

Assessing the Co-Benefits of Housing and Transportation Investments in Prohousing Designated Jurisdictions

Hongwei Dong, PhD



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16. Abstract In response to California's ongoing housing affordability crisis, state and local governments have adopted a range of prohousing policies aimed at reducing barriers to housing production and promoting the integration of housing with transportation. This study examines two distinct but related dimensions of prohousing policies in California. One concerns the Prohousing Designation Program (PDP) (established by the 2019–2020 Budget Act), analyzing the adoption and implementation of prohousing policies in 56 California cities that received Prohousing Designation. The other examines recent state and local policy shifts aimed at promoting affordable housing in transit-rich areas. The study uses a mixed-methods research design, combining policy and document review with semi-structured interviews with urban planners, municipal housing professionals, transit-oriented development (TOD) managers in large transit agencies, and real estate developers. The study finds that prohousing designations skew toward large urban cities. Interviewed planners identified a few especially effective prohousing tools in practice: entitlement and permitting streamlining, specific plans, inclusionary zoning, and local measures that facilitate and incentivize ADUs. They also identified several major barriers to housing production, including high development cost and financing constraints, land cost and constrained sites, understaffing and the administrative burden of keeping pace with rapidly evolving state housing laws, and community opposition. In addition, interview participants emphasized several factors beyond the purview of municipal planning and housing authorities that significantly influence housing production. These include housing funding and subsidies, the availability and timely expansion of infrastructure and utilities needed to support new development, and building and fire codes that can increase development costs and timelines. The analysis of recent TOD policy changes suggests that, following a series of state laws facilitating housing near transit, major coastal cities, metropolitan planning organizations (MPOs), and transit agencies have reformed local policies governing affordability requirements, density regulations, and parking standards in transit-rich areas. Despite these reforms, TOD implementation remains complex and faces multiple obstacles, including community opposition to density increases and parking reductions, high development costs and financing constraints, fragmented funding sources, insufficient inter-agency coordination, and institutional and technical challenges. The findings provide practical insights for state and local policymakers seeking to strengthen prohousing initiatives and accelerate the production of affordable, transit-oriented housing throughout California.			
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1. Introduction

1.1 Project Background

In the past few years, affordability has emerged as a central political issue in the United States. The rising cost of everyday essentials, such as housing, food, and healthcare, ranks among Americans' top concerns (Weil, 2026). Housing and transportation expenditures, which account for approximately half of a typical American family's budget, play a prominent role in this broader affordability crisis. Indeed, interest in land use and housing policy reform has recently emerged as a rare area of bipartisan consensus, with both Democratic- and Republican-led states enacting legislation to expand housing supply (Kazis, 2023). California, widely seen as the epicenter of the nation's housing affordability crisis, has become a key testing ground for housing and transportation policy reforms that aim to integrate housing and transportation planning. Over the past decade, the California state legislature has enacted over 100 statutes that strengthen state oversight and require local jurisdictions to reform their planning and approval processes (Fulton et al., 2023). Alongside these statewide measures, many California cities have undertaken their own reforms to modernize land use regulations and housing approval processes.

In the California 2019–2020 Budget Act, the California State Legislature established the Prohousing Designation Program (PDP) to acknowledge and support local jurisdictions to go above and beyond state housing laws to accelerate housing production (California Department of Housing and Community Development, n.d.-a). The California Department of Housing and Community Development (HCD) utilized emergency regulations to quickly launch the program and began accepting applications on a rolling basis in July 2021. The permanent regulations for the PDP were approved in January 2024. While the program focuses on policies that facilitate the planning, approval, or construction of housing or policies that keep people housed, it also considers policies that can tangentially contribute to other state goals such as open space preservation, hazard mitigation, and displacement. The policies also must be consistent with a jurisdiction's duties to affirmatively further fair housing. Any local jurisdiction (incorporated city or county) is eligible to apply if it meets a few requirements such as demonstrating compliance with all state housing laws, possessing a compliant Housing Element, and submitting Annual Progress Reports.

Among many policy tools that aim to improve housing and transportation affordability and accessibility, California lawmakers, local governments, and transit agencies have paid increasing attention to expanding housing production, particularly affordable housing development in transit-rich areas. Major transit agencies serving the state's largest metropolitan regions have recalibrated their transit-oriented development (TOD) programs to prioritize housing production through joint development initiatives. Concurrently, numerous local jurisdictions have revised zoning ordinances, adopted new TOD overlays, and updated land use regulations in transit-rich

areas to lower regulatory barriers to housing development (Garde et al., 2024). Together, these multilevel policy shifts signal a substantial institutional commitment to aligning affordable housing production with transit accessibility.

1.2 Research Purpose and Structure

This research project consists of two related but distinct studies. In the first study (Section 2), I examine the adoption and implementation of prohousing policies in 56 California cities that had received the prohousing designation status as of May 2025 (hereafter referred to as “prohousing cities”). First, I identified the reforms most commonly codified by these cities and assessed how policy adoption corresponds with key city characteristics. Second, the research team conducted semi-structured interviews with 40 urban and housing planners and five housing developers to identify effective policy tools in practice, document persistent barriers to housing production, and recommend reforms to HCD’s PDP. Unlike prior empirical studies that quantified the impacts of land use regulations on housing supply, this project examined which reforms prove effective in practice, drawing on insights from urban planners, municipal housing professionals, and real estate developers who directly engage in land use and housing planning, approval, and production processes. The interviews revealed how these policies worked on the ground, the political, operational, and practical obstacles they faced, and their implementation outcomes.

In the second study (Section 3), I investigate how California’s multiple TOD policy shifts in the past decade are being implemented and what implications they carry. I first conducted a systematic review of key statutes and policy documents to identify the principal TOD planning tools implemented in California’s major metropolitan areas, including the San Francisco Bay Area, Los Angeles County, and the City of San Diego. I then drew on semi-structured interviews with housing and transit planners in these areas to assess perceived policy effectiveness, implementation dynamics, and persistent barriers to delivering affordable housing in high-quality transit areas. The findings contribute to a deeper understanding of how TOD programs are operationalized in practice and offer policy-relevant insights for other U.S. metropolitan regions seeking to better align affordable housing production with transit investment. More broadly, the study advances scholarship on the governance and implementation of transit-oriented housing policy by illuminating how multilevel institutional design shapes affordable housing development near transit.

2. Prohousing Policy Reforms: Effective Policies and Persistent Barriers

2.1 Literature Review

Traditionally, authority over land use regulation has resided within local governments. However, with housing affordability emerging as one of the most economically and politically salient challenges across the US, more than 20 states have enacted statewide prohousing and land use preemption bills to promote housing production (Munteanu et al., 2025). Schuetz (2023) assessed state-level engagement with land use regulations across five states (California, Massachusetts, Oregon, Utah, and Virginia) and summarized these statewide pro-housing policy tools into four categories: financial “carrots” or “sticks” tied to housing production goals for local jurisdictions, stronger oversight of local land use plans to ensure sufficient land capacity for housing development, preemption of local governments to adopt restrictive zoning rules, and builder remedy policies for developers to override local zoning under certain conditions.

Passing statewide legislation is the first step, and it may take several years for local governments to fully incorporate new rules into their municipal ordinances (Munteanu et al., 2025). Moreover, attitudes toward state prohousing policies vary widely among local jurisdictions in California depending on local conditions, particularly housing tenure and income. Communities dominated by white, older, and affluent homeowners are more likely to oppose statewide prohousing policies, while renters and low-income groups tend to support it (Manville & Monkkonen, 2024). Some California municipalities use multiple channels, such as lower allowed densities and limited building heights, to restrict high-density residential development (Murray & Schuetz, 2019).

A nationwide study suggests a more complicated relationship between municipal conditions and housing production (Freemark, 2022). On the one hand, housing growth tends to be higher in cities with higher income, education attainment, and home value, likely because housing demand is stronger in these cities. On the other hand, among the most expensive municipalities, housing growth is slower in cities that have higher proportions of white population and are wealthier and more educated. Another nationwide study also shows that larger cities are more receptive to multifamily housing development than smaller ones (Marantz & Lewis, 2021).

Since many of these statewide prohousing legislations were passed recently, it is too early to comprehensively evaluate their effectiveness in accelerating housing production. However, several studies on California’s recent statewide efforts to promote housing production suggest some positive effects. For example, an analysis of California’s recently strengthened Housing Element Law in 2016 showed that California cities have substantially increased their zoned land capacity for housing development (Monkkonen et al., 2023). Even cities with a stronger “Not In My Backyard” (NIMBY) sentiment have conducted significantly more rezoning to ensure

sufficient land for housing development, even though they still received relatively lower housing production targets (Monkkonen et al., 2023).

Other reforms have produced more varied results. Wegmann et al. (2024) evaluated California's two zoning reforms targeting single-family zones and found that they have produced markedly divergent outcomes. Statewide deregulation of accessory dwelling units (ADUs) has generated substantial new housing by enabling homeowners and developers to construct small units on existing properties. In contrast, SB 9, a state law legalizing duplexes and lot splits in single-family zones, has yielded modest results, largely because its design relies on individual homeowners to initiate development.

In addition to increasing housing production, housing policy reform also aims to speed up housing development by streamlining the project approval process. An early study of California State Senate Bill 35, which creates a ministerial approval pathway for qualifying housing projects, showed that it reduced the approval time for affordable housing projects in some cities (O'Neill & Wang, 2023). Based on data from approximately 350 Los Angeles multifamily projects, Manville et al. (2023) found that by-right approval shortens project approval timelines by 28% and reduces variation in approval times relative to discretionary review, thereby providing greater speed and procedural certainty.

While a substantial body of research has established the negative impacts of restrictive land use regulations on housing production and affordability (see the literature review by Molly, 2020), far fewer studies have explicitly examined which types of regulatory constraints are most detrimental. One exception is a study by Monkkonen et al. (2020), which analyzed the effects of two dimensions of land use regulations in California cities: regulatory prohibitions and approval processes. They found that regulatory prohibitions on higher-density development reduced housing production while measures of regulatory process showed no significant impact. A California survey on three groups of stakeholders, including planning commission members, real estate developers, and housing advocates showed that they emphasized different barriers to housing development (Burinskiy et al., 2021). Compared with planning commission members, developers were more likely to identify lengthy review and approval processes as a major barrier. The three groups all agreed on two things that need to be done to accommodate housing development—updating zoning and improving infrastructure—but they disagreed on how zoning should be updated.

A similar survey in Oregon (Lewis et al., 2025) yielded similar findings. Different stakeholders, namely urban planners, developers, and non-profit organizations, attributed barriers to different causes, reflecting their respective institutional roles, perspectives, and interests. Developers were more likely to consider process-related barriers, while participants from nonprofit and public sectors tended to believe that developers were not building housing that is needed or

affordable. All three groups, however, ranked high construction and land costs as two of their top four barriers.

Land use and housing regulations are just some of the many factors that influence housing production in American cities. Housing supply, particularly market-rate housing production, is determined by market conditions. Understanding the current housing market conditions is thus essential for developing or altering housing policies (Schuetz, 2023). The financial viability of a housing project hinges on the relationship between market price levels and construction costs. When the latter outpaces the former, developers cannot proceed without public subsidy.

This dynamic is especially salient given the sharp construction cost inflation of recent years. The prices of all material inputs to residential construction increased by 42% between 2020 and 2025, far outpacing the modest 7% increase over the preceding 5-year period between 2014 and 2019 (Joint Center for Housing Studies of Harvard University, 2026). Garcia and his colleagues (Garcia et al., 2023; Garcia et al., 2024) evaluated the development costs and market viability of two types of multifamily housing in three California markets (the San Francisco Bay Area, Sacramento, and Los Angeles): market-rate mid-rise rental apartments and middle housing (e.g., duplexes). Their studies showed that, under the current market conditions, both housing types are financially difficult to develop because of high construction costs and stagnant rents. An analysis of housing projects subsidized by California's 9% low-income housing tax credit (LIHTC) program suggested that the main driver of housing development costs is hard construction costs, and the bulk of the rising costs was from labor (Reid, 2020). For LIHTC projects in California awarded credits between 2020 and 2023, the prevailing wage requirement added an estimated \$94,000 to the per unit construction cost (Reid et al., 2024).

