugurated the Surface Transportation Reauthorization initiative with a press conference to foster collaboration between Congress, State Departments of Transportation (DOTs), and infrastructure stakeholders ahead of the reauthorization process in the fall. The current authorization for surface transportation expires on September 30, 2026. The reauthorization process determines funding levels, policy guidelines, and program requirements for agencies such as the Federal Highway Administration (FHWA), Federal Motor Carrier Safety Administration (FMCSA), Federal Railroad Administration (FRA), Federal Transit Administration (FTA), National Highway Traffic Safety Administration (NHTSA), and the Pipeline and Hazardous Materials Safety Administration (PHMSA). House Transportation and Infrastructure Committee Chair Sam Graves (R-MO) shared that his goal is to pass a reauthorization bill by the end of the year after processing over 11,000 requests received from members and stakeholders. As part of the process to gather feedback, the USDOT released a Request for Information (RFI) titled “Advancing a Surface Transportation Proposal that Focuses on America’s Most Fundamental Infrastructure Needs,” which is open for the public to provide ideas, comments, and information for consideration by August 20, 2025, to aid in the development of a proposal.

The agency distributed a letter containing our reauthorization priorities to House Transportation & Infrastructure Committee leadership, Chairman Sam Graves (R-MO), and Ranking Member Rick Larsen (D-OR) in April. We leveraged that letter by also submitting it to USDOT’s RFI. SCAG’s letter outlined our top seven priorities for the reauthorization bill, including: (1) Preserving Metropolitan Planning (PL), FTA Section 5303, and Surface Transportation Block Grant (STBG) funding, with inflation adjustments, (2) Protecting Congestion Mitigation and Air Quality (CMAQ) Improvement Program funding, with inflation adjustments, (3) Creating a freight planning pilot program for MPOs and local governments with populations above 1 million, (4) Providing funding for the federal Safe Streets and Roads for All (SS4A) program, (5) Enacting a California Environmental Quality Act for National Environmental Policy Act (CEQA-for-NEPA) Reciprocity Program, (6) Simplifying the NEPA Categorical Exclusion process, and (7) Requiring a singular, consistent format for NEPA environmental review documents. Both letters are attached.

Letters of Support

Since the beginning of this year, SCAG has supported 93 applications from our member jurisdictions and stakeholders by providing letters of support for various state and federal grant programs. The letters have supported local applications for the Caltrans Sustainable Transportation Planning Grant program, Affordable Housing and Sustainable Communities grant, Better Utilizing Investments to Leverage Development (BUILD, formerly known as RAISE), and Safe Streets and Roads for All (SS4A), among others. These programs provide funding for projects that help implement Connect SoCal to achieve our regional goals for housing, air quality, and transportation. Highlights of the letters provided this year are included below:

Federal

Low or No Emission (Low-No) Grant Program and the Grants for Buses and Bus Facilities Competitive Program (Bus Program) – 10 Letters This joint grant application offered over \$1.1 billion to support the purchase, lease, or rehabilitation of buses, including those that use low- or no-emission propulsion technologies, and to construct, purchase, rehabilitate, or lease bus-related facilities. SCAG provided letters for the following jurisdictions and projects:

Requester	Project
Omnitrans	ZEBs
ICTC	ICTC/IVT Administration, Operations, and Maintenance Center
LA Metro	ZEB and Charging Infrastructure Project
Norwalk Transit System	Terminal Modernization and Charging Infrastructure Expansion Project
Santa Monica Big Blue Bus	Battery Electric Bus Purchases
City of Lynwood	Low-Emission Fleet Replacement
City of Pasadena	Hydrogen Fuel Cell Buses
RTA	CNG and Hydrogen Fuel Cell Buses
City of Commerce	Battery Electric Buses
SunLine Transit Agency	SunLine's Thousand Palms Maintenance Facility Replacement

Safe Streets for All (SS4A) – 10 Letters This program allocated \$982 million in the latest round to support local, regional, and tribal efforts to improve roadway safety through planning and implementation activities. This is an update to last month, which included four letters. Since then, SCAG provided letters six additional, ten in total, for the following jurisdictions and projects:

Requester	Project
Torrance	CSAP
UC Irvine	Safety Action Plan
Santa Ana	Vision Zero Safety Improvement Project on Euclid St
Huntington Beach	Enhancing Pre-Hospital Care and Transportation Safety
Santa Monica	LINC
Claremont	Complementary Safety Plan
Los Angeles County Public Work	Pedestrian Safety Improvement Project
Rancho Cucamonga	Supplemental Planning and Demonstration Activities
Town of Apple Valley	Apple Valley Complete Streets Implementation Project
SBCSS	School Zones

Port Infrastructure Development Program (PIDP) – 4 Letters This program allocated \$500 million to support ports and industry stakeholders in improving port and related freight infrastructure to meet the nation’s freight transportation needs. This is an update to last month, which included four letters. Since then, SCAG has provided two additional letters, four in total, for the following jurisdictions and projects:

Requester	Project
Port of Los Angeles	SR 47/Seaside Ave and Navy Way Interchange Improvement Project
County of Ventura	Hueneme Rd. Project
City of Long Beach	Gateway Redevelopment to Expand American Trade (GREAT) Project
Port of Hueneme	Wharf 2, Berths 4 & 5 Improvements Project

SCAG will continue to support local jurisdictions in securing funding for transformative transportation and infrastructure projects.

FISCAL IMPACT:

Work associated with the August 2025 Legislative Advocacy Update is within the Indirect Cost budget, Legislation 810-0120.10.

ATTACHMENT(S):

1. SCAG Cap and Invest Priorities
2. Big 4 MPO Joint Cap-and-Invest Letter
3. SCAG House TI Surface Transportation Reauthorization Priorities
4. USDOT RFI SCAG Surface Transportation Reauthorization Priorities



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Rick Denison, Yucca Valley

Transportation
**Mike T. Judge, Ventura County
Transportation Commission**

July 14, 2025

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

The Honorable Mike McGuire
Senate Pro Tempore
1021 O Street, Suite 8518
Sacramento, CA 95814

The Honorable Robert Rivas
Speaker of the Assembly
1021 O Street, Suite 8330
Sacramento, CA 94249-0029

SUBJECT: SCAG Cap-and-Invest Program Reauthorization Priorities

Dear Governor Newsom, Pro Tem McGuire, and Speaker Rivas:

The Southern California Association of Governments (SCAG) appreciates your leadership on reauthorizing California's landmark Cap-and-Invest program, guaranteeing a more sustainable future. As California undertakes the task of evaluating expenditures related to the Cap-and-Invest program, I am writing to share our agency's reauthorization principles and priorities. These principles highlight the programs and investments that leverage the region's Sustainable Communities Strategies (SCS) to optimize funding and streamline project delivery, which is critical to achieving our shared goals.

1. Leverage regional Sustainable Communities Strategies to optimize state funding and streamline delivery

SB 375 (2008) requires the development of regional plans and SCSs to align transportation and land-use strategies with GHG reduction goals. Despite being approved by CARB as regional roadmaps to GHG reduction, implementation of these plans has lagged due to limited and fragmented funding sources. Resources are often spread across multiple state agencies, making them unpredictable, difficult to access, and burdensome for smaller agencies. To accelerate implementation and achieve the stated GHG reduction goals, the state should evaluate opportunities to streamline funding allocation and program administration within Cap-and-Invest programs, ensuring resources are directed more effectively to projects already prioritized in the SCS.

2. Establish a permanent REAP program to implement the SCS.

SCAG leads the development of the SCS for the Southern California region. To date, the Regional Early Action Planning (REAP) Grant program, established in 2019, has been the sole dedicated funding source from the state to advance the implementation of each region's SCS. With an investment of \$30 million per year, statewide, the REAP program could continue to implement the SCSs through the following types of initiatives:

1. Zoning capacity, land assessment, and developing a pipeline of land for housing production.
2. Creation and capacity expansion of financing programs to support housing.
3. Planning for the infrastructure investments required to support housing growth.

To be truly serious about meeting the greenhouse gas (GHG) reduction goals of the SCS, a dedicated funding source is necessary to continue the critical work started through REAP 1.0 and 2.0.

3. Prioritize funding for communities most impacted by climate change and pollution.

Developed by the California Office of Environmental Health Hazard Assessment (OEHHA), the CalEnviroScreen assesses the cumulative burden and population characteristics of each census tract in California to identify areas with high vulnerability to environmental hazards. SCAG utilizes this tool to identify and analyze disadvantaged communities within our six-county region, informing our regional planning efforts regarding environmental justice concerns and promoting sustainable development. As the goal of the Cap-and-Invest program is to reduce GHG emissions, we firmly believe that funding priorities should recognize communities most impacted by the presence of these pollutants, as presented by the CalEnviroScreen.

4. Provide funding for the Active Transportation Program (ATP).

Promoting and implementing active transportation is a key component of our SCS, recognizing it as essential for advancing California's climate, equity, and public health goals. Active transportation, including walking, biking, and the use of mobility devices, produces zero emissions, making it a cost-effective strategy for reducing GHG. By allocating revenues to the ATP, which is continuously oversubscribed, the state can prioritize investments in underserved communities, increase access to safe and sustainable transportation options, and reduce dependence on single-occupancy vehicles, supporting the state's ambitious climate targets.

5. Maintain prior grant commitments and restore continuous appropriations for critical programs, including AHSC, TIRCP, LCTOP, and ZETCP.

We urge the restoration of continuous appropriations for the Affordable Housing and Sustainable Communities (AHSC) Program, Transit and Intercity Rail Capital Program (TIRCP), Low Carbon Transit Operations Program (LCTOP), and the Zero-Emission Transit Capital Program (ZETCP).

Doing so ensures the stable and long-term planning and implementation of projects that fund affordable housing near transit, expand zero-emission transit, improve mobility options for disadvantaged communities, and support the state's climate and air quality goals. While these funding sources do not go directly to SCAG, they fund a wide range of important projects sponsored by SCAG member and partner agencies that play a crucial role in implementing the SCAG region's SCS.

Thank you again for your leadership in extending and reevaluating the Cap-and-Invest program. Ensuring its continuation is critical to building a sustainable future. If we can provide any additional information, please do not hesitate to contact Kevin Gilhooley, State and Federal Legislative Affairs Manager, at (213) 236-1878 or gilhooley@scag.ca.gov.

Best Regards,



Kome Ajise
Executive Director, Southern California Association of Governments



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Metropolitan Transportation Commission
San Diego Association of Governments
Southern California Association of Governments
Sacramento Area Council of Governments

August 7, 2025

The Honorable Mike McGuire, President pro Tempore
California State Senate
1021 O Street, Suite 8518
Sacramento, CA 95814

The Honorable Robert Rivas, Speaker
California State Assembly
1021 O Street, Suite 8330
Sacramento, CA 95814

RE: Dedicated Cap and Trade Funds for Sustainable Communities Strategy Implementation Program

Dear President pro Tem McGuire and Speaker Rivas:

On behalf of California's four largest Metropolitan Planning Organizations (MPOs), we are writing to request ongoing funding from the Greenhouse Gas Reduction Fund (GGRF) for MPOs to accelerate implementation of our Sustainable Communities Strategies (SCS), the regional plans the state has required metro regions across the state to develop since 2008 to reduce greenhouse gas (GHG) emissions from passenger travel. While each of our climate goals are aligned, we face unique implementation challenges – whether in advancing infill housing, delivering essential infrastructure, expanding sustainable mobility options, or addressing other critical needs. A new flexible, formula-based program that allocates funds directly to MPOs – modeled on the successful REAP program – would allow each region to efficiently invest funds in the most effective projects and programs, leverage the historic CEQA reforms you delivered in the budget, and support other statewide goals related to affordability, equity, and the economy.