In summary, existing research documents the expanding role of states in housing policy and variation in local implementation. However, less is known about how planners in jurisdictions that have explicitly embraced prohousing policies assess the effectiveness of these reforms, the barriers that continue to constrain production, and the additional changes needed. This study addresses these questions through an analysis of California's Prohousing Designation Program and interviews with municipal planning and housing professionals and professional developers. Specifically, I aim to address the following research questions by analyzing prohousing designation applications and conducting semi-structured interviews with urban planners, municipal housing professionals, and developers:

- What land use and housing policy tools have been most widely adopted by the 56 prohousing cities to accelerate housing production?
- What policies are perceived as the most effective in practice by urban planners and municipal housing professionals?
- What barriers to housing production persist despite the recent housing reforms?

2.2 Data and Method

Review of Prohousing Designation Applications

In order to analyze the prevalence of housing and land use policies in prohousing cities, I obtained the application forms submitted to the California HCD from 66 local jurisdictions that had received their Prohousing Designation status as of May 2025. Each application included a list of locally codified housing policies that exceed state requirements to accelerate housing production, complete with brief descriptions, score points, and supporting documentation.

In California, incorporated cities and towns hold authority over land use planning and development permitting within their boundaries, while counties govern the same activities in unincorporated and rural areas. Given the distinct nature of land use and development in cities versus county-governed areas, this study focused on the 56 prohousing cities and excluded the 10 counties that also received the designation. The City and County of San Francisco, designated as one entity, was counted as one city in our analysis.

I relied on the 5-year American Community Survey data (ACS 2019–2023) (U.S. Census Bureau, 2024) at the place level to measure the socio-demographic characteristics of studied cities. I sourced the City Financial Transaction Reports to measure the revenue sources in California cities from 2019 to 2023 (California Open Data Portal, n.d.).

To identify city-level variables associated with prohousing designation status, I compared characteristics of the 56 prohousing cities with the 426 California cities (as of 2023, to be consistent with the ACS 2019–2023 data) that had not received the designation (hereafter referred to as “non-prohousing cities”) as of May 2025. I examined variables representing population size, racial and ethnic composition, homeownership rates, residential density, and municipal revenue structure.

I documented the adoption and use of prohousing policies among the 56 prohousing cities based on their application forms submitted to the California HCD between July 2021 and May 2025. Among the 56 prohousing cities, 41 submitted their applications under emergency regulations, and 15 submitted under permanent regulations. The standardized application form used under the emergency regulatory period enumerated 35 housing policies in four categories (Table 1). Nine additional policies were incorporated into the application form following the approval of the permanent regulations in January 2024. Each jurisdiction identifies all prohousing policies it has adopted from the rubric and provides a brief narrative describing their application. For consistency, this analysis focused on the 35 housing policies that appeared in the application forms under both the emergency and permanent regulations. For each policy listed in the rubric, I calculated the number of cities reporting adoption to assess the relative prevalence of specific policy tools.

In the application form, HCD provides a self-scoring rubric, which consists of a list of existing and proposed housing policies in four categories: (1) favorable zoning and land use, (2) acceleration of housing production and timeframes, (3) reduction of construction and development costs, and (4) providing financial subsidies (California Department of Housing and Community Development, n.d.-b). The list includes 35 policies under the emergency regulations and 44 under the permanent regulations. Each category also includes an “Other” option, allowing applicants to score points based on policies that do not align with prescribed lists. Table 1 provides an overview of these prescribed policies in the four categories.

Table 1. Prescribed Prohousing Policies in Prohousing Designation Application Forms

Policy Category		Short Description	Points
Emergency Regulations	Permanent Regulations		
Category 1: Favorable Zoning and Land Use			
1A	1A	Sufficient sites to accommodate 150+% of RHNA (including rezoning).	3
1B	1B	By-right middle housing in single-family zones.	3
1C	1C	Sufficient sites to accommodate 125-149% of RHNA (including	2
1D	1D	Additional density bonus for additional affordability.	2
1E	1E	Increased density allowances for ADUs or middle housing.	2
1F	1F	Reduced parking for ADUs or density bonus units.	2
	1G	Diverse affordable housing types in high-opportunity areas.	2
1G	1H	Residential or mixed uses allowed in non-residential zones.	1
1H	1I	Increased density through modified development standards.	1
1I	1J	Workforce housing zone or housing sustainability district.	1
	1K	Establishing an inclusionary housing program.	1
1J	1L	Other zoning and land use actions.	1
Category 2: Acceleration of Housing Production Timeframes			
2A	2A	Ministerial approval for multiple housing types.	3
2B	2B	Streamlined, program-level CEQA review.	2
2C	2C	Streamlined, project-level housing development approvals.	2
2D	2D	Permitting processes completed in under four months.	2
2E	2E	No public hearings for zoning- and plan- compliant projects.	2
	2F	Priority permitting for affordable housing.	2
2F	2G	Streamlined permitting for zoning- and plan-compliant projects.	1
2G	2H	Objective development and design standards.	1
2H	2I	One-stop permitting or single point of contact.	1
2I	2J	Priority permit processing for ADUs or multifamily housing.	1
2J	2K	Standardized application forms.	1
2K	2L	Public posting of permit approval status updates.	1
2L	2M	Maximum of three hearings per project.	1
2M	2N	Other policies streamlining permitting and approval processes.	1
Category 3: Reduction of Construction and Development Costs			
3A	3A	Waived or reduced impact fees for affordable housing.	3
3B	3B	Reduced barriers to ADU construction.	2
3C	3C	Reduced impact fees for special needs housing.	1
3D	3D	Accelerated production of innovative housing types.	1

Policy Category		Short Description	Points
Emergency Regulations	Permanent Regulations		
3E	3E	Reduced transportation infrastructure costs.	1
3F	3F	Universal design ordinances.	1
3G	3G	Pre-approved or prototype plans for middle housing.	1
	3H	Reduced barriers to affordable housing construction.	1
3H	3I	Other policies reducing development costs.	1
Category 4: Providing Financial Subsidies			
4A	4A	Housing fund or contribution to affordable housing.	2
	4B	Local or regional housing trust fund (or contribution to existing fund).	2
	4C	Dedicated funds for preservation of assisted units.	2
4B	4D	Financial support for affordable ADUs.	2
4C	4E	Publicly owned land made available for affordable housing.	2
4D	4F	Enhanced Infrastructure Financing District (EIFD) for affordable	2
	4G	General funds prioritized for low-income housing.	2
4E	4H	Residual redevelopment funds directed to affordable housing.	1
4F	4I	Regular use of subsidies for affordable housing.	1
4G	4J	General funds prioritized for affordable housing production.	1
	4K	Operating subsidies for permanent supportive housing.	1
	4L	Subsidies for extremely low-income housing.	1
4H	4M	Other financial support for affordable housing.	1

Source: compiled by author based on prohousing designation applications submitted to HCD.

Semi-structured Interview

The research team conducted semi-structured interviews with city planners, municipal community and housing development directors and staff members, and real estate professionals. The interview protocol was structured into multiple sections. This analysis focuses on the first part, which aimed to identify prohousing policies that have been most effective in practice, examine the mechanisms through which they operate, and assess the persistent barriers to housing production in local jurisdictions. The interview protocol was approved by the Committee for the Protection of Human Subjects at California State University, Fresno.

We recruited interview participants in a multiple-step process. A California HCD staff member distributed an invitation email to all contact persons listed in the prohousing application submissions. The research team subsequently followed up with individual emails to confirm their willingness to participate, schedule interviews, or request referrals to colleagues with deep subject knowledge. Among the 56 prohousing cities, we completed 25 interviews with 40

municipal planning and housing professionals representing 23 cities (hereafter referred to as “planners”). To capture perspectives from the developer community, we interviewed five real estate professionals who have experience in market-rate and affordable housing developments in prohousing cities (hereafter referred to as “developers”).

All interviews were conducted on Zoom, except for one via phone, under the conditions of confidentiality. Interviewees are anonymous and identified in the text by profession type and an interview ID number (e.g., Planner 12 and Developer 3). All 29 interviews included in this report were conducted between mid-October and mid-December 2025, and the interviews averaged 53 minutes in length.

The semi-structured interviews cited in this analysis are organized around three principal questions: which prohousing policies had been most effective, which barriers to housing production persisted, and what extra-sectoral factors need to be addressed to promote housing production. The same interview guide was used in all interviews to promote comparability across jurisdictions, while interviewers used follow-up questions to clarify responses and explore jurisdiction-specific experiences.

Because all designated jurisdictions were invited but participation was voluntary, the 23 participating jurisdictions do not constitute a random sample of California’s Prohousing Designated jurisdictions. The findings therefore represent the experiences and perspectives of the participating jurisdictions and should not necessarily be generalized to all designated jurisdictions. To assess possible differences associated with participation, I compared the participating jurisdictions with the 33 nonparticipating jurisdictions on observable characteristics, including geographic location, population, demographics, and the characteristics of existing housing stocks.

Table 2 shows the comparison between 23 participating cities and 36 non-participating cities. It shows that participating and non-participating cities do not differ significantly on any of these variables except the share of Asian population. However, participating cities are disproportionately concentrated in the San Francisco-Oakland-Fremont metropolitan area. Although this metropolitan area contains only 23% of the prohousing cities (13 out of 56), it accounts for 39% of the participating cities (9 out of 23). In contrast, the Los Angeles-Long Beach-Anaheim metropolitan area is underrepresented in the interview sample: only one of its seven prohousing cities agreed to participate. Accordingly, I considered this geographic concentration and the potential for regional over- and underrepresentation when interpreting the interview findings.

Table 2. Comparison of Interview-Participating and Nonparticipating Cities

City characteristics	Mean values		p-value
	Participating	Non-participating	(adjusted)
Population (in 1,000)	223.28	231.77	0.950
Percent of White population (%)	38.69	40.70	0.829
Percent of Hispanic population (%)	27.45	37.40	0.104
Percent of Asian population (%)	20.83	10.39	0.023
Percent of Black population (%)	6.50	5.54	0.722
Household income (in \$1,000)	117.55	93.49	0.078
Share of auto in commute trips (%)	67.43	77.60	0.078
Homeownership (%)	53.57	52.67	0.846
Share of multifamily homes (%)	37.97	33.74	0.579

I conducted all transcript coding, categorization, and interpretation. The initial organization of the transcript analysis was primarily deductive. Because the interview guide was structured around the study's research questions, responses were first organized by interview questions. I reviewed the transcripts and prepared a question-by-question summary that brought together responses from all interviews addressing the same topic.

Within each question, I identified specific policy tools, barriers, explanations, and extra-sectoral factors mentioned by participants. I then transferred the most relevant passages, along with their jurisdictional source and preliminary labels, to an Excel spreadsheet. Related responses were subsequently combined into broader policy themes to make recurring patterns interpretable.

Policy theme development was iterative: I compared responses across interviews, grouped conceptually related responses, and refined the category labels to represent their shared meaning. Three coding matrices document participating cities, interview participants, geographic locations, specific policy tools, persistent barriers, extra-sectoral factors, broader themes, and representative quotations. Together, they provide a traceable link among the original transcript passages, specific codes, and broader policy themes.

The prominence of each category was assessed principally by the number of cities in which it was mentioned. The jurisdiction, rather than the individual participant, served as the unit for calculating these frequencies because some interviews included multiple participants and some jurisdictions participated in more than one interview. Thus, multiple participants from the same jurisdiction who discussed the same topic were counted as one jurisdictional mention. The frequency counts should be interpreted as descriptive measures of how widely a topic appeared in the interviews, rather than as estimates that can be generalized statistically to all prohousing cities. The thematic interpretation also considered participants' explanations of why particular policies worked or why particular barriers persisted.

2.3 Institutional Background

Prohousing Cities

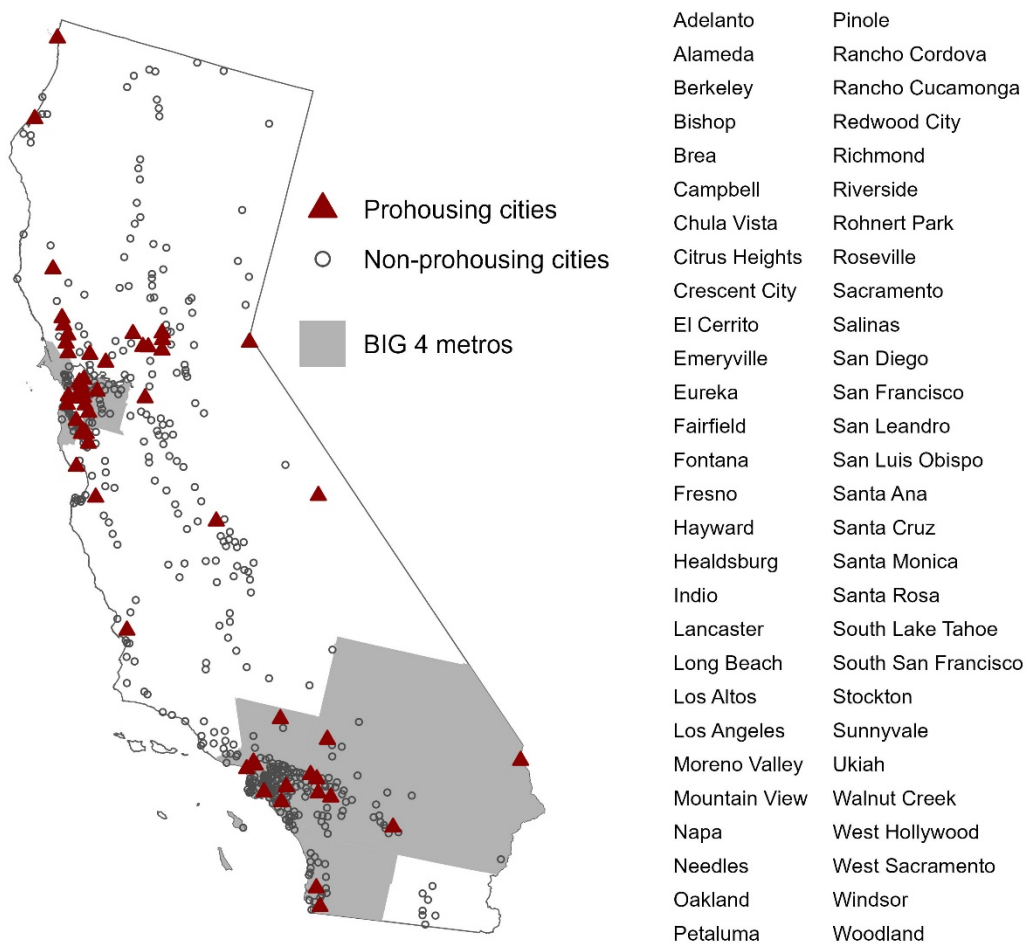
As of May 2025, 56 out of 482 California's incorporated cities and towns (Figure 1), and 10 out of its 58 counties received the Prohousing Designation status (California Department of Housing and Community Development, n.d.-a). The prohousing designation status enables them to apply for the Prohousing Incentive Program (PIP), which is designated to reward prohousing jurisdictions with additional funds to accelerate affordable housing production. PIP distributes funds to prohousing jurisdictions according to their population size and awards bonuses according to their prohousing designation scores, thereby incentivizing applicants to maximize their total points. In addition, prohousing jurisdictions receive priority processing and additional funding points when they apply for select state grant programs related to affordable housing and sustainable transportation. These state grant programs include Affordable Housing & Sustainable Communities (AHSC), Infill Infrastructure Grant (IIG), Transformative Climate Communities (TCC), Solutions for Congested Corridors, Local Partnership Program, Transit and Intercity Rail Capital Program (TIRCP), Sustainable Transportation Planning Grant Program (STPG).

California's New Housing Laws

While California cities and counties retain the primary authority over land use, this authority is subjective to an extensive framework of state statutes and regulations. In the past decade, California state has passed over 100 land use and housing laws to address chronic housing underproduction and affordability issues. Fulton et al. (2023) reviewed these new laws by grouping them into three categories: planning, zoning, and permitting.

First, California state legislators have enacted several statutes to strengthen state planning laws to ensure that local governments meet the housing production targets set by the Regional Housing Needs Allocation (RHNA) process. Under these laws, a jurisdiction's Housing Element in the General Plan must demonstrate how it will provide sufficient, feasible sites and appropriate zoning to accommodate its RHNA obligations. The reform also introduced new enforcement mechanisms to hold cities accountable for meeting their housing production obligations, with non-compliant jurisdictions subject to legal actions and penalties.

Figure 1. California Cities That Received Prohousing Designation (as of May 2025)



Second, state laws associated with zoning have been modified to increase housing density and streamline the approval processes. A prominent change in this regard is the expansion of the state's Density Bonus Law to extend its applicability and incentives available to developers. The modified law requires local jurisdictions to grant developers increased density (usually up to 50%) and regulatory concessions such as reduced parking requirements, relaxed development standards, or modification of zoning requirements, in exchange for including a minimum percentage of affordable housing units in their projects. Since 2016, the state legislature has passed a series of laws to remove regulatory barriers to building Accessory Dwelling Units (ADUs). California's Senate Bill 9 (SB 9), passed in 2021, required local jurisdictions to ministerially

approve the construction of duplexes on most single-family lots and permit urban single-family lots to be split into two.

Third, California state legislators passed numerous laws to streamline the entitlement process for housing projects. Many of these laws aim to expand the scope and strengthen the enforcement of the Housing Accountability Act, which was passed in 1982 to limit local governments' ability to delay or deny housing developments (Lenney, 2025). One of the most influential laws is California SB 330, the Housing Crisis Act of 2019, which allows developers to submit a preliminary application to lock in current development standards and fees and prohibits local governments from holding more than five public hearings on a housing project that is compliant with objective development standards. Senate Bill 35 (SB 35) created a by-right approval process for qualifying housing projects in jurisdictions that fail to meet their RHNA obligations. Eligible infill housing developments receive ministerial approval under strict timelines, bypass California Environmental Quality Act (CEQA) review, are eliminated from public hearings, and are allowed to limit local reviews to objective standards. SB 35 was set to expire in 2026, and SB 423 extends it for another decade through 2036 with a few modifications. California AB 130, enacted in 2025, further streamlines infill housing development by reforming the CEQA review requirements and temporarily freezes local building code updates until 2031.

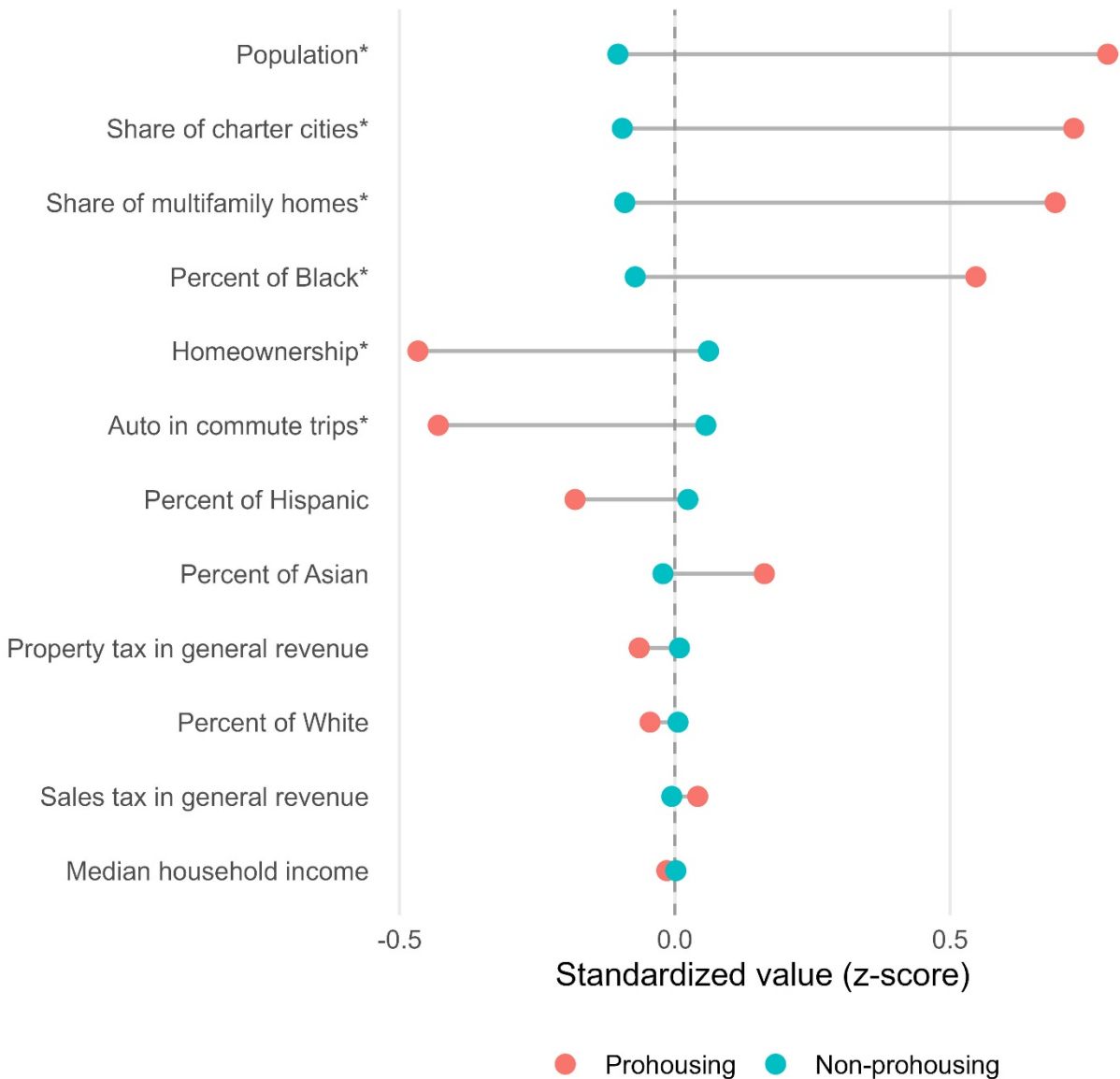
2.4 Findings: Characteristics and Policy Prevalence in Prohousing Cities

Characteristics of Prohousing Cities

A comparison between prohousing and non-prohousing cities showed that large urban cities are more likely to receive the prohousing designation. Figure 2 compares the 56 prohousing cities with the 426 non-prohousing cities by the standardized values of 12 city-level variables. *T*-tests were used to assess whether their differences across the 12 variables are statistically significant. To account for the multiple testing problem, I applied the Benjamini-Hochberg procedure to calculate adjusted *p*-values.

On average, prohousing cities have significantly larger populations, higher proportions of Black residents, greater shares of multifamily homes, lower homeownership rates, and lower automobile dependence. They are also more likely to be charter cities, which possess greater autonomy than general-law cities to regulate local affairs. In California, charter cities tend to be larger, older urban cities while general-law cities are typically smaller municipalities. Prohousing and non-prohousing cities do not differ significantly in median household income; the proportions of white, Hispanic, and Asian residents; or the shares of property and sales taxes in their general revenues.

Figure 2. Comparing Prohousing Cities with Non-Prohousing Cities



*statistically significant at 5% or lower levels

Several structural and institutional factors help explain why larger urban cities are more likely to receive the prohousing designation. First, many large coastal cities in California have undergone a cultural shift from anti-development sentiment to prohousing advocacy, reflected in the rise and political influence of the Yes-In-My-Yard (YIMBY) movement (Davis & Huennekens, 2024). Second, larger cities usually maintain more extensive and complex land use and housing regulatory frameworks, making them more likely targets for state housing reform laws and creating greater opportunities for policy reform. As the prohousing designation is awarded based on cumulative points earned across individual policy reforms, larger cities are structurally positioned to accumulate higher scores than smaller municipalities. Third, large urban jurisdictions possess greater administrative capacity to pursue prohousing designation. As

revealed in the interviews, the application process is time-intensive and requires planners with multidisciplinary expertise spanning municipal land use, housing, transportation, and permitting.

Prevalence of Prohousing Policies

Figure 3 presents 35 housing policies that appeared in the application forms under both the emergency and permanent regulations and the number of prohousing cities that had adopted them at the time of application. Following the standardized application form, I grouped these 35 policies into four categories: favorable zoning and land use, acceleration of housing production and timeframes, reduction of construction and development costs, and providing financial subsidies.

Favorable zoning and land use policies could increase housing production in two major ways: increasing development density and allocating sufficient land for housing development. Among the nine policy tools in this category, the three most commonly used tools include those that aimed at increasing housing density through modified development standards, rezoning commercial or industrial land to allow residential or mixed use, and eliminating parking requirements for ADUs or further reducing parking ratios for housing projects approved under the State Density Bonus Law. Each of these three types was used by at least 40 out of the 56 prohousing cities.