As the Legislature considers the future of Cap-and-Trade reauthorization, now is the time to strengthen California's climate investment framework by funding regional implementation—particularly to support infill development that is essential to achieving our shared climate and housing goals.

Attachment: Big 4 MPO Joint Cap-and-Invest Letter (August 2025 Legislative Advocacy Update)



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REAP is a Proven Success Story

We urge you to model a new SCS Implementation Program after the successful Regional Early Action Planning (REAP) programs the Legislature funded across multiple budget cycles. These programs aimed to accelerate housing production and reduce GHG emissions by providing flexible funds that MPOs and councils of government quickly invested in local technical assistance and projects and programs that advanced the state's (and regions') housing, transportation, land use, and equity goals.

As the sole dedicated funding source from the state to advance SCS implementation, REAP efficiently addresses multiple needs and objectives at once. For instance, REAP:

- Funds both planning and capital-ready projects and programs, enabling regions to direct the funds where they will be put to best use to accelerate SCS implementation
- Provides the only source of dedicated funding for regional and local agencies to implement projects and programs consistent with the state's climate and housing goals
- Prioritizes equitable development and displacement avoidance
- Leverages the multi-sector coalitions that MPOs are a part of, including coalitions that include local governments, transit agencies, and community partners, all key players when planning and building sustainable communities

Critically, REAP serves as “first money in” – early-stage catalytic funding that enables MPOs to scope, plan, prepare, and fund regionally coordinated, implementation-ready projects and programs. This support enables local partners to secure additional funding and advance to the next phase of implementation, including construction. REAP-funded projects and programs include:

- Backbone underground infrastructure, such as water, sewer, and utilities essential to unlocking infill housing sites
- Zoning reforms and streamlined permitting
- Community-driven housing and transportation improvements

Infill Development is Key Component of SCS Implementation

With 17 years of experience implementing SB 375, the verdict is clear: infill development is one of the most effective and proven strategies for reducing transportation-related GHG emissions by cutting vehicle miles traveled. This creates significant opportunities for our regions through the



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revitalization of underutilized areas, making more efficient use of existing infrastructure and public services. These opportunities include the promotion of equity benefits for historically underserved communities by lowering household transportation costs and expanding access to jobs, schools and services.

California needs an ongoing funding source to support the critical planning and implementation costs associated with accelerating infill development at the regional scale. While the Legislature's support of REAP has allowed MPOs to work with local jurisdictions and partners to advance zoning reforms to facilitate greater infill development and fund various other projects and programs on a one-time basis, to fully realize the potential benefits from our sustainable communities strategies requires significant ongoing, flexible funding such as that provided by the GGFR.

MPOs Are the Right Entities to Deliver

As the agencies charged under SB 375 with developing and implementing SCS plans that align housing, transportation, and land use strategies with California's climate policy, MPOs are uniquely positioned to:

- Coordinate across local jurisdictions – our boards are governed by local elected officials, and we work with cities and counties to align local plans with regional and state goals.
- Engage the key regional partners who are critical to building successful infill development, including transit agencies, community-based organizations, labor and the business community.
- Adapt to regional context—California's regions face different challenges and opportunities. A flexible, MPO-led program ensures funding decisions reflect local market conditions, political realities, and community priorities while staying aligned with statewide goals.

A Strategic Investment for the Next Phase of Cap-and-Trade

This request is intended to complement the requests being advanced by coalitions representing housing, environmental justice, and labor/construction communities, including sustaining and expanding the Affordable Housing and Sustainable Communities Program (AHSC), Transit and Intercity Rail Capital Program (TIRCP), and Low Carbon Transit Operations Program (LCTOP) and investing in state-supported rail and transit, wildfire resilience, and TOD-supporting infrastructure. Specifically, we propose an additional continuous appropriation for an SCS Implementation Program—something no other GGFR program directly supports at scale even though our agencies are responsible for developing regional blueprints that are essential to the state achieving its



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climate goals. This funding would bridge the gap between state programs and local action, ensuring that California's climate and housing goals are met on the ground.

A list of project examples from REAP investments in the regions is attached for your reference.

Thank you for your leadership and we look forward to working with you on further details to ensure the next chapter of Cap-and-Trade includes an SCS Implementation Program modeled on the successful REAP Programs. Please contact Bless Sheppard, State Government Affairs Lead for SACOG at bsheppard@sacog.org if you have any questions.

Sincerely,

Andrew B. Fremier
Executive Director
Metropolitan Transportation Commission

Kome Ajise
Executive Director
Southern California Association of
Governments

Mario Orso
Chief Executive Officer
San Diego Association of Governments

James Corless
Executive Director
Sacramento Area Council of Governments

CC: Senator Monique Limon
Assemblymember Jesse Gabriel, Chair, Assembly Budget Committee
Senator Scott Wiener, Chair, Senate Budget and Fiscal Review Committee
Members, Assembly Budget Subcommittee No. 4
Members, Senate Budget Subcommittee No. 2
Members, Joint Legislative Committee on Climate Change Policies
Members, Cap and Trade Working Group

Attachment

Attachment: Big 4 MPO Joint Cap-and-Invest Letter (August 2025 Legislative Advocacy Update)



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Attachment

Examples of REAP in the Regions

Bay Area Region

Local technical assistance: MTC/ABAG's award-winning Regional Housing Technical Assistance Program (American Planning Association 2023 Award of Excellence) provides one-of-a-kind support to hundreds of local elected officials and planning staff in complying with rapidly evolving state laws related to Housing Elements. Most recently, the agency pivoted its resources to summarize the housing budget trailer bills and present webinars on how to implement them.

Project funding: MTC/ABAG's Priority Sites loan program is advancing the construction of more than 1,600 new affordable homes on large, underutilized sites near transit. Examples include the Chinatown Senior Transit Oriented Development (TOD) in Oakland (97 new homes for seniors) and the South San Francisco Public Utility Commission Site (800 homes, including 158 affordable to low-income households). This lending program is one component of a multi-faceted agency strategy to focus growth on 211 sites across the nine counties near essential services, frequent transit, and green space.

Awards: \$28,000,000

Sacramento Region

Capital Project: City of Sacramento: River District Sump 111:

The project would increase pumping capacity in the River District and install a trash capture device that is required to allow higher-density projects without individual site drainage management. The majority of the 2,000 residential units planned for the area will be for lower-income households. The state is building offices for up to 5,000 employees across the street from the pump station, creating a unique opportunity for state workers to enjoy a zero-commute lifestyle.

Award: \$6,564,000

Capital Project: City of Rancho Cordova: Mills Crossing

The Mills Crossing transit-oriented development is a mixed-use, mixed-income community hub including over 100 multifamily and townhouse units, 2+ acres of public parks and plazas, and approximately 100,000 square feet of community arts, culture, and wellness facilities. Funding will



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advance civil and utility engineering technical studies as well as non-transportation capital infrastructure

Award: \$4,688,000

Southern California Region

Los Angeles County Metropolitan Transportation Authority (LA Metro), Environmental Remediation Housing Acceleration Fund

The project will develop a revolving fund for assessing surplus available transit lands and completing remediation to ready sites for affordable and mixed-income development. The fund will support LA Metro towards their goal of achieving 10,000 new housing units by 2031, of which 5,000 will be affordable.

Award: \$5,000,000

San Bernardino Council of Governments, San Bernardino Regional Housing Trust

The project will establish the San Bernardino Regional Housing Trust, a joint powers authority serving the San Bernardino area, and will create an initial loan program that provides gap funding for affordable housing projects. The anticipated outcomes from the project include formation of the trust and loans for two affordable housing projects.

Award: \$5,000,000

San Diego Region

Tribal Partnership: San Diego County is home to more tribal nations than any other county in the United States. SANDAG partnered with the Southern California Tribal Chairmen's Association (SCTCA) to develop a Tribal Housing Grant Program to address the unique housing needs of tribes. Eight tribes applied and were awarded \$4.4 million in grant funding. Projects include: housing supportive infrastructure planning and implementation, reservation-wide housing needs assessments, and housing design and construction.

Awards: \$4,400,000



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Regional Housing Trust Fund: SANDAG, in collaboration with the San Diego Foundation, awarded \$14 million in grants and low interest loans to support [10 affordable housing projects](#). This investment will help bring over 900 much-needed affordable units to the region, serving low- to middle-income veterans, seniors, refugees/immigrants, individuals, families and single women in need. All these projects are strategically located close to transit and include amenities/features tailored to their residents. The units will enter the market between December 2026 and June 2030, with most becoming available as soon as 2027. Highlights include: 126 energy efficient and sustainable units at SDSU Mission Valley; Refugee & Immigrant Cultural Hub (RICH), a partnership with 16 community-based organizations and over 1,000 refugee and immigrant youth, elders, and families, which features 150 affordable housing units; and 60 units of affordable housing on underused public land, in a high resource neighborhood, including 30 units reserved for formerly homeless veterans.

Awards: \$14,000,000

Attachment: Big 4 MPO Joint Cap-and-Invest Letter (August 2025 Legislative Advocacy Update)



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The Honorable Sam Graves
Chairman
House Committee on Transportation and Infrastructure
Washington, DC 20515

The Honorable Rick Larsen
Ranking Member
House Committee on Transportation and Infrastructure
Washington, DC 20515

RE: SCAG Surface Transportation Reauthorization Priorities

Dear Chairman Graves and Ranking Member Larsen,

Founded in 1965, the Southern California Association of Governments (SCAG) serves as the unified voice of the Southern California region, empowering local jurisdictions to work toward regional solutions. The SCAG region encompasses six counties (Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura) and 191 cities in an area covering more than 38,000 square miles. Guided by an 86-member board of directors known as the Regional Council and supported by a professional planning staff, we ensure federal dollars are invested strategically to deliver transformative projects to the Southern California area.

Metropolitan Planning Organizations (MPOs) are federally required regional policy-making bodies responsible for developing the long-range transportation blueprints that guide critical infrastructure investments. By law, MPOs coordinate multimodal transportation plans using Congressionally mandated performance measures, in collaboration with local governments, transit agencies, state DOTs, and the public. This ensures that federal investments are cost-effective, locally informed, and nationally aligned.

As the designated MPO for Southern California, we support the following legislative priorities for the upcoming surface transportation reauthorization. These priorities reflect the shared needs of our region and will strengthen our ability to deliver future-ready, resilient, and reliable transportation systems:

Preserve Metropolitan Planning (PL), FTA Section 5303, and Surface Transportation Block Grant (STBG) funding, adjusted for inflation:

These critical funding streams allow MPOs to create consensus on regional projects, advancing the delivery of complex infrastructure projects. In the SCAG region, PL and Section 5303 funding pay for our Regional

Transportation Plan, which includes more than 2,000 local projects, valued at nearly one trillion dollars of investment, vetted through a comprehensive public participation process. Equally important, STBG funding helps regions identify and prioritize local transportation priorities, providing critical funding to plan, construct, and program local transportation projects. These programs are inextricably linked and are essential for effective federal investments in infrastructure.