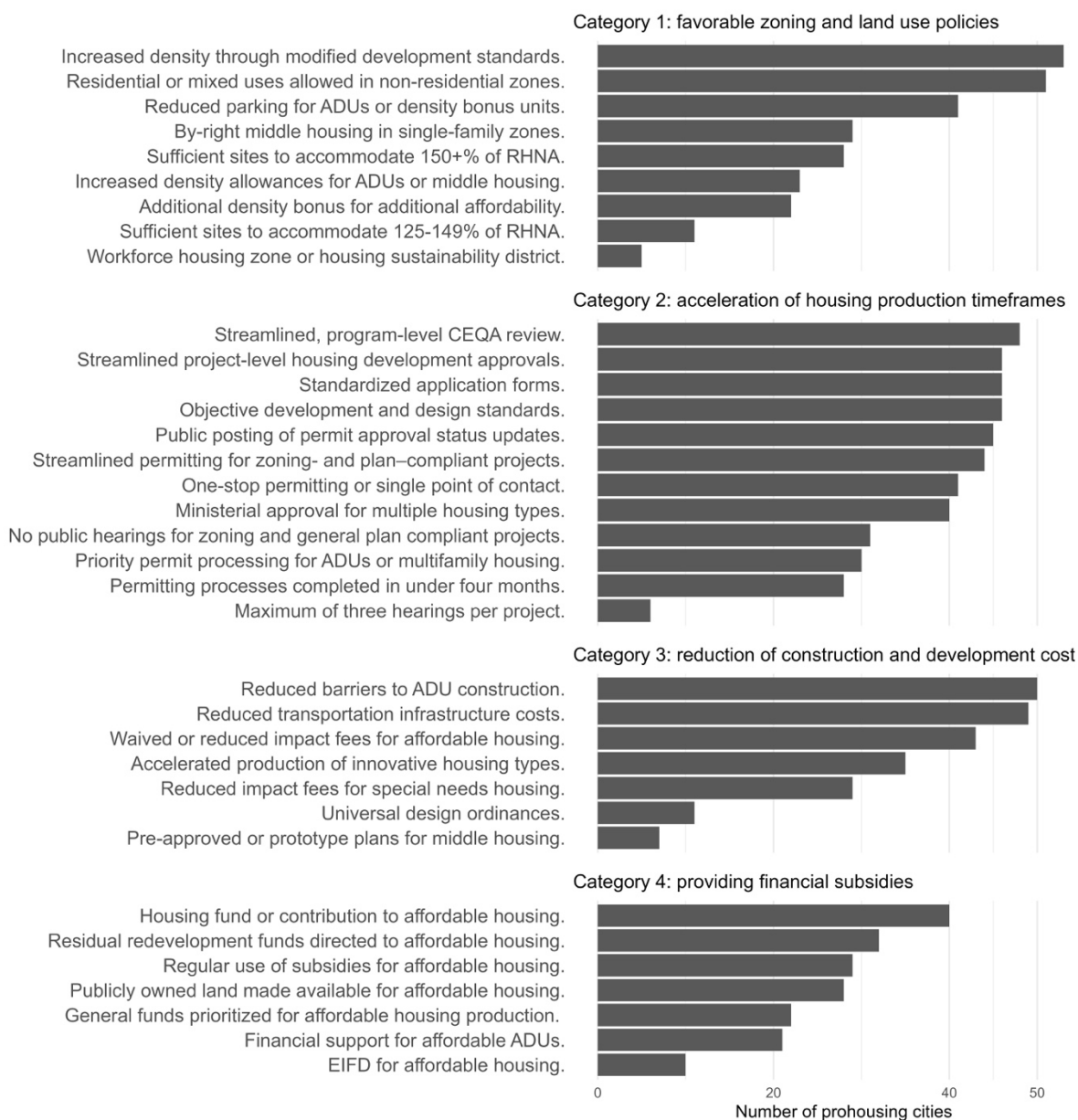
Policies in the second category, acceleration of housing production and timeframes, aim to streamline the entitlement and permitting process for housing projects. This category contains the largest number of policy tools among the four categories. Policy tools in this category are also mostly used by prohousing cities: eight of the 12 policy tools in this category were adopted by at least 40 of the 56 prohousing cities. These policy tools accelerate housing production timeframes in several ways: streamlining and consolidating discretionary review processes, establishing ministerial approval processes for multiple housing types, replacing subjective development standards with objective standards, and standardizing and modernizing permitting processes. However, two of the most measurable reforms—capping public hearings at three or fewer and establishing permitting timelines of fewer than four months—remain among the least adopted prohousing policies. This pattern suggests that local jurisdictions remain hesitant to impose objective, enforceable limits on discretion within the approval process.

Policies in the third category aim to reduce residential construction and development cost in three ways: promoting innovative housing types such as ADUs, middle housing (gentle-density multifamily housing), and manufactured homes; reducing development and impact fees for affordable housing; and adopting universal design ordinances. Among the seven policy tools in this category, the three most commonly used tools include less restrictive requirements for ADUs, transportation programs that encourage active travel, and waived or reduced impact fees for

affordable housing. Much fewer prohousing cities adopted universal design ordinance and pre-approved middle housing plans.

Policies that provide financial subsidies to affordable and social housing appear to be less prevalent than policies in the other three categories, even among prohousing cities. Forty of them established municipal affordable housing funds or contributed to similar funds, and more than 30 of them directed residual redevelopment funds to subsidize affordable housing. Slightly more than half of them demonstrated regular use of funding for social and affordable housing preservation or made public-owned land available for affordable housing development.

Figure 3. Prevalence of Prohousing Policies Among Prohousing Cities



2.5 Findings: Effective Policies and Persistent Challenges

Most Effective Prohousing Policies in Practice

In our semi-structured interviews, we asked 40 planners in 23 prohousing cities to identify two or three housing policies they considered most effective in accelerating housing production. Collectively, they identified 56 distinct housing policy tools. In Figure 4, I collapsed these 57 policies into 10 themes.

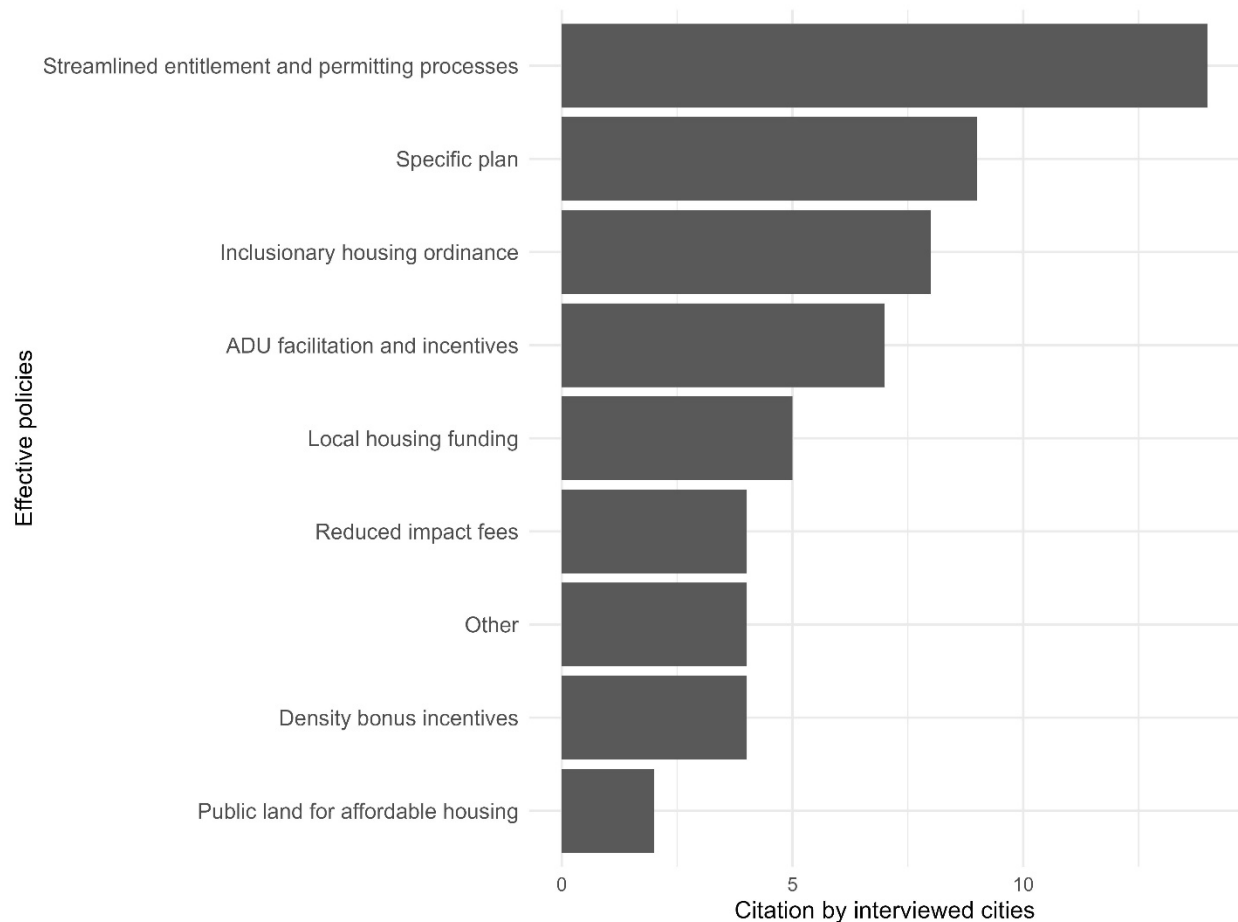
Streamlined Entitlement and Permitting Processes

The first group of themes, streamlined entitlement and permitting processes, centered around municipal policies that aimed at reducing the amount of time that a housing project takes to obtain entitlement and permitting approvals. Policies under this theme were considered most effective in promoting housing production in 14 out of 23 interviewed cities. Many policies under this theme are driven by and built on top of SB 35, which requires cities that fail to meet their RHNA obligations to provide ministerial, streamlined approval for qualifying housing projects that meet affordability, design, and labor requirements. One planner in a large coastal city characterized SB 35 and its successors as “transformational,” noting that the legislation “created new pathways for development, including ways to bypass CEQA through objective standards” (Planner 20). “Before SB 35, many projects wouldn’t even be attempted because the cost and time required to fight lawsuits and NIMBY opposition were too high” (Planner 20).

The interviews reveal that many prohousing cities took additional steps beyond SB 35 to reduce housing approval timelines. For example, two interviewed cities significantly expanded the range of housing developments eligible for the ministerial approval by dropping the affordability requirement or substantially raising project size threshold for discretionary review (Planners 3 and 31). One interviewed city adopted form-based zoning code and objective design standards, approving almost all compliant housing projects by right (Planner 12). Another city provided affordable housing developers with a two-page checklist that allows them to self-certify design compliance (Planner 29). For housing projects subject to discretionary review because of their scale or requests for zoning deviations, some cities expedited the process and provided greater certainty by reducing the number of public hearings and establishing clearer timelines (Planner 28).

Multiple cities offered free pre-application reviews (also known as conceptual development reviews or pre-checks). Developers bring their preliminary site and building plans for early screening by planning, engineering, and building staff to identify any major issues before they proceed with full permit applications (Planner 29). One city established a one-stop permit center and required relevant departments to identify dedicated staff responsible for tracking problems in the entitlement and permitting processes (Planner 20 and 21).

Figure 4. Effective Prohousing Policies, Ranked by City Citation



Specific Plans

Specific plans (also known as community plans or area plans) proved to be an effective planning tool to stimulate housing development, particularly market-rate homes, by shortening project timelines and providing certainty to developers. Specific plans address area-specific issues by implementing an additional layer of land use regulations and detailed development standards to achieve the goals of the General Plan.

Multiple cities have used specific plans as a comprehensive policy package which typically include at least five major elements: (1) upzoning to allow more height and density strategically rather than in a piecemeal way; (2) coordinating land use with infrastructure investments; (3) reducing parking requirements; (4) undertaking a programmatic area-level environmental impact review to streamline CEQA review for subsequent individual projects; and (5) engaging the community at a holistic plan level instead of project by project (Planner 6). Three cities reported that they carried out their specific plans along with development agreements for large-scale housing projects, which provided longer vesting rights by contractually locking in the applicable land-use regulations and development standards for an extended period (Planners 22, 29, and 33).

One city worked with developers to make specific plans that were detailed enough to provide highly precise unit counts, allowing agencies to calculate per-unit infrastructure costs and fully structure project financing (Planner 29). This approach helps avoid “last one in pays” situations in which development halts until a costly infrastructure improvement is built. Instead, fees are collected on an ongoing basis to pay for infrastructure improvements. If any developer covers extra costs upfront, a reimbursement agreement ensures they are paid back later.

Inclusionary Zoning Ordinance and Local Housing Funding

Adopting an inclusionary zoning ordinance and providing local housing subsidies are two major ways through which prohousing cities support affordable housing development.