Protect Congestion Mitigation and Air Quality Improvement Program funding, adjusted for inflation:

Southern California's geography presents opportunities and challenges as air gets trapped between our coastal and mountain regions, leading to some of the poorest air quality in the country. Created in 1991, the CMAQ program funds transportation projects that reduce congestion and improve air quality for areas that do not meet National Ambient Air Quality Standards for ozone, carbon monoxide, or particulate matter. These pollutants have been proven to lead to respiratory illnesses and disrupt agricultural development. SCAG urges the Congress to prioritize the CMAQ program for continued funding, adjusted for inflation.

Create a freight planning pilot program for MPOs and local governments with a population over 1 million:

Goods movement is a critical component of the SCAG region's economy and quality of life. Over the past decade, global supply chains have been heavily impacted by historic events, such as COVID-19, which have disrupted freight movement and dramatically shaped consumption patterns. Reauthorization should include a pilot planning program to allow regions with the most complex goods movement systems to develop a master plan demonstrating the most value and stability for this critical component of the economy. A master plan would ensure federal and state resources are prioritized for projects that would eliminate bottlenecks, identify efficiencies, improve safety and air quality, and contribute to the nation's economic growth. Setting the target to those agencies with a population of one million or greater would ensure enough local consumption to ensure the need for more sophisticated freight planning.

Reauthorize the Safe Streets and Roads for All Program:

Established under the Bipartisan Infrastructure Law, the Safe Streets and Roads for All (SS4A) program was the first-ever discretionary grant program to fund regional, local, and tribal initiatives to prevent deaths and serious injuries on local streets and roads. Since its authorization, SCAG has received two SS4A grant awards, making critical investments in our region to reduce the rates of fatalities and serious injuries. This includes the development of our "Regional Safety Action Plan" and expansion of our open streets model that will create reliable and safe routes of travel during high-volume events and civic gatherings, including the upcoming 2026 FIFA World Cup, the 2027 Super Bowl, and the 2028 Summer Olympic and Paralympic Games.

Enact a CEQA-for-NEPA Reciprocity Program in California to streamline the delivery of federally funded projects:

Federally funded projects in California undergo two environmental review processes: the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). While these two processes share the same goals, CEQA is the more stringent, applying to a broader range of projects and often requiring a more detailed environmental analysis, robust measures to mitigate impacts, and greater opportunities for public involvement. While the reciprocity program already exists, it is set to expire soon. SCAG supports its reauthorization, working to make improvements as needed to aid local governments who continue to face challenges associated with duplication, increased costs, and delays related to the overlapping requirements of state and federal laws.

Simplify the NEPA Categorical Exclusion process:

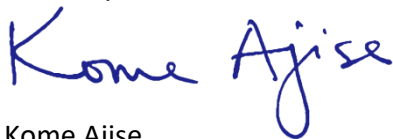
SCAG supports the creation of Programmatic Categorical Exclusion agreements for adoption by states and municipalities to standardize and simplify the NEPA process across various jurisdictions to ensure consistent, fast-tracked, and timely applications of Categorical Exclusions (CEs). Further, the process for pursuing CEs should be simplified by developing a program that provides CE or NEPA approval at the time of a federal grant award.

Require a singular, consistent format for NEPA environmental review documents for all federal agencies and departments:

SCAG supports establishing a lead agency and requiring preparation of a single, coordinated environmental document for projects requiring action from multiple federal agencies. Implementing this action would expedite permitting approvals to deliver projects faster and more efficiently.

We appreciate your leadership and consideration of these proposals and welcome the opportunity to share additional information or discuss them further. Please contact Kevin Gilhooley, State and Federal Legislative Affairs Manager, at (213) 236-1878 or Gilhooley@scag.ca.gov if you have any questions issue.

Sincerely,



Kome Ajise
Executive Director



SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017
T: (213) 236-1800
www.scag.ca.gov

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Human Development
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Rick Denison, Yucca Valley

Transportation
**Mike T. Judge, Ventura County
Transportation Commission**

Response to Docket No. DOT-OST-2025-0468

RE: Request for Information – Advancing a Surface Transportation Proposal that Focuses on America’s Most Fundamental Infrastructure Needs

Submitted by:

Kevin Gilhooley
State & Federal Legislative Affairs Manager
Southern California Association of Governments
900 Wilshire Blvd., Ste. 1700, Los Angeles, CA 90017
(213) 236-1878
gilhooley@scag.ca.gov

Dear U.S. Department of Transportation,

Thank you for the opportunity to submit comments in response to the Request for Information (Docket No. DOT-OST-2025-0468) on the development of the next surface transportation reauthorization.

Founded in 1965, the Southern California Association of Governments (SCAG) serves as the unified voice of the Southern California region, empowering local jurisdictions to work toward regional solutions. The SCAG region encompasses six counties (Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura) and 191 cities in an area covering more than 38,000 square miles. Guided by an 86-member board of directors known as the Regional Council and supported by a professional planning staff, we ensure federal dollars are invested strategically to deliver transformative projects to the Southern California area.

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As the designated MPO for Southern California, we support the following legislative priorities for the upcoming surface transportation reauthorization. These priorities reflect the shared needs of our region and will strengthen our ability to deliver future-ready, resilient, and reliable transportation systems while aligning with the four major themes outlined in the RFI:

Preserve Metropolitan Planning (PL), FTA Section 5303, and Surface Transportation Block Grant (STBG) funding, adjusted for inflation:

These critical funding streams allow MPOs to create consensus on a list of regional projects, making it smoother to deliver complex infrastructure projects. In the SCAG region, PL and Section 5303 funding pay for our Regional Transportation Plan, which includes and models more than 2,000 local projects, valued at nearly one trillion dollars of investment, vetted through a comprehensive public participation process. Equally as important, STBG funding helps regions identify and prioritize local transportation priorities, providing critical funding to plan, construct, or program local transportation projects. These programs are inextricably linked and are essential to ensuring the value of the federal government's investments in infrastructure.

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Goods movement is a critical component of the SCAG region's economy and quality of life. Over the past decade, global supply chains have been heavily impacted by historic events, such as COVID-19, which have disrupted freight movement and dramatically shaped consumption patterns. Reauthorization should include a pilot planning program to allow regions with the most complex goods movement systems to develop a master plan demonstrating the most value and stability for this critical component of the economy. A master plan would ensure federal and state resources are prioritized for projects that would eliminate bottlenecks, identify efficiencies, improve safety and air quality, and contribute to the nation's economic growth. Setting the target to those agencies with a population of one million or greater would ensure enough local consumption to ensure the need for more sophisticated freight planning. The estimated cost per study would be approximately \$15 million, with \$12 million in federal cost share and \$3 million in local match.

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rates of fatalities and serious injuries. This includes the development of our "Regional Safety Action Plan" and expansion of our open streets model that will create reliable and safe routes of travel during high-volume events and civic gatherings, including the upcoming 2026 FIFA World Cup, the 2027 Super Bowl, and the 2028 Summer Olympic and Paralympic Games.

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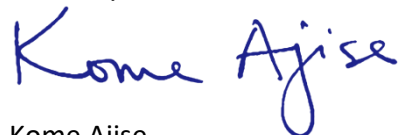
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Sincerely,



Kome Ajise
Executive Director



AGENDA ITEM 5

REPORT

Southern California Association of Governments
August 19, 2025

To: Legislative/Communications and Membership Committee (LCMC)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Francisco Barajas, Senior Legislative Affairs Analyst
(213) 630-1400, barajasf@scag.ca.gov

Subject: Federal Reconciliation and Appropriations Update

Kome Ajise

RECOMMENDED ACTION:

Information Only – No Action Required

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

EXECUTIVE SUMMARY:

The One Big Beautiful Bill Act was passed by the House of Representatives through a vote of 218-214 on July 3, 2025, and was signed by President Trump the following day, July 4, 2025. With its passage, attention has turned to the FY 2025-2026 Appropriations package with the start of the next fiscal year beginning on October 1, 2025. Holland & Knight represents SCAG in Washington, D.C. and will provide a presentation on what was included in the One Big Beautiful Bill Act with direct impacts to SCAG and our operations, as well as what to expect from the appropriations process when Congress is scheduled to return from recess on Tuesday, September 9, 2025.

BACKGROUND:

The One Big Beautiful Bill Act

H.R. 1, the One Big Beautiful Bill Act, was passed by the House of Representatives on Thursday, July 3, 2025, and signed by President Trump the following day on Friday, July 4, 2025. Structures as a budget reconciliation package to circumvent traditional filibuster requirements, the bill integrates policy priorities from across 10 Senate committees into a single piece of legislation designed to realign federal priorities with the administration's economic and social vision. A comprehensive overview of key provisions within the bill developed by Holland & Knight, SCAG's lobbyists in Washington, D.C., has been included in this report.

Key provisions of interest to SCAG and our region include:

- **SALT Deductions:** Increase the State and Local Tax (SALT) deduction to \$40,000 (from \$10,000) for households with incomes less than \$400,000 per annum for 5 years.
-

- **Low-Income Housing Tax Credit:** (1) For calendar years 2026 through 2029, the “9% of LIHTC” is restored to just below its 2021 level with a 12 percent allocation increase. (2) Lowers the bond-financing threshold to 25 percent for projects financed by bonds beginning in 2026.
- **Municipal Bonds Remain Tax Exempt:** Makes no changes to the tax status of municipal bonds.
- **Permanent renewal and enhancement of Opportunity Zones (OZs):** (1) Makes the OZ program permanent and (2) creates a second round of OZs for census tracts that have a poverty rate of at least 20 percent or a median family income that does not exceed 70 percent of the AMI.
- **Rescinds Unobligated Funds from IRA Clean Transportation and Vehicle Programs:** Rescinds unobligated funds from the Neighborhood Access and Equity and Clean Ports grant programs, among others.
- **EV and Hybrid Fees Not Included:** The final bill does not include a proposal to levy an annual fee on EVs and hybrid vehicles that would deposit revenues into the Highway Trust Fund.

Federal FY 2025-2026 Appropriations

With the enactment of the One Big Beautiful Bill Act, Congress is expected to begin serious negotiations on the FY 2025-2026 appropriations package when they return from recess on Tuesday, September 9, 2025. Since FY 2025 was funded through September 30, 2025, by a full-year continuing resolution (CR) that largely extended FY 2024 funding levels with minimal changes, there is strong anticipation this year for a comprehensive package that aligns more closely with the Trump administration’s policies.

The House Appropriations Committee released their FY2026 bills for the Transportation, Housing and Urban Development (THUD) subcommittee on Thursday, July 17, with a vote of 35-28, providing a total discretionary allocation of \$89.910 billion, \$4.458 billion (4.7%) below the FY 2025 enacted level. The majority of those cuts (\$3.149B) come primarily from cuts to public transit and passenger rail funding.