Inclusionary zoning ordinances require developers to include a certain percentage of housing units to be rented or sold at below-market rates to very low-, low-, or moderate-income households. Although cities may prefer on-site units, they usually offer an in-lieu fee alternative to give developers flexibility. In some interviewed cities, the affordable housing in-lieu fee is a primary source of local housing funds (Planners 10 and 30). Since affordable ownership projects are rare, inclusionary zoning is “the only real way of generating affordable ownership units” (Planner 11).

Interviewed planners acknowledged the trade-offs inherent in inclusionary zoning policies, including increased development costs and potential reductions in market-rate housing supply. However, inclusionary zoning is one of the few effective tools that California cities can use to fund affordable housing because of state constitutional and voter-approval limits on taxes (Planner 6). They reported several ways to mitigate inclusionary zoning's potential negative impacts on housing supply. For example, developers can enhance project feasibility by leveraging mandated inclusionary units to trigger State Density Bonus Law incentives, thereby gaining access to increased density and development concessions (Planner 6). One city customized their inclusionary requirements by zone to reflect the differences in market conditions within the city (Planner 19).

The ability to raise local funds to finance affordable housing varies widely among cities. Cities with stronger housing markets are positioned to collect substantial impact fees from market-rate developments, while cities with high-tech industries and robust commercial real estate markets may further generate revenue through commercial linkage fees (Planner 11 and 26). In contrast, cities in weak markets face significant challenges in collecting such fees (Planner 19).

While multiple participants identified impact fees and in-lieu fees as useful tools, “there’s really nothing like a local affordable housing bond when it comes to generating units” (Planner 6). A common model is a general obligation bond that provides the gap financing necessary for affordable projects to break ground. Beyond their scale, housing bonds provide a stable funding source for affordable housing. In contrast, mitigation impact fees and in-lieu fees are

considerably more volatile, fluctuating with real estate market cycles (Planner 14). The caveat, however, is that general obligation bonds require broad community consensus to pass, as they typically face high voter approval thresholds.

ADU Facilitation and Incentives

ADUs have emerged as a primary mechanism for increasing housing supply within single-family neighborhoods in built-out cities. Following the passage of two major ADU reform bills in 2016, the number of ADUs permitted statewide increased dramatically (Wegmann et al., 2024). Analysis of HCD's APR data reveals that ADUs accounted for over one quarter (25.8%) of all housing permits issued between 2020 and 2024 in California's three major coastal cities (Los Angeles, San Diego, and San Francisco). Beyond state-mandated by-right approval, local jurisdictions have adopted additional measures to promote ADU development, including eliminating parking requirements, creating financing programs, reducing impact fees, providing pre-approved design models, and allowing larger units than state minimums (Planners 7, 8, 9, and 34).

State legislation aimed at promoting middle housing in single-family neighborhoods, such as SB 9, has yielded limited results to date. Only one interviewed city (included in the “other” item in Figure 4) identified their middle housing program as one of their most effective policy tools. Analysis of APR permit data showed that 1,274 permit units were approved under SB 9 between 2023 and 2024 in the entire state, and more than two thirds of them are in the City of Los Angeles. Interviewed planners identified several barriers to SB 9's effectiveness relative to ADU programs, including higher development costs for middle housing projects, SB 9's owner-occupancy requirement, lack of familiarity and industrial support, and the need for nontraditional financing mechanisms for lot-split developments (Planners 1, 3, and 9).

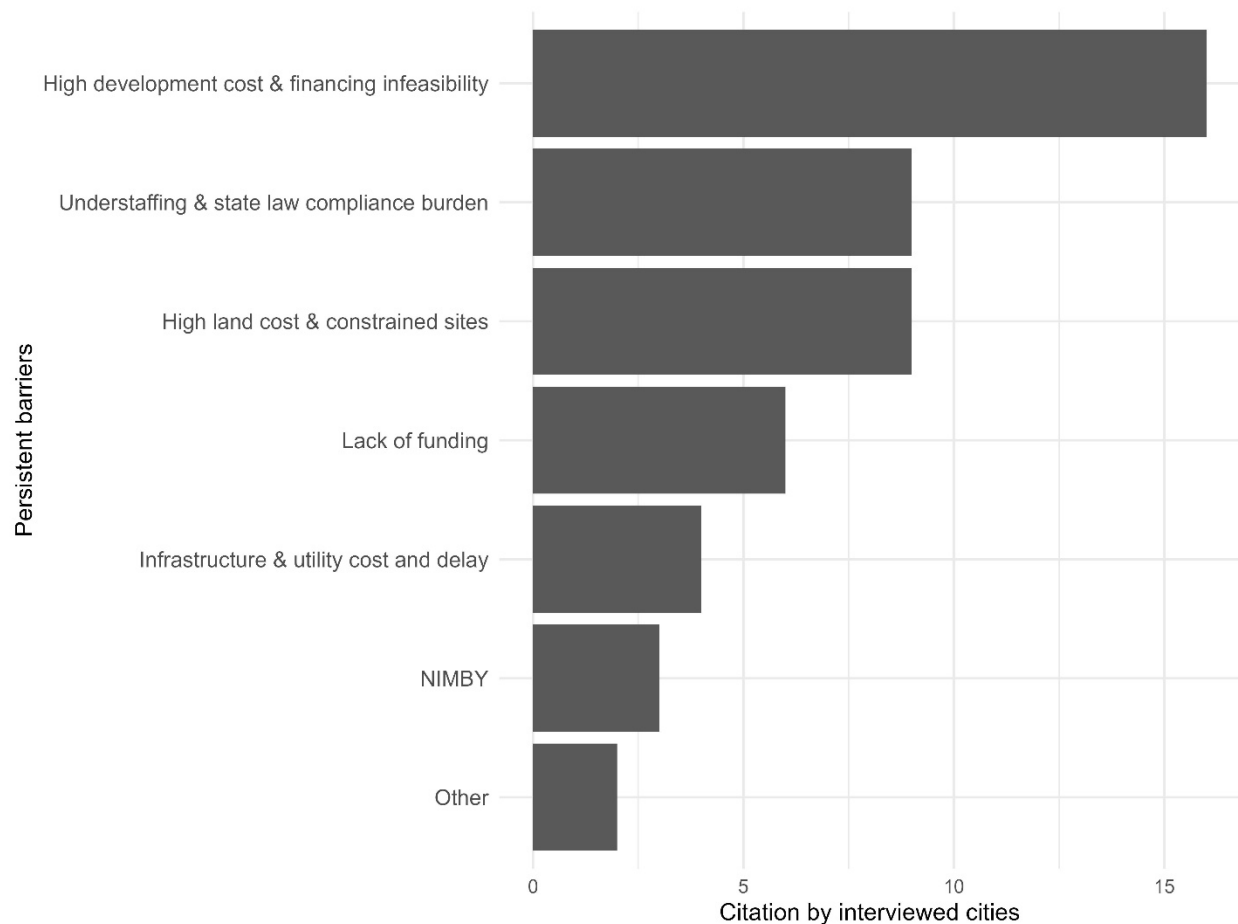
Persistent Barriers to Housing Production

We asked interview participants to identify the persistent barriers to housing production. In total, they identified 50 barriers, which I consolidated into seven thematic categories. Figure 5 presents the frequency with which interviewed cities cited them.

Construction Costs and Financing

Nearly 70% (16 out of 23) of interviewed cities cited high construction costs and capital constraint as a major barrier to housing productions. Interviewed planners used the term “construction costs” to refer to development costs related to materials, labor, and infrastructure. When prompted for clarification, most planners either excluded soft costs (e.g., impact fees) from this definition or dismissed them as a major barrier. Several planners reported that they had multiple entitled housing projects that were not built because construction was expensive and developers could not secure financing (Planners 9, 17, and 27).

Figure 5. Barriers to Housing Production



High construction costs are particularly problematic in cities where home and rental prices are relatively low, making market-rate housing projects difficult to develop. High-rise residential buildings are also more difficult to pencil. In one city in the Bay Area, “only podium-style multifamily projects with subsidies are feasible, and those are almost always 100% affordable developments” (Planner 19).

While certain components of construction costs, such as materials and capital, are largely market driven, high labor cost resulting from prevailing wage requirements stem from policy mandates (Planner 19). Under SB 35, housing projects with more than 10 units that seek density bonuses or streamlined approvals must pay prevailing wages. Larger projects with 50 or more units are additionally subject to apprenticeship and healthcare contribution requirements. Research has shown that prevailing wages in California carry a significant premium over market-rate compensation, with prevailing rates approximately 50% higher than market rates in Los Angeles and San Diego and more than double market rates in San Francisco (Ward & Schlake, 2025). One market-rate home developer maintained that legislative efforts to streamline entitlements, such as SB 35, often negated the financial benefits when coupled with prevailing wage requirements and higher labor standards (Developer 4).

It is important to note that affordable housing projects are more likely than market-rate projects to pencil in some cities not because they are cheaper to build, but because they qualify for public subsidies unavailable to market-rate projects. In California, the average cost of publicly subsidized affordable housing is about 50% higher than the average cost of market-rate housing (Ward & Schlake, 2025). In addition to the prevailing wage requirement discussed above, affordable housing projects tend to have longer timelines, which increase carrying and interest costs (Developer 2). More importantly, publicly subsidized housing projects are often required to deliver social benefits beyond housing, such as energy efficiency and climate goals, off-site improvements such as streetscapes and park upgrades, and higher-quality design (Developers 1 and 2).

Land Costs and Constrained Sites

Land costs, like construction costs, are extremely high in some California regions such as the San Francisco Bay Area. Site constraints pose a major challenge for built-out cities with limited vacant land. In these cities, new housing projects typically require infill developments involving the assembly of multiple small parcels and demolition of existing structures, both of which are time-consuming and expensive (Planner 27). One planner observed that although many older, low-density sites in urban areas are underutilized relative to their allowable densities, their owners have typically paid off their properties, are financially secure, and therefore have little incentive to pursue redevelopment (Planner 43). In addition, some urban neighborhoods are subject to rent control and stringent demolition ordinances that include strong tenant protections and unit-replacement requirements, further constraining the feasibility of redevelopment (Planner 9).

Understaffing and State Law Compliance Burden

Planners in seven interviewed cities identified chronic understaffing as a major barrier to housing production as staffing shortages led to prolonged entitlement and permitting reviews. Some under-resourced cities struggled to recruit and retain enough planners, plan checkers, and building inspectors (Planner 6).

Ironically, many interviewed planners, including some who did not identify understaffing as a major barrier, reported that new state housing legislation imposed substantial administrative burdens, requiring significant time from planning staff to interpret statutory changes, participate in training, update local ordinance, and inform developers about the new requirements. “Staying current with constant legal changes is extremely labor-intensive” stated Planner 24 who continued “the constant stream of new state housing bills shifts our time from entitlements to regulatory compliance” (Planner 26).

NIMBY

Despite the rise of YIMBY in the past decade, a few planners identified NIMBY as a major barrier to housing production, particularly affordable housing development, citing concerns from some residents about perceived crime, parking, and traffic problems to their neighborhoods (Planners 7 and 35). One planner observed that with the rise of prohousing sentiment, opposition did not disappear but migrated: once CEQA challenges were off the table, opponents looked for other discretionary review points to appeal (Planner 20). Another planner echoed that opponents have used more coded, socially acceptable, and persuasive language (Planner 22).

Extra-Sector Policies and Factors

To prompt interview participants to think beyond their traditional municipal planning roles, our interview protocol included a hypothetical “magic wand” question to encourage them to consider non-traditional or extra-sector factors they believed could influence housing production. Several themes from this question, particularly regarding funding, infrastructure, and utilities, overlap with responses identifying persistent barriers to housing production. These overlapping themes are analyzed in this section.

Affordable Housing Funding and Subsidy

Affordable housing funding, particularly at the state and federal levels, typically lies beyond the control of municipal planning and housing policies, which may explain why funding constraints were not identified as a primary barrier to housing production. As mentioned earlier, while some well-resourced cities can raise substantial amounts of local housing funds from municipal bonds and impact and in-lieu fees, most cities largely rely on grants from federal and state funds to subsidize housing. One planner contended that “policies don’t matter if there isn’t state or federal money” (Planner 43).

Competition for affordable housing funds has intensified recently, partially because of increased RHNA obligations (Planner 15). Smaller and under-resourced cities are disadvantaged in competitive funding processes because they lack sufficient grant-writing capacity and because many programs require local match and favor larger projects that promise broader social and climate benefits (Planner 15). Several of California’s affordable housing funding programs include opportunity area incentives designed to direct affordable housing to high-opportunity areas. California state law requires local jurisdictions to distribute affordable housing to high-resource areas to affirmatively further fair housing. While well-intentioned, such policies further disadvantage under-resourced cities that have difficulty attracting private investment and rely heavily on state and federal funds to finance their affordable housing projects (Planner 6 and 19).