Key takeaways pertaining to SCAG and our operations include:

US Department of Transportation (USDOT):

- Overall, the FHWA saw an increase in funding by \$1.972B above FY25 enacted levels, which includes \$954 million in Community Project Funding not accounted for in FY25.
- No additional funding for BUILD or Mega grant programs is being recommended with the justification that these programs have already received advanced appropriations for FY25 through the IIJA.
- Seeks to repurpose unobligated funding from the IIJA for FY2026 spending, including using \$1B in NEVI funding for FAA facilities and equipment.
- Proposes most significant cuts to public transit and passenger rail funding, including:
 - Elimination of the Intercity Passenger Rail Grant Program (per the minority party)
 - A cut of \$1.7B (8.3 percent) from FY2025 enacted levels for public transit, including cutting nearly all General Fund appropriations for Capital Investment Grants (CIG) (*communities are currently requesting \$36B in CIG funds for FY2026 and subsequent years*).
 - Overall funding is \$3.1B (13.9 percent) less than the amount authorized in the IIJA.
- No additional funding above IIJA authorized levels for Buses and Bus Facilities Competitive Grants, Low-No Emission Bus Competitive Grants, or Ferry Grants, which has not been the case in past years.
- Despite President Trump's FY2026 budget request for an increase in funding for the Maritime Agency (MARAD), the bill proposes a drop in funding by \$72M below FY2025 levels. This includes cuts to the Port Infrastructure Development Program.
- Includes a provision that would prevent federal funds from being awarded to California and Texas high-speed rail projects.
- Includes \$3.728 billion in Community Project Funding for 2,369 projects requested by 382 members. The most recent table with all of the projects selected to date can be [found here](#).

Housing and Urban Development (HUD):

- Impacts to homeless funding:
 - Maintains Community Development Block Grant (CDBG) program funding at FY25 levels, despite a proposal in the President's FY2026 budget for the program to be cut.

- Increases funding for Homeless Assistance Grants by \$107M from FY25 enacted levels, despite request in President's FY2026 budget for the program to be cut by \$532M.
- No funding for HOME Investment Partnerships Program, as the committee claims the program currently has approximately \$5B in unspent funding.
- Reflects a 26% reduction in staffing at HUD.

Following, the Senate Committee on Appropriations passed its own FY2026 THUD appropriations bill on Thursday, July 24, by a vote of 27-1. The overall bill provides a total allocation of \$400M in defense funding and \$99.8B in non-defense funding.

Key takeaways pertaining to SCAG and our operations include:

USDOT:

- \$110B total, of which \$26.5B is in discretionary budget authority (FY25 enacted amounts were \$25.2B in discretionary funding. For further comparison, the House is proposing a total of \$22.1B in discretionary spending).
- Office of the Secretary: \$250M for the BUILD grant program, for which the House was proposing not to provide any additional funding. This is in addition to what is being appropriated through IJA.
- Federal Highway Administration (FHWA): \$63.9B for the highway agency's activities, an increase of \$1.5B compared to the current year, which is slightly less than the \$64.4B in the House bill.
- Federal Railroad Administration (FRA): Approximately \$3B, \$34.3M more than enacted last year. For comparison, the House's version would provide the FRA with just \$272.5M in new budget authority while also providing an additional \$2.3B in transfers from the 2021 infrastructure law to support Amtrak's Northeast Corridor and National Network. Included in this is \$100M for the Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program.
- Amtrak: Maintains funding at \$2.4B, approximately \$736k less than last year but equal to what the White House proposed. (The House is proposing \$2.31B for Amtrak)

- Federal Transit Administration (FTA): \$16.9B, a boost of \$203.3M. This includes \$1.9B for the Capital Investment Grants program, \$1.1B for the bus and bus facilities program, and \$55M for the ferry program, which includes rural ferries. For comparison, the House's version proposes to cut the FTA's budget to \$14.9B.
- Also included in this funding is a proposed \$68M for the 2028 Olympic and Paralympic Games and \$78M for FIFA World Cup 2026. Specifically, these funds will go toward LA Metro's Bus Loan Program.
- Maritime Administration (MARAD): \$874M, according to Republicans (\$896M according to Democrats). This includes \$75M for the Port Infrastructure Development Program. That is slightly higher than what the House is proposing, considering transfers from the 2021 infrastructure law.

NOTES:

- As the House does in its bill, the Senate is proposing to transfer approximately \$745M in unobligated funding from IIJA advanced appropriations to different programs, largely from FHWA's electric vehicle charging programs.
- The bill includes language directing USDOT to finish changes to guidance for the NEVI program no more than four months after the bill becomes law.
- Includes \$581M in highway infrastructure program funding (\$954M proposed by House), \$51.5 million in CRISI funding (\$38.4M proposed by House), and \$21.5M in PIDP funding (\$43.5M proposed by House) for earmarks, compared to \$0 in FY2025.
- In total, DOT would receive \$3B more in funding compared to the current fiscal year and more than \$105.1B total allocated by the House's bill.

HUD

- A total of \$73.3B for rental assistance and self-sufficiency support; housing and services to homeless individuals; and economic and community development.
- Office of Community Planning and Development: Nearly \$11B, including \$3.1B for Community Development Block Grant (CDBG) program (The House version would maintain the program at the current funding level of \$3.3B), \$4.5B for Homeless Assistance Grants (an increase of \$479M from current funding levels and \$372M more than the House is proposing in their budget), and \$1.2B for the HOME Investment Partnership program

(House proposes no funding for this program while this version maintains it at current funding levels).

NOTES:

- Overall, the bill proposes to provide an increase of around \$3.3B from the current year's budget, which is approximately \$5.5B more than the House is currently proposing to fund.

Holland & Knight, SCAG's representatives in Washington, D.C., will be providing an in-depth presentation on the One Big Beautiful Bill as well as an update on what to expect from the appropriations process once Congress returns from recess.

FISCAL IMPACT:

Work associated with the Federal Reconciliation and Appropriations Update is within the Indirect Cost budget, Legislation 810-0120.10.

ATTACHMENT(S):

1. Item 5 - LCMC - 08192025 - SCAG Federal Update – August 2025 Final



Federal Update – August 2025

Leslie Pollner and Lauri Hettinger

August 19, 2025

Holland & Knight

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Agenda

- H.R. 1 (One Big, Beautiful Bill Act) : Impacts to Southern California and Local Jurisdictions
- FY26 Appropriations Update
- Surface Transportation Reauthorization Update
- Housing Updates
- Questions

One Big, Beautiful, Bill Act (OB3) – Overview

- The House of Representatives passed the One Big Beautiful Bill Act (H.R. 1) by a narrow 218-214 vote on July 3. President Trump signed the legislation into law on July 4.
 - The Senate passed H.R. 1 on June 30, with substantial changes to the initial version passed by the House, by a narrow 51-50 vote that required Vice President JD Vance to cast the tie-breaking vote. Three Republicans voted against the measure: Sens. Susan Collins (R-ME), Rand Paul (R-KY), and Thom Tillis (R-NC).
- Structured as a budget reconciliation package to circumvent the traditionally required 60 vote majority in the Senate, the bill integrates funding priorities from across multiple committees into a legislative framework.

OB3 Update – Key Provisions

- **Security and Planning Activities for the 2026 FIFA World Cup and 2028 Olympics:**
 - FIFA World Cup: \$625 million
 - 2028 Olympics: \$1 billion
- **IRA Clean Energy Tax Credits:** H.R. 1 terminates or phases out several key IRA tax credits available to municipal governments including:
 - Section 30C – Alternative Fuel Refueling Property
 - Section 25D – Residential Clean Energy Credit
 - Section 45W – Credit for Purchase of Commercial Clean Vehicles
 - Section 25C – Energy Efficiency Home Improvement Credit

OB3 Update – Key Provisions

- **Rescission of unobligated funds for several Inflation Reduction Act (IRA) programs, including:**
 - FHWA Neighborhood Access and Equity (NAE) Grants
 - FHWA Environmental Review Implementation Funds
 - FHWA Low-Carbon Transportation Materials Grants
 - EPA Clean Ports Grants
 - NOAA Climate Change and Environmental Projects
 - FAA Alternative Fuel and Low-Emission Aviation Technology Program
 - EPA Greenhouse Gas Reduction Fund – *also repeals authorization for this program*
 - EPA Climate Pollution Reduction Grant (CPRG) Program
 - EPA GHG Corporate Reporting Program

OB3 Update – Key Provisions

- **Permanent renewal and enhancement of Opportunity Zones (OZs):** Creates a second round of OZs for census tracts that have a poverty rate of at least 20 percent or a median family income that does not exceed 70 percent of the area median income.
 - Excludes any census tract where the median family income is 125 percent or greater of the area median family income
 - Requires that at least 33 percent of designated OZs must be comprised entirely of a rural area; in the case that there are fewer than 33 percent of rural qualified OZs, all eligible rural areas must be designated
 - Adds significant reporting requirements for participants in the OZ program

OB3 Update – Key Provisions

- **Municipal Bonds:** Maintains the tax-exempt status of municipal bonds, despite initial proposals to eliminate as a pay-for to offset other spending provisions.
- **Expansion of the Low-Income Housing Tax Credit:** Permanently increases the state allocation ceiling by 12 percent and lowers the bond-financing threshold to 25 percent for projects beginning in 2026.
- **New Market Tax Credits (NMTCs):** Permanently extends the NMTC with \$5 billion in annual allocation authority.

FY 2026 Appropriations Update

- The Department of Transportation (DOT) FY 2026 budget request includes **\$111.3 billion** in requested funding, along with **\$5.7 billion** in proposed rescissions from the National Electric Vehicle Infrastructure (NEVI) and Charging and Fueling Infrastructure (CFI) grant programs created by the Bipartisan Infrastructure Law (BIL).
- The \$111.3 billion request is in addition to \$35.8 billion in FY 2026 BIL advance appropriations, making DOT's total budget request **\$147.1 billion** in budgetary resources.
- The House and Senate Appropriations Committees have advanced their versions of the FY 2026 Transportation-HUD bills for floor consideration. Congress has until September 30th to either pass the FY26 appropriations bills or extend current federal funding to avoid a government shutdown.

FY26 Appropriations Update

DOT Program	FY 2025 Enacted	FY 2026 House	FY 2026 Senate
BUILD (previously known as RAISE) (In addition to IIJA Advanced Appropriations)	\$345 million	\$0	\$250 million
Federal Aviation Administration (FAA)	\$20.081 billion	\$23.296 billion	\$22.427 billion
Federal Highway Administration (FHWA)	\$62.393 billion	\$64.365 billion	\$63.977 billion
FHWA Highway Formula Funding (authorized by IIJA)	\$61.314 billion	\$62.657 billion	\$62.657 billion
FHWA Highway Infrastructure Grants	\$340.5 million	\$1.369 billion	\$1.136 billion
Federal Transit Administration (FTA)	\$16.603 billion	\$14.910 billion	\$16.89 billion
Transit Infrastructure Grants	\$45.569 million	\$97.266 million	\$140.857 million
Capital Investment Grants Program (In addition to IIJA Advanced Appropriations)	\$2.205 billion	\$53.7 million	\$1.95 billion
Transit Infrastructure Formula Funding (authorized by IIJA)	\$14.279 billion	\$14.642 billion	\$14.642 billion
Maritime Administration	\$899.899 million	\$828 million	\$859.72 million
Port Infrastructure Development Program (PIDP)	\$50 million	\$123.47 million	\$75 million

Holland & Knight

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FY26 Appropriations Update: Olympics / FIFA Funding

- The Senate Transportation-HUD Bill also includes the following funding to support public transportation activities for the 2028 Olympics and the 2026 FIFA World Cup:
 - Olympics: \$68 million
 - FIFA World Cup: \$78.115 million
- The bill specifies that funds included for the Olympics and FIFA World Cup will be provided through the Federal Transit Administration (FTA), and are intended to support transit planning, capital projects, and operating assistance.

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Relevant Report Language – Transportation-HUD Bill

- *Major sporting events* — Directs DOT to provide a report both Appropriations Committees within 90 days of enactment of this Act outlining prospective transportation challenges and needs as they relate to North America's hosting of the FIFA World Cup 2026 and the 2028 Olympics.
- *Grant backlog* — Directs DOT to brief both Appropriations Committees within 120 days of enactment of this Act detailing the scope of the backlog of grant obligations, how staffing shortfalls may contribute to this delay, and the Department's plan to improve grant processing timelines and capacity.

Surface Transportation Reauthorization

- The current **Surface Transportation Authorization**, that was included in the BIL, expires on September 30, 2026.
- The Senate Environment and Public Works (EPW) and House Transportation & Infrastructure (T&I) Committees collected feedback from stakeholders and members of Congress throughout April and May and are drafting legislation.
- The National Association of Regional Councils (NARC) shared the following priorities with the committees:
 - Increase and Enhance Metropolitan Planning (PL) funding
 - Promote Non-Metropolitan Transportation Planning
 - Support Local Decision-Making through Formula Funds
 - Preserve Discretionary Grant Funding

SCAG's Surface Transportation Reauthorization Priorities

- **Metropolitan Planning Funding:** Preserve planning and implementation support for MPOs through protected funding for the following programs:
 - FHWA Metropolitan Planning (PL)
 - FTA Section 5303 Metropolitan Transportation Planning
 - Surface Transportation Block Grant (STBG)
 - Congestion Mitigation and Air Quality (CMAQ)
- **Freight Planning Pilot Program:** Create a freight planning pilot program for MPOs and local governments with populations over 1 million to improve efficiency for freight movement nationwide.
- **Safe Streets and Roads for All:** Maintain the Safe Streets and Roads for All (SS4A) Program, created in BIL, with a focus on implementation resources.
- **NEPA Improvements:**
 - Establish a CEQA for NEPA Reciprocity Program in California
 - Simplify the NEPA Categorical Exclusion (CE) process and streamline NEPA environmental review documents for all federal agencies/departments

SCAG Delegation Members on Surface Transportation Committees

House Transportation & Infrastructure

- Rep. Julia Brownley (CA-26)
- Rep. Salud Carbajal (CA-24)
- Rep. Robert Garcia (CA-42)
- Rep. Laura Friedman (CA-30)

House Ways and Means

- Rep. Linda Sánchez (CA-38)
- Rep. Judy Chu (CA-27)
- Rep. Jimmy Gomez (CA-34)

Senate Environment and Public Works

- Sen. Alex Padilla
- Sen. Adam Schiff

Housing Updates – HOME Reauthorization

- The House Financial Services Housing and Insurance Subcommittee intends to reauthorize the **HOME Investment Program**, which has not been reauthorized in Congress since 1992. The HOME Investment Program is the largest federal block grant program specifically created to increase production of affordable housing nationwide.
- Last month, the Housing and Insurance Subcommittee held a hearing to receive stakeholder input on necessary changes to the HOME Investment Program and discuss bipartisan solutions to addressing housing shortages nationwide. The subcommittee also introduced a discussion draft of the **HOME Reform Act of 2025**. Mark-up is expected in early fall.

Housing Updates – HOME Reauthorization

- The HOME Reform Act of 2025 makes multiple changes to the HOME Investment Partnerships Program, including but not limited to:
 - **Expanded Eligibility & Housing Scope:** Broadens the HOME program to include workforce-income families (up to 100% of area median income), alongside low-income households.
 - **Affordable Housing & Local Flexibility:** Allows Housing Choice Voucher units to qualify as affordable housing; protects local jurisdictions' autonomy in choosing housing development types.
 - **Funding & Program Efficiency Enhancements:** Extends fund drawdown period from 24 to 36 months; reallocates unused CHDO funds after 36 months; permits HOME funds for infrastructure in areas without CDBG.
 - **Regulatory Updates & Streamlining:** Raises Davis-Bacon wage threshold to 50+ units; exempts certain HOME activities from NEPA review; clarifies Build America, Buy America exclusions.

Housing Updates – ROAD to Housing Act

- Last month, the Senate Banking, Housing, and Urban Affairs Committee held a markup the **Renewing Opportunity in the American Dream (ROAD) to Housing Act of 2025**. The bipartisan legislation aims to boost the nation's housing supply, improve housing affordability, and increase oversight and efficiency of federal regulators and housing programs.
- On July 29, the committee advanced the legislation with a 24-0 vote. **This bill marks the Committee's first bipartisan housing action in more than a decade.**

Housing Updates – ROAD to Housing Act

- The ROAD to Housing Act includes multiple provisions to increase housing supply and make significant reforms to federal housing programs, including but not limited to:
 - **Increasing Housing in Opportunity Zones:** Enables HUD to give additional weight to HUD grant applications that are primarily located in opportunity zones.
 - **Environmental Review Streamlining:** Streamlines environmental reviews and reclassifies housing activities subject to NEPA review to empower state/local jurisdictions to increase housing development.
 - **Build More Housing Near Transit Act:** Incentivizes municipalities to build housing when they expand public transit systems by providing a scoring boost to the competitive grant applications of Capital Investment Grant projects that include provisions that encourage new housing near stations.

Housing Updates – ROAD to Housing Act

- **HOME Investment Reauthorization:** Reauthorizes the HOME Investment Partnerships Program and creates a competitive pilot discretionary program within the program to convert vacant and abandoned buildings into attainable housing if annual appropriations exceed \$1.35 billion.
- **CDBG-DR Reauthorization:** Permanently authorizes the Community Development Block Grant – Disaster Recovery (CDBG-DR) program and establishes the HUD Office of Disaster Management and Resiliency to administer said program.
- **Innovation Fund:** Creates a competitive grant program to provide highly-flexible funding to communities that are increasing housing supply and can be used to improve community infrastructure, build housing, and supplement water and sewer grants.
- **PRICE Act:** Authorizes HUD’s Preservation and Reinvestment Initiative for Community Enhancement (PRICE) Program to provide grants to communities to maintain, protect, and stabilize manufactured housing and manufactured housing communities.

Questions?

Thank You

Holland & Knight

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AGENDA ITEM 6

REPORT

Southern California Association of Governments
August 19, 2025

To: Legislative/Communications and Membership Committee (LCMC)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Francisco Barajas, Senior Legislative Affairs Analyst
(213) 630-1400, barajasf@scag.ca.gov

Subject: 2025-2026 State Legislative Update

Kome Ajise

RECOMMENDED ACTION:

Information Only – No Action Required.

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

EXECUTIVE SUMMARY:

This report provides the Legislative/ Communications and Membership Committee (LCMC) with an update on the \$321 billion California budget signed into law in June 2025, budget trailer bills, and other legislation relevant to SCAG. As part of the budget, several trailer bills, including Assembly Bill (AB) 128, AB 130, and Senate Bill (SB) 131, were signed into law, which contained language from bills on which SCAG had adopted a position. AB 130 included language from SB 681 (Wahab), AB 609 (Wicks), and AB 1244 (Wicks), while SB 131 contained language from SB 607 (Wiener). Additionally, these trailer bills included other SCAG priorities related to the Regional Early Action Planning Grant Program (REAP 2.0), the Olympics, and the Homeless Housing, Assistance, and Prevention (HHAP) Grant program. Lastly, staff included an update on AB 735 (Carrillo) and SB 415 (Gomez Reyes), the AB 98 (Carrillo & Gomez Reyes, 2024) reform bills.

BACKGROUND:

Governor Newsom Signs \$321 Billion Budget into Law

On June 27, 2025, Governor Gavin Newsom approved the \$321 billion 2025-26 state budget through signing SB 101, the main budget bill, and AB 102, which are “budget bill juniors” that amended SB 101 to contain details of the three-party deal struck between Governor Newsom, Assembly Speaker Robert Rivas (D-Salinas), and Senate President pro Tempore Mike McGuire (D-North Coast). The budget contains \$228 billion in state General Fund expenditures, \$88.9 billion in special fund expenditures, and \$3.9 billion in bond fund expenditures. The final budget addressed an almost \$20 billion deficit through \$2.8 billion in spending reductions, \$7.8 billion in revenue and borrowing solutions, and \$1.2 billion in fund shifts. Spending reductions primarily focused on cuts

and changes to the Medi-Cal program, including an enrollment freeze and the imposition of premiums for undocumented adults, as well as various other cost-saving measures. Two other notable deficit solutions include a \$7.1 billion withdrawal from budget reserves and a \$1 billion fund shift from the Greenhouse Gas Reduction Fund for the Department of Forestry and Fire Protection (CAL FIRE) Operations. A summary from the California Department of Finance is attached. Additional highlights from the 2025-26 state budget:

- \$500 million – Low-Income Housing Tax Credit
- \$500 million – Homelessness Housing, Assistance, & Prevention (HHAP) Program in 2026-27
- \$300 million – California Dream for All Down Payment Assistance Program
- \$416 million – CDBG for Disaster Recovery
- \$120 million – Multifamily Housing Program
- \$17.6 million – Transportation Project Planning for 2028 Olympics
- Up to \$20 million – Games Route Network Capital Projects
- \$17 million – Funding over the next three fiscal years to support the reorganization of the Business, Consumer Services, and Housing Agency.

Governor Newsom Signs Two Housing Trailer Bills into Law

In addition to signing the budget into law, Governor Newsom signed various budget trailer bills, which make changes to state law necessary to implement policies contained in the budget. As part of the package of trailer bills, the Governor signed two housing-related trailer bills, AB 130 and SB 131, into law on June 30, 2025. These two housing trailer bills contain several policy changes relating to bills or bill concepts on which SCAG has adopted a position. The latest bill position tracker containing all of the bills SCAG has adopted a position on is attached to this report and can also be found on the SCAG website at www.scag.ca.gov/legislation, under the “Bill Position Tracker” tab.

This particular section will focus on various budget trailer bills containing language from bills on which SCAG had adopted a position, as well as a few other highlights relevant to SCAG.

AB 130 – Housing Trailer Bill I

REAP 2.0 Extension – AB 130 included a six-month extension for the Regional Early Action Planning 2.0 (REAP 2.0) Grant Program’s expenditure deadline, from June 30 to December 31, 2026. This has been a priority for SCAG since 2024, as grantees in the SCAG region and across the state face challenges in completing REAP 2.0-related work due to the six-month delay resulting from the Governor’s proposal to cut REAP 2.0 in January 2024, even though most of the funding was restored in the final 2024-25 budget.

SB 681 (Wahab) OPPOSE – AB 130 contains the exact language from SB 681 (Wahab), which SCAG formally opposed due to provisions that would grant the California Department of Housing and Community Development (HCD) more authority over the Regional Housing Needs Assessment (RHNA) process. Specifically, AB 130 carried over language that requires COGs to submit a draft allocation methodology and develop a revised methodology in consultation with HCD within 45 days if HCD determines that the draft allocation methodology does not further all five statutory RHNA objectives outlined in state law. AB 130 also carried over language from SB 681 that would require Councils of Governments (COGs) to provide data assumptions for overcrowding projections and the percentage of cost-burdened households based on the difference between the region's rates and comparable regions in the United States. These provisions remain unchanged from when staff presented SB 681 with a recommendation to oppose at the May 2025 Legislative/Communications & Membership Committee (LCMC) because SB 681's provisions would bypass SCAG's comprehensive public outreach process used to develop the RHNA distribution methodology.