Infrastructure and Utility

Because Proposition 13 substantially limits the growth of property tax revenues, local jurisdictions in California rely heavily on development and impact fees to finance public infrastructure and facilities such as local roads, parks, libraries, and schools. In addition to impact fees, developers are also typically responsible for the very high cost of extending infrastructure in new growth areas (Planner 33). Infill development in built-up areas may also be constrained by limited capacity in aging water and sewage systems (Planner 16). Multiple interviewed planners called for infrastructure financing reform to create broader and more stable funding sources for municipal infrastructure and utilities.

Several interviewed planners reported high utility connection fees and significant delays caused by public utility agencies, emphasizing the need for improved coordination to facilitate housing development. In many California cities, special districts provide utility services and set their own fees, often operating without the same accountability structures as local governments (Planners 10 and 33).

Building and Fire Codes

Multiple interviewed planners and developers identified complex and frequently updated building and fire codes as a major driver of high construction costs in California, calling for code reforms, particularly for provisions not directly related to public health and safety. One planner argued that after CEQA and zoning reforms, building code reform should be the next frontier (Planner 9). The planner identified several priorities: single-stair reform, allowing the application of residential rather than commercial building codes for 4–6 story residential buildings, re-evaluation of energy-efficiency standards, and reconsideration of multiple elevator requirements. One developer noted the inconsistencies within the building and fire codes, discrepancies between codes and land use regulations, and divergent interpretations of these codes among engineers, inspectors, and consultants (Developer 3).

2.6 Recommendations for improving Prohousing Designation Program

My review of the PDP application materials and previous studies of the PDP (Ramiller et al., 2023; Manji & Ozer-Bearson, 2024) revealed several areas for improving the PDP. We also asked planners to identify the major benefits of receiving the prohousing designation, the challenges they encountered while preparing and submitting their applications to HCD, and their recommendations for improving the PDP.

Program Benefits

Planners identified financial and political benefits of receiving the prohousing designation. The financial benefits include access to the PIP funding and the bonus points or priority consideration

for other state programs. From 2022 to 2025, HCD announced a total of approximately \$51.2 million available for the first four funding rounds of PIP (California Department of Housing and Community Development, n.d.-c). In addition, prohousing jurisdictions receive priority processing and additional funding points when they apply for select state grant programs, including Affordable Housing & Sustainable Communities (AHSC), Infill Infrastructure Grant (IIG), Transformative Climate Communities (TCC), Solutions for Congested Corridors, Local Partnership Program, Transit and Intercity Rail Capital Program (TIRCP), Sustainable Transportation Planning Grant Program (STPG).

The political benefit is related to reputational value and helps with community messaging. One planner viewed the prohousing designation status as a way for them to “show both the public and the development community that you can build here, and that we want to support it, is very important” (Planner 10, interview, October 27, 2025). Several planners described it as a useful backstop when facing community resistance to new housing development. Most planners felt that the prohousing designation did not fundamentally change their policy direction. Instead, it helped them organize and formalize the work they were already doing.

Challenges and Concerns

Interviewed planners described several challenges with the application process. Several planners mentioned the significant staff time and inter-departmental coordination required to prepare the application. Others pointed to delays and regulatory changes during the process, which were largely tied to the program’s transition from emergency to permanent regulations. Some planners expressed frustrations that they were not always notified when regulations changed. A few planners from small and rural jurisdictions felt that the rubric and scoring criteria were better suited to large urban cities. Others noted the overlaps between the PDP and Housing Element requirements and suggested combining the two processes. One planner also raised concerns about the resource-intensive public outreach requirements, which she felt did not always generate useful input.

Recommendations for Improving Self-Scoring Metrics

Incorporating performance-based metrics

Currently, the PDP’s self-scoring rubric is policy-based, as shown in Table 2. Jurisdictions earn points for adopting or proposing certain policies, but the program does not consider policy outcomes. Planners had mixed views on this. Some argued that policy outcomes, such as housing production, should be included, since policy reforms only matter if they lead to real results. Others noted that many factors affecting housing production are outside local control, and the program should focus on what cities can reasonably influence.

My recommendation is to include performance-based criteria as one metric alongside policy-based measures. There are at least two possible approaches to incorporating performance-based metrics in PDP's self-scoring rubric. One approach is to use past housing production or the changes in housing production levels as a scoring metric. Another approach is to use past performance as an eligibility threshold, where jurisdictions must meet a minimum production level or make sufficient progress toward their RHNA targets to apply. The second approach, using housing production as an eligibility criterion, is likely to exclude some larger cities that have the capacity to adopt more prohousing policies but have lagged in actual housing production. In our interviews, several planners expressed concern that, as the Prohousing Designation Program expands, the benefits associated with the designation may become diluted. Tying eligibility more directly to housing production could help address this concern.

Eliminating Low-Impact Criteria

Some rubric criteria are not closely tied to the central goal of the PDP program: accelerating housing production and lowering development costs. For example, policies aimed at reducing transportation costs, such as those tied to active transportation plans (3E), have little direct connection to housing production. Similarly, the relationship between universal design requirements and construction costs appear to be inconclusive (3F). Policies such as workforce housing opportunity zones or housing sustainability districts (1J) are also very narrow and may not apply broadly. I recommend eliminating these criteria from the self-scoring rubric.

Clarifying Definitions and Measurable Outcomes

Some criteria would benefit from clearer definitions and measurable outcomes. One example is item 1J: "modifying development standards to promote greater development intensity." This criterion is widely checked to earn points by applicants, likely because it is loosely defined. In practice, some small changes in zoning code could meet the requirement without meaningfully increasing development capacity and housing production. The self-scoring criteria could more clearly specify the geographic scope of each policy (e.g., an area plan may cover only a small portion of a city) and require applicants to explain both the extent to which a local policy exceeds state requirements and how the policy is expected to operate.

Revisiting Point Allocation and Enhancement Factors

The prohousing program offers extra points for eight enhancement factors to reward housing policies that also further statewide priority goals, such as combining the policy into a multi-faceted regional plan, promoting fair housing access, or accelerating infill development near transit. Several planners felt that point values associated with self-scoring criteria do not reflect proportional policy effectiveness: a 3-point policy is not necessarily three times more effective than a 1-point policy. Enhancement factors were also seen as subjective. One example is the use of enhancement factors, which award additional points to policies that advance broader planning

goals and priorities, such as efficient land use, transit-oriented development, affordable housing, and climate change mitigation. Because many policy reforms can be linked to these broader goals, the strength of those connections may be subject to interpretation. I therefore recommend limiting the overall weight of enhancement factors to reduce the risk of double-counting.

Recommendations for Improving Administration and Implementation Processes

Many planners emphasized the need for consistent technical assistance, especially for small and rural jurisdictions. They also asked for clearer guidance on the self-scoring rubric, including examples and templates. Better communication was another recurring theme. Planners reported wanting timely feedback, regular status updates, and a predictable review timeline. Finally, planners offered several suggestions to strengthen the PDP's long-term impact. On the funding and regulatory side, they recommended increasing program funding, offering regulatory relief or targeted exemptions for prohousing jurisdictions, and allowing a single council resolution to apply across multiple state funding applications. They also raised concerns about program dilution if the number of designated jurisdictions expands too broadly, and they recommended better integrating the PDP with the Housing Element process to reduce overlap.

2.7 Discussions and Policy Implications

Major Findings

This study examines housing policy reforms and their implementations in 56 California cities that have received the state's prohousing designation status. The analysis shows that large urban cities are more likely to obtain this designation. On average, prohousing cities have substantially larger populations, higher proportions of Black residents, greater shares of multifamily homes, lower homeownership rates, and lower automobile dependence.

A review of local policy reforms reported in prohousing designation applications suggests that streamlining entitlement and permitting processes constitutes the central focus of municipal prohousing efforts. Cities primarily pursue two strategies to shorten development timelines: expanding the range of housing projects eligible for ministerial, by right approval, and simplifying or consolidating discretionary review procedures. In the realm of zoning and land use policies, the most commonly employed tools include modifying development standards to increase allowable density, rezoning to allow residential and mixed use in traditionally non-residential areas, and reducing parking requirements for ADUs and affordable housing units. Prohousing cities have also adopted measures to reduce development costs and provide financial subsidies for affordable housing, although reforms in these areas appear more limited relative to the first two categories.

Semi-structured interviews with urban and housing planners and real estate professionals reveal several policy tools that are particularly effective in accelerating housing production. Consistent

with the analysis of codified prohousing policies, most interviewees identified measures that streamline entitlement and permitting processes as the most impactful. Another frequently cited tool is the specific plan, which bundles policies to increase development density at the neighborhood level, coordinate land use with infrastructure investment, reduce parking requirements, and employ programmatic EIR to streamline subsequent CEQA reviews at project levels. To promote affordable housing development, planners highlight inclusionary zoning ordinance and establishing local housing funds as the two most effective instruments. In built-out cities with limited vacant land, ADU programs have emerged as the principal means of increasing housing supply in single-family neighborhoods.

Despite ongoing prohousing reforms, interviewed planners and developers identified several persistent barriers to housing production. The most critical constraint is the high costs of construction, capital, and land. While some components of development costs are largely market-driven, others arise from regulatory requirements, including prevailing-wage mandates, stringent and onerous building and fire codes, and policies requiring publicly subsidized housing to deliver extensive social and climate benefits.

Future Policy and Research

Before drawing policy implications from these findings, it is important to note that prohousing jurisdictions represent only a subset of California cities. Broader improvements in housing production will require other cities to draw from the codified policies and practical experiences of prohousing peers and undertake comparable reforms. It is also important to note that the findings from our semi-structured interviews primarily reflect the perspectives of local planners and municipal housing professionals. Despite the anonymity of the interviews, participants may have been hesitant to criticize their colleagues, employers, or their own professional practices. I sought to broaden the range of perspectives by inviting real estate developers to participate in the interviews, however, developers proved more difficult to recruit. Despite these limitations, local planners and municipal housing professionals bring valuable first-hand experience in the land use and housing policy arena, given their direct involvement in local policymaking and implementation. Their perspectives therefore provide important insights into potential directions for future policy reform and research.

First, future reforms should look beyond procedural streamlining. Recent housing reforms have focused heavily on accelerating project approvals, yet application requirements, development standards, building codes, and municipal review protocols remain detailed, costly, and difficult to navigate. Targeted studies should evaluate which codes and standards are essential and which could be eliminated without compromising public health and safety requirements. Future housing policy reforms should also systematically engage agencies responsible for maintaining and updating building and fire codes, such as the California Building Standards Commission and

the Office of the State Fire Marshal, given their huge influence on development feasibility and cost.

Second, future policy and research should explore reform of municipal infrastructure financing mechanisms. California's Proposition 13 significantly limits the growth of property tax revenue and shifted the burden of infrastructure construction and maintenance to new developments. The reliance on development and impact fees creates an unstable revenue stream that fluctuates with market cycles, exacerbating housing affordability challenges. Local jurisdictions in California need a more stable and comprehensive financing framework that distributes infrastructure costs across the broader tax base. Moreover, the current system grants utility agencies significant power over housing project timelines and costs, yet these agencies operate largely beyond the oversight of local governments. Future housing policy reforms need to extend accountability mechanism to utility providers, ensuring the same regulatory scrutiny as local jurisdictions in facilitating housing production.

Lastly, California state legislators and affordable housing funding agencies should prioritize lowering the cost of development. Current funding programs and statutory frameworks often impose a wide array of labor-, social-, and climate-related requirements on affordable housing projects, substantially inflating per-unit costs. Eliminating or scaling back non-housing requirements that do not directly advance affordability could enable the same level of public investment to produce significantly more affordable dwelling units.

3. Integrating Housing and Transportation: Recent Advances in TOD Policies and Practices

3.1 Background and Literature Review

Newfound Popularity of TOD in California

The newfound popularity of TOD in California, with an emphasis on expanding housing production, reflects a convergence of structural pressures that have intensified across the state. These include worsened housing affordability, strengthened state housing law oversight, recognition of transit-oriented development (TOD) as an effective tool to reduce greenhouse gas (GHG) emissions, and concerns over TOD-induced gentrification and displacement.