AB 609 (Wicks) SUPPORT – AB 130 incorporated the substance from AB 609 (Wicks), which SCAG formally supported as it would exempt qualifying housing-rich "infill" projects from the California Environmental Quality Act (CEQA) if they comply with specified local standards, with exceptions for projects located on environmentally sensitive or hazardous sites. Like AB 609, AB 130 also specifies that projects that utilize this CEQA exemption must assess the site for environmental hazards and mitigate any hazards found before a certificate of occupancy is issued. While AB 130 maintained the core requirements to qualify for the exemption, it did add or modify a few requirements. These changes are underlined and italicized below:

- The project site is not more than 20 acres, or five acres for "Builder's Remedy" projects.
- The project site is within the boundaries of:
 - The project site is located within an incorporated municipality or
 - An "urban area," as defined by the US Census Bureau.
- The project site was previously developed with "urban uses" or is substantially surrounded by sites developed with urban uses. This requirement can be satisfied by meeting at least one of the following criteria:
 - The project site was previously developed with "urban uses."
 - At least 75 percent of the surrounding sites are developed with "urban uses."
 - At least 75 percent of the area within ¼ mile of the site is developed with "urban uses."

- For four-sided sites, three out of four sides are developed with urban uses, and at least two-thirds of the perimeter of the site is developed with “urban uses.”
- The project is consistent with local zoning standards, the applicable general plan, and any applicable local coastal program. For the purposes of this criterion, the use of density bonuses or concessions does not affect consistency with the general plan, zoning ordinances, or local coastal programs.
- The project’s density is at least 50 percent of the jurisdiction’s “Mullin density,” which ranges from 10 to 30 units per acre.
- The project is not located on an environmentally sensitive or hazardous site, and the project site is consistent with SB 35’s site eligibility criteria, which excludes projects on farmlands, wetlands, high fire hazard zones, and flood zones, among others.
- The project does not require the demolition of a historic structure that was placed on a national, state, or local historic register before the date a preliminary application was submitted for the project.
- For projects submitted after January 1, 2025, no portion of the project is designated as a hotel, motel, bed and breakfast, or other transient lodgings.

Similar to AB 609, AB 130 included a tribal consultation process for projects utilizing this CEQA exemption. For housing development sites not already developed with urban uses, AB 609 required local governments to consult with tribes consistent with existing state law to identify whether tribal cultural resources exist on the site. If such resources are found, the project would not qualify for the exemption unless the effects of the development on those resources can be mitigated. If tribal cultural resources are present, the project would harm them, and if the harms could not be mitigated, the project would not qualify for the CEQA exemption under AB 609.

AB 130 added details to the required consultation process, timelines, enforceable agreements, and tribal monitoring, as well as requiring that local governments invite all tribes that are affiliated with a project site to consult on the project within 14 days of a "complete" application. Notably, unlike other tribal consultation processes, AB 130 specifies the timelines by which this consultation must conclude. AB 130 also considers the tribal consultation process complete if no tribe accepts the invitation to consult within 60 days, or approximately 135 days after consultation is requested. After this timeframe, there is a 30-day deadline for agencies to approve or disapprove a qualifying project.

Finally, AB 130 imposed additional requirements regarding prevailing wage, labor standards for tall buildings, and any projects in San Francisco, which were not included in AB 609. Specifically, AB 130 specifies that projects under 85 feet are not subject to any wage requirements to access this CEQA exemption. However, projects exceeding 85 feet must meet SB 35/SB 432's prevailing wage requirements, with additional "skilled and trained workforce" requirements, if a contractor receives at least three bids for construction work that can meet the "skilled and trained workforce" requirement. Projects that are 100 percent affordable must also pay construction workers prevailing wages, and projects in San Francisco that propose 50 or more units must satisfy higher labor standards.

AB 1244 (Wicks) WATCH – Lastly, AB 130 also adopted language from AB 1244 (Wicks), which SCAG adopted a "watch" position on, that would establish an optional statewide vehicle mile traveled (VMT) mitigation bank. Specifically, these provisions would provide cities, counties, transit agencies, and project developers with an option to meet VMT mitigation obligations under CEQA by paying into HCD's Transit-Oriented Development (TOD) program fund to support VMT-efficient affordable housing and related infrastructure projects. While the VMT Mitigation Bank contained in AB 130 is similar to AB 1244, AB 130 provides more details on implementation. Significant changes, additions, and clarifications include:

- Refines the definitions for "region" to include "the territory" of a Metropolitan Planning Organization (MPO), in addition to a regional transportation planning agency (RTPA).
- Clarifies that other mitigation strategies would still be available, including transportation demand management (TDM), transit improvements, active transportation infrastructure, road diets, or local/regional mitigation banks and exchanges. Additionally, it clarifies that AB 130 does not prevent local agencies from charging local impact fees based on VMT.
- Adds a section outlining the Office of Land Use and Climate Innovation's (LUCI's) roles and responsibilities regarding issuing guidance by July 2026 on implementing the VMT Mitigation Bank, including:
 - Developing a formula to determine how much developers must pay into the Transit-Oriented Development Implementation Fund to offset environmental impacts caused by VMT. AB 1244 would have required LUCI to develop a price per VMT, rather than a methodology to determine how much each project would have to contribute to offset VMT.
 - Developing a methodology to estimate how much a project will reduce VMT, considering factors like transit access, job proximity, walkability, affordability levels, and duration of affordability. Previously, HCD would have confirmed VMT reduction

- using the method employed by the Affordable Housing Sustainable Communities (AHSC) program.
- Developing a detailed definition of “location-efficient areas,” where transportation impacts and affordable housing/infrastructure development are closely linked. The definition must also align with regional plans like the Sustainable Communities Strategy or other growth strategies.
 - Developing a procedure to confirm whether a project’s VMT mitigation payment meets legal requirements related to satisfying VMT reduction.
- Clarifies the priority order of which projects should receive funding from the TOD program first. Previously, AB 1244 would have prioritized developments in the same region/city/county as the initial project. In contrast, AB 130 lists the priority order as:
 1. Affordable housing or related infrastructure projects in location-efficient areas within the same region as the project;
 2. Affordable housing or related infrastructure projects within the same region as the project; and
 3. Affordable housing or related infrastructure projects in location-efficient areas outside of the original region, but within an adjacent region, within a proximity radius established by the Office of Land Use and Climate Innovation (LUCI).
 - Adds a requirement for LUCI, HCD, and the California State Transportation Agency (CalSTA) to evaluate how VMT mitigation funds are being used, with a focus on funding distribution across project types, effectiveness of those projects in reducing VMT, affordability of housing units created, and other performance-related metrics. Based on the findings, HCD would be authorized to update the program guidelines to improve future outcomes. Previously, there were no requirements for program-wide evaluation or iterative guideline updates.
 - Adds a University of California-led evaluation of mitigation measures used by projects participating in the TOD Implementation Program to reduce VMT, with various specified components that must be included as part of this evaluation. This report would be required to be submitted to the legislature by July 1, 2031.
 - Adds guidance and rulemaking requirements, including a deadline for initial guidance to be released by July 2026, with a 30-day comment period and requirement to consider all comments before issuing final guidance. Subsequent guidance released would be subject to the regular rulemaking process, beginning January 2028.

Homeless Housing, Assistance, and Prevention (HHAP) Program Round 7 – SB 131, the second housing trailer bill, included \$500 million to establish Round 7 for the HHAP program. As an important note, this funding is not set to be appropriated until the next fiscal year, FY 2026-27, which begins on July 1, 2026, rather than the current fiscal year, FY 2025-26, which started on July 1, 2025. Given that the Legislative Analyst's Office projects a \$10 billion deficit in the state's subsequent budget cycles, it will be essential to continue monitoring the HHAP program to ensure it isn't cut during the budget process next year.

SB 607 (Wiener) – Further, SB 131 includes amended provisions carried over from SB 607 (Wiener), including an exemption for rezonings that implement an approved housing element from CEQA, with carve-outs for distribution centers, oil and gas infrastructure, and protected lands. SB 131 also preserves the provisions from SB 607 that would implement a single-condition exemption that confines CEQA review to study impacts for developments that meet all but one eligibility criteria ("near-miss") for a CEQA exemption. Thus, rather than conducting a full CEQA review, a lead agency would only be required to examine the environmental effects caused by the one condition that causes an eligible project to miss the exemption threshold. A few key differences in SB 131 include:

- SB 607 created the term "natural and protected lands" and defined it to include state park system lands, federally designated wilderness areas, ecological reserves, hazardous waste sites, and other zones. Projects located on "natural and protected land" would still be subject to the complete EIR process. SB 131 broadened the definition of "natural and protected lands" to include very high fire hazard severity zones and agricultural lands.
- Modifies the provision that exempts any rezoning that implements an approved housing element from CEQA such that prime/statewide farmland and voter-protected agricultural land are **not** "protected lands" for the purposes of this exemption. Thus, under SB 131, jurisdictions may conduct rezonings that include farmland under their housing plans without triggering a separate CEQA review for it.
- Narrows the "near-miss" exemption to only apply to housing development projects that would otherwise qualify for specified categorical or statutory exemptions adopted before January 2026. This will include a new statutory exemption for infill housing included in AB 130. Further, EIRs for eligible "near-miss" housing projects are not required to include any discussion of alternatives to the project or the growth-inducing impacts of the project. The "near-miss" exemption would only apply to housing projects that:
 - Are "not similar in kind" to projects that typically qualify for the exemption.
 - Fail to satisfy the CEQA exemption due to the presence of two or more conditions.

- Include a distribution center, oil/gas infrastructure, or are located on “natural and protected lands.”
- Current law directs lead agencies to utilize the “fair argument standard” to determine if an EIR must be prepared instead of a Negative Declaration (ND) or Mitigated Negative Declaration (MND). SB 607 proposed aligning the standard of review for NDs and MNDs with the standard used for EIRs by introducing a “more likely than not” threshold for determining environmental significance. SB 131 did not make any changes to this portion of state law, so the “fair argument” standard is still in effect for NDs and MNDs, and the “substantial evidence” standard is still in place for EIRs.
- Retained language to limit the scope of administrative records to those documents that were relevant to the decision-making process. While SB 131 retained language that limited the scope of administrative records, it contains a narrower, more targeted framework for what materials should be excluded. Specifically, SB 131 only excludes internal communication, unless it was reviewed by an executive or presented to the final decision-making body from the administrative record, with exclusions for projects with potentially greater environmental and public health impacts.
- Class 32 categorical exemption under CEQA allows infill development projects to bypass full environmental review if they meet specific criteria. Historically, this exemption has applied only to projects within city limits. SB 607 proposed allowing the infill categorical exemption to be used on parcels that meet all the requirements of the Class 32 exemption but are on county unincorporated lands. SB 131 would achieve similar outcomes through a mapping and designation process rather than direct amendment to the Class 32 exemption. It would do so by requiring LUCI to map eligible urban infill sites statewide by July 2027, allowing projects that are located on eligible sites, consistent with an adopted general plan or housing element, and promote compact housing development to achieve CEQA streamlining similar to the Class 32 exemption.

CEQA Exemption for High-Speed Rail – Additionally, SB 131 also created a new CEQA exemption related to the California High-Speed Rail (HSR) project, exempting other projects that are planned to connect directly to the HSR project from CEQA. Eligible projects include the development, construction, or operation of a high-speed rail maintenance facility or passenger rail station. The exemption would not apply to projects located on natural and protected lands or other facilities, structures, or uses not identified in the prior EIR.

Updates on Notable Bills

AB 98 Reform Bills

The two companion bills, AB 735 (Carrillo) and SB 415 (Gomez Reyes), which seek to amend AB 98 (Carrillo & Reyes), have continued to move through the legislature, with both bills being set to be heard in their respective chambers' appropriations committees. AB 98 established minimum standards that warehouse developments must meet before a local agency may approve them and imposed various requirements on local governments related to truck routes and air quality monitoring. Most recently, SB 415 was heard and passed unanimously in the Assembly Local Government Committee on July 16, 2025. Assemblymember Carrillo, who was representing Senator Gomez Reyes in the hearing, outlined the various amendments that they have accepted so far, including limiting the applicability of AB 98, extending the amount of time that most cities have to update their general plan circulation element, and allowing the Attorney General (AG) to work with cities that are working in good faith to update their circulation elements, before imposing fines.

Assemblymember Carrillo shared information about future amendments that are coming once the bills are heard in their respective Appropriations Committees. These amendments include clarifying various definitions, providing additional direction to local planning departments on specific aspects of AB 98, ensuring existing affordable housing provisions, and guaranteeing the existing pipeline of warehouse projects. The Assemblymember also shared issues that must still be addressed, including the enforcement of truck routes, modernizing existing warehouses, the AG's role in enforcement, and other minor problems. The Assemblymember shared that he is working to reach consensus on these issues before the end of the year. The California Building Properties Association (CBPA), California League of Cities (CalCities), California State Association of Counties (CSAC), American Planning Association (APA), and California Chamber of Commerce, among others, provided comments sharing their remaining concerns, but expressed that the bill is headed in the right direction to address those concerns and reach a point where AB 98 is feasible for local governments. CalCities shared that they are still working to add the ability for cities to satisfy the circulation element update requirement through a local ordinance, provided there are no large warehouses in their jurisdiction, and have concerns with the expansion of the AG's authority to fine local governments for noncompliance with the circulation element update.

The Legislation Department will continue to monitor the conversation and progression of these two AB 98 reform bills as they continue to progress. AB 735 will be heard in the Senate Appropriations Committee on August 18, 2025, while SB 415 is still pending a date to be set for it to be heard in the Assembly Appropriations Committee.

FISCAL IMPACT:

Work associated with 2025-2026 State Legislative Update is within the Indirect Cost budget, Legislation 810-0120.10.

ATTACHMENT(S):

1. 2025 SCAG Bill Position Tracker



2. Item 6 - LCMC - 08192025 - State Legislative Update

Bill Number	Position/RC Action	Topic	Summary	Status
2025 LEGISLATIVE SESSION BILLS				
SB 71 (Weiner)	Support - 3/6/25	CEQA Exemptions for Environmental Leadership Transit Projects	This bill would extend the CEQA exemptions implemented by SB 922 until January 2040 and expand the exemptions to include microtransit, shuttles, ferries, and locomotives. It also extends the streamlined review process by one year, until January 2027, for Environmental Leadership Transit Projects.	Passed Sen. floor 36-0. Passed Asm. Nat. Resources 12-0 and re-referred to Asm. Approps pending hearing.
SB 233 (Seyarto)	Support - 3/6/25	RHNA Determination Consultation	This bill would require HCD to meet with COGs regarding the regional housing need methodology at least 38 months prior to the scheduled revision of the housing element.	Passed Sen. Floor 35-0. Passed Asm. Housing 11-0, Asm. Local Gov. 10-0, and re-referred to Asm. Approps pending hearing.
SB 239 (Arreguín)	Support - 3/6/25	Brown Act Modernization	This bill would allow a subsidiary body of a local agency to teleconference its meetings without having to notice and make each teleconference location publicly accessible or have at least a quorum participate from locations within the agency's boundaries until January 2030.	Ordered to inactive file. Two-year bill.

Bill Number	Position/RC Action	Topic	Summary	Status
SB 360 (Rubio, S.)	Support – 5/1/25	Land Conservation: San Bernardino County	This bill would authorize San Bernardino County to use revenues from the sale or exchange of lands acquired with Proposition 70 (1988) funding for improvements to any lands within the Chino Agricultural Preserve that the County owns.	Passed Sen. Floor 37-0. Pending hearing in Asm. Water, Parks and Wildlife.
SB 607 (Weiner)	Support - 6/05/25	CEQA Exemptions for Infill Projects	This bill previously made various CEQA reforms to narrow and standardize review scope, expand urban infill exemptions, and exempt rezonings consistent with a housing element. It was gut-and-amended to contain intent language that prohibits CEQA streamlining for the Delta Conveyance Project, in addition to supporting general CEQA reform.	Included in SB 131 (Housing Budget Trailer Bill II) and signed into law by Governor Newsom on 6/30/25.
SB 681 (Wahab)	Oppose - 6/05/25	Housing and COG revisions to RHNA	This bill requires COGs to develop a revised methodology in consultation with HCD, bypassing SCAG's comprehensive public outreach process used to develop the RHNA distribution methodology, among various other changes.	Included in AB 130 (Housing Budget Trailer Bill I) and signed into law by Governor Newsom on 6/30/25.

Bill Number	Position/RC Action	Topic	Summary	Status
SB 752 (Richardson)	Support – 5/1/25	Tax Exemptions for ZEBs	This bill would extend the partial sales and use tax exemption for the purchase of ZEBs for public use until January 1, 2028.	Held Under Submission in Sen. Approps. Two-year bill.
AB 226 (Calderon & Alvarez)	Support - 3/6/25	FAIR Plan	This bill would authorize the California FAIR Plan Association to request the IBank issue catastrophe bonds to help finance insurance claims costs, increasing the FAIR Plan's claims-paying capacity.	Passed Asm. Floor 77-0. Passed Sen. Business 8-0 and Sen. Insurance 7-0. To be heard in Sen. Approps 8/18/25.
AB 239 (Harabedian)	Support – 5/1/25	LA County Disaster Housing Task Force	This bill would require HCD and OES jointly to convene a housing task force with FEMA to coordinate and streamline efforts with local governments to rebuild housing in communities impacted by the wildfires.	Passed Asm. Floor 79-0. Passed Sen. Housing 11-0 and Sen. Gov. Organization 15-0. To be heard in Sen. Approps 8/18/25.
AB 259 (Rubio, B.)	Support - 3/6/25	Brown Act Modernization.	This bill would extend the Brown Act exemptions provided by AB 2449 until January 2030. These exemptions allowed members of a local agency, with just cause, to use teleconferencing without identifying each teleconference location in the notice and agenda of the meeting and without making each teleconference location accessible to the public.	Passed Asm. Floor 73-0. Referred to Sen. Local Gov. and Sen. Judiciary pending hearing.

Bill Number	Position/RC Action	Topic	Summary	Status
AB 334 (Petrie-Norris)	Support – 5/1/25	National Interoperability of Toll Facilities	This bill would support the national interoperability of toll facilities by authorizing toll agencies in California to share specified categories of customer data with out-of-state operators.	Passed Asm. Floor 74-0. Passed Sen. Trans 13-0 and Sen. Judiciary 13-0. Pending Sen. Floor vote.
AB 609 (Wicks)	Support - 6/05/25	CEQA Exemptions: Housing Development	This bill would exempt infill housing projects from CEQA if they comply with local standards, are located on an infill site, or sensitive/hazardous sites.	Included in AB 130 (Housing Budget Trailer Bill I) and signed into law by Governor Newsom on 6/30/25.
AB 650 (Papan)	Support - 6/05/25	RHNA Reform	This bill would extend various RHNA and housing element timelines for HCD, COGs, and local jurisdictions. It would also require HCD to provide more precise feedback and justification for a Housing Element that HCD determines is not substantially compliant.	Passed Asm. Floor 79-0. Passed Sen. Housing 11-0. Placed on Approps Suspense File pending hearing.
AB 736 (Wicks)/SB 417 (Cabaldon)	Support - 6/05/25	Affordable Housing Bond Act	Will place a bond measure on the 06/26 ballot to provide \$10 billion to CA's affordable housing programs. Funding affordable rental housing for lower-income families, homeownership opportunities, and supportive housing.	AB 736: Passed Asm. Floor 65-11. Pending Senate Committee assignments. SB 417: Pending first hearing.

Bill Number	Position/RC Action	Topic	Summary	Status
AB 888 (Calderon)	Support – 5/1/25	California Safe Homes Grant Program	This bill would establish the California Safe Homes grant program, which would be funded by appropriation from the Legislature to provide grants for home hardening and communitywide mitigation for individuals and local governments.	Passed Asm. Floor 79-0. Passed Sen. Insurance 7-0. To be heard in Sen. Approps 8/18/25.
AB 891 (Zbur)	Support – 5/1/25	Quick-Build Project Pilot Program	This bill would establish the Quick-Build Project Pilot Program and require Caltrans to fund and implement six improvements under it by December 2028.	Passed Asm. Floor 61-17. Passed Sen. Trans. 11-4. To be heard in Sen. Approps 8/18/25.
AB 1007 (Rubio, B.)	Support - 6/05/25	Permit Streamlining Act Reform	This bill would expedite housing project approvals by requiring responsible agencies to act within 45 days of lead agency approval or application completion for residential and mixed-use developments.	Passed Asm. Floor 71-0. Passed Sen. Local Gov. 7-0. Placed on Approps Suspense File pending hearing.
AB 1131 (Ta)	Support – 5/1/25	Congregate Care Housing Units RHNA Credits	This bill would allow jurisdictions to include the number of approved congregate care housing units in their APRs to HCD and apply for credits for these units to be included in their RHNA to satisfy up to 15 percent of a jurisdiction's allocation for any income category.	Passed Asm. floor 77-0. Passed Sen. Housing 11-0. Placed on Approps Suspense File pending hearing.



Bill Number	Position/RC Action	Topic	Summary	Status
AB 1244 (Wicks)	Watch - 6/05/25	VMT Mitigation Fee	This bill would establish a statewide mitigation fund for transit-oriented housing, which will pool developer contributions to support infill projects through the existing TOD Implementation fund under HCD.	Included in AB 130 (Housing Budget Trailer Bill I) and signed into law by Governor Newsom on 6/30/25.
AB 1275 (Elhawary)	Watch - 6/05/25	Regional Housing and RTP	This bill would align RHNA and SCS timelines by requiring HCD to provide COGs with a final RHND one year early and COGs to delegate subregions to consider including SCS development patterns in the RHNA distribution methodology.	Passed Asm. Floor 71-0. Passed Sen. Housing 11-0. Pending approval on Sen. Floor consent calendar.
AB 1276 (Carrillo)	Support - 6/05/25	Housing Developments: Ordinances, Policies, and Standards	This bill would extend existing requirements on cities and counties to state and regional agencies, helping ensure housing projects aren't subject to regulatory changes at the state and regional agency level after a preliminary application is submitted.	Passed Asm. Floor 71-0. Passed Sen. Housing 11-0 and Sen. Local Gov 7-0. To be heard in Sen. Approps 8/18/25.



Bill Number	Position/RC Action	Topic	Summary	Status
AB 735 (Carrillo) & SB 415 (Gómez Reyes)	Oppose - 6/05/25	AB 98 Reform	This bill would clarify various aspects and amend AB 98 (Carrillo & Reyes, 2024). These changes include extending the Circulation Element update deadline, except for some SCAG jurisdictions and authorizes the AG to fine noncompliant jurisdictions not making a “good faith” effort to meet that requirement, among various other changes.	AB 735: Passed Asm. Floor 61-4. Passed Sen. Local Gov. 5-0 and Sen. Judiciary 13-0. To be heard in Sen. Approps 8/18/25. SB 415: Passed Sen. Floor 38-0. Passed Asm. Local Gov. 7-0 and re-referred to Asm. Approps. Pending hearing.