Housing prices and rental costs in California rank among the highest in the United States, and the state also experiences one of the nation's highest rates of homelessness (Public Policy Institute of California, n.d.). Among many factors contributing to California's housing affordability crisis, the persistent shortage of housing supply is widely regarded as a primary driver (Been et al., 2025). The state of California substantially increased its regional housing needs allocation (RHNA) in the 6th Cycle Housing Element update (2023–2031 for most jurisdictions) to ensure that local jurisdictions plan for enough housing accommodate all income levels.

Planners have long promoted TOD as an effective tool to reduce car use and GHG emissions (Cervero & Sullivan, 2011). California's Senate Bill 375 (SB 375), signed in 2008, requires metropolitan planning organizations (MPOs) to create Sustainable Community Strategies (SCS), demonstrating how they will meet state emission reduction targets. As regional transportation funding must be consistent with the SCS, regions usually prioritize infrastructure improvements that actively promote infill development and TOD projects.

Locating affordable housing near transit can also advance housing equity goals by improving both housing and transportation affordability and mitigating the risk of TOD-induced gentrification. Research has shown that residents of TODs realize substantial saving on transportation expenditures (Dong, 2021). At the same time, concerns over TOD-induced gentrification are well documented in the literature (Padeiro et al., 2019). Ensuring the inclusion of affordable housing in transit-rich areas can help stabilize vulnerable households, reduce displacement pressures, and expand mobility options for low-income residents who are otherwise transportation constrained.

Declining demand for office and retail space since the COVID-19 pandemic may have also encouraged local governments and developers to plan more housing in transit-rich areas. Local governments have traditionally allocated land in prime locations for retail and office buildings, as they tend to generate higher tax revenues and require fewer municipal services than residential

development (Fulton, 2022). However, office vacancy rates in California, particularly in the San Francisco Bay Area, have reached among the highest in the nation in recent years due to remote work and overbuilding (Moody's, 2024). Reduced competition from the commercial sector has made it easier for residential developers to acquire land in transit-rich areas.

Persistent Barriers to Housing Development in Transit-Rich Areas

Empirical evidence has shown that the presence of high-quality transit infrastructure alone is insufficient to trigger housing development; as such, development depends on broader economic, institutional, and physical conditions (Loukaitou-Sideris, 2010). Drawing on interviews with 98 transit planners across 19 regions in the United States, Carlton (2019) found that, although the concept of TOD has gained considerable traction as an inspirational planning concept, the scale and pace of real estate development following major transit investments often fell short of expectations.

Land use regulations impose substantial impacts on housing development by determining both land availability and development intensity. Supportive zoning is one of the most cited planning tools to promote housing development near transit in the literature (Banerjee et al., 2021; Freemark, 2023; Loukaitou-Sideris, 2010; Mathur & Gatdula, 2020). While TOD-friendly zoning can facilitate development, it does not independently generate it (Schuetz et al., 2018). Gabe et al. (2021) evaluated the “urban village” planning strategy to enable conversion of commercial-only parcels to mixed-use parcels in San Jose, California. They found little measurable impact on housing construction, transaction, and assessed values. Additionally, a case study of five rail transit stations in Los Angeles showed that stations tended to attract development when they combined compatible zoning with a strong real estate market, active local government intervention, and supportive neighborhood politics (Schuetz et al., 2018).

Gaps in inter-agency coordination pose another challenge to housing development in transit-rich areas. Both the planning and approval of TOD projects require collaboration between multiple government agencies and developers. However, organizational silos exist both within and across government agencies and departments, as well as across multiple levels of governance between the local, state, and federal levels (Guthrie & Fan, 2016; Gabaldon, 2020). Coordinated planning among transit agencies, housing authorities, local governments, and developers is particularly essential for affordable housing projects in transit-rich areas as they usually involve public subsidies from different sources, land owned by public transit agencies, and complicated administrative, labor, and energy efficiency requirements associated with public subsidies and incentive programs (Banerjee et al., 2021; Garde et al., 2024; Li et al., 2026). Therefore, strong state and regional leadership may be required to provide incentives and foster the right environment for such coordination (Mathur & Gatdula, 2020).

Community opposition and NIMBYism constitute a persistent barrier to housing development, particularly affordable housing development, as local residents express concerns over traffic congestion, parking competition, school overcrowding, social disorder, and crime (Banerjee et al., 2021; Loukaitou-Sideris, 2013).

TOD projects are frequently subject to additional challenges arising from the physical and social constraints inherent to transit station areas. The historical concentration of industrial activity in certain transit station areas has left a legacy of environmental contamination and land use incompatibility, imposing substantial remediation and redevelopment costs (Loukaitou-Sideris, 2013). TOD projects in inner cities also have to overcome barriers that are linked to historical disinvestment, depressed local market conditions, and preconceived prejudices regarding inner city locations (Hess & Lombardi, 2004).

Affordable housing projects require public subsidies because their affordable units are rented or sold at below-market rates. A persistent lack of funding has constrained affordable housing development in transit-rich areas, and the rapid rise in construction costs and interest rates in recent years has further exacerbated these challenges (Banerjee et al., 2021, Li et al., 2026). A single affordable housing project often relies on subsidies from federal, state, and local sources, each of which involves lengthy processes and operates on different funding cycles and priorities (Li et al., 2026).

In summary, over the past decade, TOD has regained prominence in California as a critical strategy for advancing multiple planning objectives, including housing affordability, environmental sustainability, and social equity. However, the development of affordable housing near transit continues to face persistent challenges, such as restrictive zoning, complex review and approval processes, funding constraints, and neighborhood opposition. Addressing these barriers will require coordinated reforms across multiple fronts to translate TOD from concept into practice. I aim to fill in some of these research gaps by addressing the following two research questions:

- What major land use and housing policies have been adopted by the state, local governments, and major transit agencies over the past decade to promote housing development in transit-rich areas?
- What persistent challenges to housing development in transit-rich areas remain despite the recent policy efforts at the state and local levels?

3.2 Data and Method

Study Area

This study focused on California's three large urban regions with extensive rail transit services: the San Francisco Bay Area, Los Angeles County, and the City of San Diego. I was particularly interested in TOD policies and programs that were initiated by the regional and local governments and major public transit agencies in these areas.

Concept and Definition

All of the transit agencies studied in this project used the term *transit-oriented communities* (TOCs) in their policy documents, emphasizing that TOCs are places such as corridors or neighborhoods while TODs are individual buildings or development projects (Los Angeles County Metropolitan Transportation Authority, 2018). For consistency with prior literature, this report uses TOD in a broad sense to refer to transit-oriented developments at both place and project levels. This study defines *transit joint development* (TJD) as development occurring on land owned by transit agencies, the primary target of TOD policies initiated by transit agencies.

Policy Review

This study adopted a mixed qualitative approach. First, I briefly reviewed a few TOD-related legislations that California state lawmakers have passed in the past decade. State laws define the legal obligations that local governments and public transit agencies must follow when planning for TODs. They impose enforceable requirements related to zoning, parking requirements, the approval process, and the use of public surplus land for affordable housing. In California, the state has increasingly exercised its constitutional power to preempt local discretion, particularly in land use and housing (Lee et al., 2025). Studying relevant state laws is critical to understanding what local governments and public transit agencies are legally obligated to do.

Second, I reviewed the TOD policies and guidelines issued by regional and municipal governments and major transit agencies in the three study areas. I examined and compared how these governments and entities facilitate housing development in transit-rich areas, focusing on recent reforms on rezoning, density requirements, parking standards, and entitlement and permitting processes. Because the studied transit agencies, such as Bay Area Rapid Transit (BART) and the Los Angeles County Metropolitan Transportation Authority (LA Metro), primarily promote TODs through transit joint-development (TJD), partnerships that enable development on agency-owned land near transit, our policy review specifically examined their TJD policies and implementation guidelines.

Semi-Structured Interviews

The research team conducted semi-structured interviews with municipal community and housing development directors and staff members, urban planners, and TOD managers who work for transit agencies. As mentioned in the previous section (Section 2.2), the semi-structured interview protocol consisted of multiple parts (see Appendix A for the interview protocols). The findings from this section draw primarily on the second part of the interview with a focus on integrating housing and transportation.

I analyzed interview transcripts from 22 urban and housing planners representing 10 cities, four TOD managers in four large transit agencies, and five real estate developers in the studied areas (the Bay Area and Southern California). The methods used for interview transcript coding, analysis, and theme development closely follow those described in Section 2.2. I therefore refer readers to Section 2.2 for additional details.

3.3 TOD Policy Review

State-Level TOD Regulations

Over the past decades, California has enacted numerous laws with provisions targeting affordable housing in transit-rich areas. A comprehensive review of all such legislation is beyond the scope of this study. Instead, this section focuses on a few recent statutes that have direct and substantial impacts on affordable housing development near transit.

Surplus Land Act

To address the California housing crisis, the State Legislature significantly strengthened the 1968 Surplus Land Act (SLA) in 2019 by requiring local public agencies prioritize affordable housing when disposing of public land. The Act requires that any land no longer necessary for an agency's use must first be offered to affordable housing developers before it can be sold or leased for private commercial use.

To maintain control over land development on their properties, transit agencies such as LA Metro and BART bypass this process by leveraging "Exempt Surplus Land" provisions. These agencies adopt formal board-level policies that set internal affordability targets (typically 25% to 100%) that meet or exceed the state's legal "floor." Recent amendments, most notably SB 747 (2023), introduced a "portfolio-wide" compliance path specifically for transit agencies. This allows them to manage their land as a single collection (a portfolio) rather than following strict disposal rules for every single lot. Notably, the law allows these agencies to include commercial or industrial uses in their plans only if they meet the "50% Rule," which requires that at least 50% of the total gross acreage of the programmatic plan be designated for residential use. By codifying these high objectives into a programmatic plan, the agencies can legally classify their land as

"transit-supportive" or "agency use" rather than "surplus," allowing them to fast-track housing production with hand-picked partners while remaining fully shielded from the SLA's standard disposal requirements.

Senate Bill 79

California Senate Bill 79 (SB 79), the Abundance and Affordable Homes Near Transit Act, was signed into law in 2025 and became effective on July 1, 2026. SB 79 designates qualified transit-oriented housing developments as allowed use on sites zoned for residential, mixed-use, or commercial development located within one-half mile (a quarter mile if the city's population is below 35,000) of qualified transit stops in counties with more than 15 passenger rail stations. SB 79 applies to residential projects of at least five units that meet density thresholds, comply with unit size limitations, and satisfy applicable standards for displacement protection, safety, and labor.

SB 79 establishes statewide standards for height, density, and residential floor area ratios (FARs) that vary based on a project's proximity to transit stops and the classification of those stops, as shown in Table 3. Eligible SB 79 projects with more than 10 dwelling units must include affordable housing, with required percentages varying by income level: at least 7% of total units to extremely low-income households, 10% of total units to very low-income households, or 13% of total units to lower income households. If local inclusionary ordinances have a greater number of affordable units or deeper affordable levels, those take precedence. SB 79 grants transit agencies authority to adopt TOD zoning standards, such as height, density, and FAR, for land they own within one-half mile of qualifying transit stops. These agency-adopted standards supersede existing local regulations on agency-owned parcels.

Table 3. Minimum Threshold for Allowable Maximum Density Under SB 79

Proximity to stop \ Tier	1	2
Within 200-feet walking distance	Height: 95 feet Story: 9 Density: 160 dwelling units / acre Residential FAR: 4.5	Height: 85 feet Story: 8 Density: 140 dwelling units / acre Residential FAR: 4.0
Within 1/4-mile	Height: 75 feet Story: 7 Density: 120 dwelling units / acre Residential FAR: 3.5	Height: 65 feet Story: 6 Density: 100 dwelling units / acre Residential FAR: 3.0
1/4 - 1/2 mile (in cities >= 35000 population)	Height: 65 feet Story: 6 Density: 100 dwelling units / acre Residential FAR: 3.0	Height: 55 feet Story: 5 Density: 80 dwelling units / acre Residential FAR: 2.5

Tier 1 stop: served by heavy rail transit or very high frequency commuter rail.

Tier 2 stop: served by light rail transit, high-frequency commuter rail, or bus with dedicated lane.

FAR: floor-area ratio

Source: adapted from Association of Bay Area Governments & Metropolitan Transportation Commission (2025) with modifications.

Senate Bill 35

While SB 79 does not include provisions to streamline TOD project approval processes, eligible SB 79 projects may use the ministerial review process under Senate Bill 35 (SB 35). SB 35 created a by-right approval process for qualifying housing projects in jurisdictions that fail to meet their RHNA obligations. Eligible infill housing developments, including TOD projects, receive ministerial approval under strict timelines, bypass California Environmental Quality Act (CEQA) review, eliminate public hearings, and limit local reviews to objective standards.