2025-2026 State Legislative Update

Francisco Barajas, Sr. Legislative Affairs Analyst
August 19, 2025

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FY 2025-2026 Budget Update

- **SB 101/ AB 102 - Budget Act of 2025**
 - \$321B state budget
 - Signed June 27, 2025
- **AB 130 - Housing (2025-2026)**
 - Budget Trailer Bill
 - Signed June 30, 2025
- **SB 131 - Public Resources (2025-2026)**
 - Budget Trailer Bill
 - Signed June 30, 2025



AB 130 Housing (2025-2026)

- Incorporated:
 - REAP 2.0 Extension – SUPPORT
 - SB 681 (Wahab) Housing – OPPOSE
 - AB 609 (Wicks) CEQA: exemption: housing development projects – SUPPORT
 - AB 1244 (Wicks) CEQA: transportation impact mitigation: TOD Implementation Program – WATCH



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SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

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SB 681 (Wahab) - Housing

- Among many other changes, amends housing element law to:
 - Require data assumptions COGs have to provide HCD to include assumptions of overcrowding and cost-burden
 - Require COGs to develop a revised RHNA distribution methodology with HCD if the five objectives are not met
- RC adopted "oppose" position
- No changes made when incorporated into AB 130



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SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

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AB 609 (Wicks) – CEQA: categorical exemptions: infill projects

- Exempts infill housing projects that meet specified criteria from the CEQA process that comply with local standards, are in an infill location, and are not located on environmentally sensitive or hazardous sites.
- RC adopted “support” position
- Clarifying changes were added when incorporated into AB 130.



SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

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AB 1244 (Wicks) – CEQA: transportation impact mitigation: Transit-Oriented Development Implementation Program

- Expands options to meet VMT mitigation requirements by creating a statewide VMT mitigation fund through the existing Transit Oriented Development (TOD) Implementation fund under HCD.
- RC adopted “watch” position
- Clarifying changes were added when incorporated into AB 130.



SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

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SB 131 Public Resources (2025-2026)

- Incorporated:
 - HHAP Program Funding
 - \$500M for Round 7 in FY 2026
 - CEQA Exemption for High-Speed Rail
 - SB 607 (Wiener) Fast & Focused CEQA Act – SUPPORT



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SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

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SB 607 (Wiener) – Fast & Focused CEQA Act

- Sought to make five changes to existing CEQA processes as recommended by the Little Hoover Commission
- RC adopted “support” position
- Key changes made when incorporated include:
 - Limiting specified areas from CEQA exemptions.
 - Maintaining existing standard of review between ND, MND and EIR.



SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

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QUESTIONS?



AGENDA ITEM 7

REPORT

Southern California Association of Governments
August 19, 2025

To: Legislative/Communications and Membership Committee (LCMC)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Francisco Barajas, Senior Legislative Affairs Analyst
(213) 630-1400, barajasf@scag.ca.gov

Subject: AB 1275 (Elhawary) - Regional housing needs: regional transportation plans - Update

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RECOMMENDED ACTION:

Information Only – No Action Required

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

EXECUTIVE SUMMARY:

SCAG staff presented AB 1275 (Elhawary) to the Legislative/Communications and Membership Committee (LCMC) at the committee's May 13, 2025 meeting. Following the presentation, the committee voted to forward a recommendation to adopt a "watch" position to the Regional Council (RC), which was adopted at the RC meeting on Thursday, June 5, 2025. As written and as presented to the LCMC in May, the bill proposes extending key timelines in the Regional Housing Needs Assessment (RHNA) development process, while requiring councils of governments (COGs) to consider the development pattern of their respective Sustainable Communities Strategies (SCS's) when developing their RHNA distribution methodologies. SCAG staff is once more presenting the LCMC with an update on AB 1275 as conversations continue ahead of the upcoming deadline of September 12, for each house to pass bills.

BACKGROUND:

Bill: AB 1275 **Author:** Assemblymember Sade Elhawary (D-Los Angeles)

Title: Regional housing needs: regional transportation plan

Status: Senate: Ordered to Third Reading.

Hyperlink: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB1275

History

Introduced in 2023 by Assemblymember Rick Chavez Zbur (D-Los Angeles), AB 1335 aimed to align population projections used in the Regional Housing Needs Assessment (RHNA) with those in the Sustainable Communities Strategy (SCS). The goal was to help local governments better

synchronize their general plans with the environmental objectives outlined in the SCS. From the author's perspective, this alignment would promote the development of more housing near jobs and public transit, addressing both the housing shortage and affordability crisis while simultaneously reducing car dependency.

Originally presented to the LCMC on Tuesday, March 21, 2023, the Regional Council (RC) adopted an oppose position on the bill at its meeting on April 6, 2023, as its original language would have taken away the ability for agencies like SCAG to develop their own regional growth forecasts. Following the adoption of an "oppose" position, the bill underwent several amendments. The third iteration would have required MPOs, including SCAG, to make certain planning assumptions in the RTP/SCS. Specifically, it would have forced SCAG to accept HCD's Regional Housing Needs Determination as the only piece of information that could be used to forecast household growth in the first eight years of SCAG's 30-year RTP/SCS. Functionally, this assumption would have meant that the RTP/SCS would assume that the region's entire 1.34 million Regional Housing Needs Determination (RHND) would be constructed by 2029.

For SCAG's planning documents, our technical experts project that 1.34 million housing units will be constructed, just over a more extended period of time. SCAG's current forecast is based off development data from the construction industry that shows 54,000 new housing units were constructed in the Southern California region in 2022 – the highest annual total since 2006. As with the previous versions of this bill, it would have been irresponsible for SCAG's planning documents to assume housing development at three times the actual rate.

There are more things SCAG must consider when forecasting future housing growth than just HCD's RHNA determination for Southern California. These factors include migration, the private sector's access to capital, public subsidies for affordable projects, labor availability, and raw material costs, among others. Using the RHNA target as a planning forecast, however, will have the unintended consequence of throwing off SCAG's ability to demonstrate Air Quality Conformity to the EPA. If the region fails to meet air quality conformity, Southern California will lose the ability to use most federal transportation dollars, including those from the Infrastructure Investment and Jobs Act (IIJA).

AB 1275 (Elhawary)

After AB 1335 (Zbur, 2023) failed to pass the Legislature, its sponsor, Abundant Housing LA, reintroduced the proposal as AB 1275 (Elhawary). Given our strong opposition to the previous version – including our stated rationale – Abundant Housing LA has since engaged in discussions with SCAG and the California Association of Councils of Governments (CalCOG). As a result of these conversations, the bill has been amended to its current iteration in print. AB 1275 now proposes that the Department of Housing and Community Development (HCD) issue each region's RHND at least three years before the required revision of the housing element – extending the current two-

year timeline. Additionally, the bill would lengthen the consultation period between HCD and councils of governments (COGs) from a minimum of 26 months to 38 months prior to the next housing element update. This adjustment would align the overall Regional Housing Needs Allocation (RHNA) process with the timeline for developing the Sustainable Communities Strategy (SCS) – a recommendation SCAG previously submitted to HCD during the agency’s development of the *California Housing Futures 2040* report. Additionally, these changes are consistent with SB 233 (Seyarto), which the RC formally supported on March 6, 2025, and AB 650 (Papan), which the RC formally supported on June 5, 2025.

Lastly, the bill would require each COG to consider the development patterns outlined in the region’s SCS in the development of the methodology that allocates regional housing needs to the extent sufficient data is available, as well as require that the RHNA plan be informed by the development pattern included in the SCS. This differs from last year’s version, which would have required the SCS to assume all of the region’s final determination would be built within the eight-year cycle.

AB 1275 Update

With the September 12 deadline for bills to pass both houses in the state legislature quickly approaching, Abundant Housing LA contacted SCAG staff to share several proposed amendments they received from HCD, which they characterize as clarifying in nature. These proposed amendments include:

- 1) **Removing changes to Non-COG timelines:** As there are two additional bills seeking to change the same section of code to provide COGs additional time to begin working on their RHNA process one year earlier, including SB 233 (Seyarto) and AB 650 (Papan), HCD is requesting this non-substantive amendment to align the language in this bill with those two other existing bills, which keeps the timeline the same for those regions where HCD acts as the COG.
- 2) **Changes to subregional allocation:** This proposed amendment seeks to revise the statute so that the allocation to any formed subregion within the COG region is based on the subregion’s share of the currently adopted final regional housing need allocation plan, rather than on the distribution of households projected in the regional transportation plan for the same period.
- 3) **Broadens the use of Sustainable Communities Strategy beyond the development pattern:** This proposed amendment seeks to tie the broader Sustainable Communities Strategy to the development of the regional housing needs distribution methodology, as opposed to just the development pattern, as is currently written.

- 4) **Clarifying language to address both current and future housing needs:** Proposes to include language clarifying that all identified areas in the SCS should have sufficient capacity to house both the projected population and meet the current housing needs of the existing population.
- 5) **Introducing HCD's five statutory objectives:** HCD promotes five statutory objectives in its regional housing needs allocation (RHNA) methodology. These objectives aim to ensure that California's cities and counties adequately plan to meet the housing needs of their communities. This would be accomplished by having the forecasted development pattern in the SCS be informed by the regional housing needs allocation (RHNA), which inherently furthers the five objectives as currently mandated by state law.

For reference, the five statutory objectives include:

- 1) Increasing the housing supply and variety, including affordability, equitably across all jurisdictions, with each receiving an allocation for low- and very low-income households.
- 2) Promoting infill development, socioeconomic equity, environmental and agricultural resource protection, efficient development patterns, and meeting greenhouse gas reduction targets.
- 3) Improving the balance between jobs and housing within regions, particularly regarding affordable housing for low-wage workers.
- 4) Balancing household income distributions by allocation housing for different income levels across various areas.
- 5) Affirmatively furthering fair housing.

SCAG staff, joined by legislative staff from the Sacramento Area Council of Governments (SACOG), San Diego Association of Governments (SANDAG), Metropolitan Transportation Commission/Association of Bay Area Governments (MTC/ABAG), and the California Association of Councils of Governments (CalCOG), met with Abundant Housing LA and Assemblymember Elhawary's staff to discuss the amendments proposed by HCD shortly after we received them. In that discussion, the COGs discussed their reactions to the various proposals. These conversations are on-going, while mindful that the Legislature will have less than one month to complete all legislative bills before the end of this year's session.

Recommendation:



At the time of writing, AB 1275 remains unchanged and, as such, staff recommend maintaining our watch position to allow us to continue the ongoing dialogue, informed by feedback from the LCMC.

FISCAL IMPACT:

Work associated with the AB 1275 (Elhawary) report is in the Indirect Cost budget, Legislation 810-0120.10.

ATTACHMENT(S):

1. Item 7 - LCMC - 08192025 - AB 1275

AB 1275 (Elhawary) Update

Francisco Barajas, Sr. Legislative Affairs Analyst
August 19, 2025

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AB 1275 (Elhawary) Regional housing needs: regional transportation plan

- As written, seeks to align RHNA and SCS by requiring:
 - HCD to provide COGs with final housing needs determination a year earlier
 - COGs or delegate subregions to consider including SCS development patterns in the RHNA distribution methodology
- Watch position adopted by RC on June 5, 2025
- Most concerning proposed amendments submitted to SCAG would incorporate HCD's five statutory objectives into the code.



QUESTIONS?