Since the original SB 35 was set to expire in 2026, California legislators passed SB 423 in 2024 to extend the expiration date to 2036. In practice, developers can combine SB 79's entitlement baseline with SB 35's streamlining to realize a project that moves quickly toward construction. Moreover, under California's Housing Accountability Act, if an SB 79 project complies with all applicable objective design and development standards, it cannot be denied, have its density reduced, or be subject to infeasible conditions unless a specific, adverse impact can be demonstrated.

State Density Bonus Law

TOD projects developed under SB 79 are eligible for the full range of benefits provided under the State Density Bonus Law (SDBL). The SDBL requires local jurisdictions to grant developers increased density and regulatory concessions such as reduced parking requirements, relaxed development standards, or modification of zoning requirements, in exchange for affordable housing commitments.

Housing projects built under SB 79 are eligible for all the benefits available under the State Density Bonus Law. The number of units allowed under SB 79 serve as the project's base density when calculating these benefits. One key limitation is that local governments are not required to allow additional height through the SDBL beyond the height already permitted under SB 79, except for 100% affordable housing projects. TOD projects that meet both the SB 79 density threshold and the affordability requirements of the SDBL are eligible for up to three additional development concessions. Eligible criteria and benefits vary based on transit proximity, stop tier, and affordability level.

Assembly Bill 2923

Assembly Bill 2923 (AB 2923), signed into law in 2018, is a state legislation specifically designed to promote housing production around BART stations in the San Francisco Bay Area. The law makes it legal for BART to build multifamily, mixed-income housing on land it owns within a half-mile of stations. The law establishes two core requirements for BART properties (Bay Area Rapid Transit, n.d.). First, it establishes baseline TOD zoning standards: cities and counties with BART stations were required to update their local zoning to conform to the baseline zoning standards by July 1, 2022. Second, the law provides development streamlining under SB 35 for developers in exclusive negotiations with BART, provided projects meet four criteria. SB 79 does not address its interaction with these provisions, and AB 2923 remains in effect until its statutory expiration in 2029.

Regional and Local TOD Regulations

This subsection reviews TOD policies and guidelines adopted by transit agencies (e.g., BART and LA Metro), regional transportation planning agencies (e.g. Metropolitan Transportation Commission for the Bay Area), and municipal governments (e.g., San Francisco, Los Angeles, and San Diego). The transit agency's policies primarily govern joint development on agency-owned sites, which is a subset of TOD. All these policies were adopted prior to SB 79 taking effect and therefore may not fully reflect or incorporate the statute's requirements. While these policies are comprehensive in scope, this study focuses specifically on their provisions related to affordability requirements, density regulations, and parking standards.

Housing Goals & Affordability Requirements

To ensure compliance with SLA, all TJD portfolios managed by transit agencies are required to allocate at least half of the gross acreage for residential uses. At least 25% of residential developments across the portfolio must be affordable for lower income households for a minimum of 55 years for rental units or 45 years for ownership housing. Before approving any non-residential development, a transit agency must have leased or sold at least 25% of the land in the portfolio set aside for affordable housing since January 1, 2020.

The two largest transit agencies in California, BART and LA Metro, set ambitious housing goals. BART aims to facilitate the construction of 20,000 residential units by 2040 on its properties with a 35% total affordable housing portfolio (Bay Area Rapid Transit, 2024). LA Metro commits to creating at least 10,000 housing units on its properties by 2031 with at least 5,000 being income-restricted (Los Angeles County Metropolitan Transportation Authority, n.d.).

Land located in transit-rich areas but not owned by public transit agencies is currently regulated by local jurisdictions and MPOs. These entities encourage transit-oriented housing projects with affordability levels that exceed local inclusionary requirements by offering various incentives. For example, MTC (the MPO for the Bay Area) encourages local jurisdictions to implement at least two policies from a menu of options in transit-rich areas in each of the three affordable housing goals: production, preservation, and protection (“3 Ps”) (Metropolitan Transportation Commission, 2022). While the policy is not a mandate, MTC prioritizes discretionary regional funding for jurisdictions that comply.

The City of Los Angeles’s TOC program establishes an incentive-based density bonus system (City of Los Angeles, 2018). Unlike LA Metro’s TJD program, which is mandatory and only applies to LA Metro-owned properties, the city’s TOC program is voluntary and covers all eligible housing developments within Affordable Housing Incentive Areas, defined as the one-half mile radius around major transit stops. Residential lots are categorized into four tiers based on their distance to the nearest major transit stop and the service quality of that stop.

The program offers development incentives, such as density increases, development standard concessions and waivers, and parking reductions, in exchange for providing specified percentages of on-site affordable units near transit. To be eligible for incentives, housing projects must provide a minimum percentage of on-site restricted affordable units, which vary by tier and income level as shown in Table 4. The depth of affordability determines the scale of incentives, with higher affordability unit percentages unlocking additional incentives and concessions.

Similarly, Housing Solutions, which is a part of San Diego’s Complete Communities Program, is an optional affordable housing incentive program aimed at encouraging the building of affordable homes near high-quality transit (City of San Diego, 2020). Eligible sites include lots that are within a sustainable development area, zoned for 20 dwelling units per acre or greater, and within a quarter-mile radius of rail transit stops. To qualify for incentives offered by the program, a housing project must provide at least 40% pre-bonus units as long-term affordable units (generally 55 years). They must either provide a mixed set-aside (including at least 15% for very low-income households, at least 10% for low-income households, and 15% for moderate income households) or meet one alternative (40% very low income, 100% low income, or 100% moderate income with at least half below 80% AMI).

Table 4. Affordability Requirements in Los Angeles’s TOC Program

Incentive area tier	Minimum affordability
Tier 1	8% affordable to extremely low income, or 11% affordable to very low income, or 20% affordable to low income
Tier 2	9% affordable to extremely low income, or 12% affordable to very low income, or 21% affordable to low income
Tier 3	10% affordable to extremely low income, or 14% affordable to very low income, or 23% affordable to low income
Tier 4	11% affordable to extremely low income, or 15% affordable to very low income, or 25% affordable to low income

Source: City of Los Angeles, 2018.

Tiered Density Requirements

Before SB 79, public transit agencies did not have zoning authority over the land they owned. One exception is BART, which is required by AB 2923 to adopt TOD standards for BART-owned land within one-half mile radius of stations in three counties: Alameda, Contra Costa, and San Francisco (Bay Area Rapid Transit, 2017). The TOD standards set a portfolio-wide minimum net residential density standard of 75 units per acre. The target minimum building height is 12 stories in regional centers, 7 stories in urban neighborhoods and city centers, and 5 stories in regular neighborhoods and town centers.

Prior to SB 79, most land lots in transit station areas were regulated by zoning ordinances established by local jurisdictions and MPOs. MTC categorized fixed-guideway transit stations into four tiers based on transit service quality and set development density targets accordingly (Metropolitan Transportation Commission, 2022), as shown in Table 5. These density requirements are set as averages across the station area, recognizing that some parcels may be constrained.

A review of the City of Los Angeles’s TOC policy shows that the city does not establish consistent minimum or maximum allowable density requirements in transit station areas, though the program offers density bonus for eligible projects.

Table 5. MTC Density Requirements for New Residential Development

Level of transit service	Minimum density	Allowable Maximum density
Tier 1: Rail stations serving regional centers	>= 100 units/net acre	>= 150 units/net acre
Tier 2: Stop/station served by 2+ rail transit lines	>= 75 units/net acre	>= 100 units/net acre
Tier 3: Stop/station served by one fixed-guideway transit line	>= 50 units/net acre	>= 75 units/net acre
Tier 4: Commercial rail stations, Caltrain stations south of Tamien, or ferry terminals	>= 25 units/net acre	>= 35 units/net acre

Source: adapted from Metropolitan Transportation Commission (2022)

The City of San Diego's Complete Communities program, however, fundamentally changed how development density is regulated for eligible housing projects (City of San Diego, 2020). Specifically, the program waives maximum residential density (measured in dwelling units per acre) and instead regulates development density through FAR for eligible projects that propose more than 80% of the maximum permitted base zone density. The number of units in an eligible housing project is thus determined by allowed FAR and the sizes of dwelling units. In exchange, qualified projects must provide the required affordable units and neighborhood-serving infrastructure and amenities. Based on their location, eligible land lots are categorized into four tiers with different maximum FARs, as shown in Table 6.

Table 6. San Diego's Complete Communities Program: FAR allowance

Tier	Maximum FAR
Tier 1: Downtown/Centre City	No maximum
Tier 2: Regional employment areas or within one mile of a university with a medical center, in Mobility Zone 3	8.0
Tier 3: Other Sustainable Development Areas in Mobility Zone 3	6.5
Tier 4: Sustainable Development Areas in Mobility Zone 4	4.0
Coastal zone and coastal height overlay zone	2.5

Source: compiled by author based on City of San Diego (2020)

Parking Requirements

Parking policy is a key element of TOD strategies designed to shift travel behavior away from automobiles to transit and active modes. Reducing minimum parking requirements can also lower development costs and improve housing affordability. California AB 2097, signed into law in 2022, prohibits local governments from enforcing minimum parking requirements for most projects within one-half mile of high-quality transit stops.

BART adopted a target that by 2025, the portfolio-wide average parking for development will not exceed 0.9 spaces per dwelling unit (Bay Area Rapid Transit, 2017). BART eliminated minimum

parking requirements for its joint development projects and set maximum parking limits based on three TOD place types: 0.375 spaces per unit in regional centers, 0.5 in urban neighborhoods and city centers, and 1.0 in suburban neighborhoods and town centers. LA Metro requires joint development projects that include parking spaces for residential uses to maintain a ratio no higher than 0.5 parking spaces per bedroom (Los Angeles County Metropolitan Transportation Authority, 2018). At the same time, both transit agencies encourage shared and unbundled parking arrangements for residential and commercial developments. BART also requires a minimum bicycle parking of 1.0 space per unit.

MTC's TOC policy imposes maximum parking in transit areas based on the level of transit service, as shown in Table 7. All residential developments must provide a minimum of 1.0 secure bicycle parking space per dwelling unit and allow unbundled parking and shared parking arrangements between different land uses.

Table 7. Parking Management Requirements in MTC's TOC Guide

Level of transit service	Parking requirements
Tier 1: Rail stations serving regional centers	No minimum parking requirement Maximum of 0.375 spaces/unit
Tier 2: Stop/station served by 2+ rail transit lines	No minimum parking requirement Maximum of 0.5 spaces/unit
Tier 3: Stop/station served by one fixed-guideway transit line	No minimum parking requirement Maximum of 1.0 spaces/unit
Tier 4: Commercial rail stations, Caltrain stations south of Tamien, or ferry terminals	Maximum of 1.5 spaces/unit

Source: adapted from Metropolitan Transportation Commission (2022)

The City of Los Angeles's TOC policy establishes maximum parking requirements for eligible housing development in four tiers of transit station areas. Parking is capped at no more than 0.5 spaces per bedroom in Tier 1 station areas, no more than 1.0 spaces per unit regardless of bedroom count in Tier 2 station areas, and no more than 0.5 spaces per unit in Tier 3 station areas. There is no parking requirement for developments consisting entirely of on-site affordable units or those located in Tier 4 station areas.

San Diego's Complete Communities Program regulates parking in four mobility zones (City of San Diego, 2025). In Mobility Zone 1, downtown San Diego, developers are limited to 1.0 parking spaces per dwelling units. In Mobility Zones 2 and 3 (VMT efficient areas), no maximum parking requirements exist, and developers are required to provide more VMT reduction measures if they choose to provide more than the baseline parking ratios in the municipal code. Moreover, any excess parking exceeding a 1.0 space-per-unit ratio must typically be located in an underground garage. In Mobility Zone 4, which comprises VMT inefficient areas, developers are not subject to

parking maximums, but they are required to pay an active transportation in-lieu fee to mitigate the high VMT derived from their projects.

3.4 Opportunities and Challenges: Findings from Semi-Structured Interviews

In interviews conducted with local planners, TOD managers, and developers, we asked them to identify policies and conditions that are favorable to TOD and TJD implementation, as well as persistent barriers encountered in efforts to promote TOD. Overall, interview participants acknowledged the positive impacts of the pro-TOD policies reviewed in Section 3.3, particularly state laws that streamlined entitlement and permitting processes, offered additional density bonuses, and reduced parking requirement for TOD projects. Several participants argued that unfavorable market conditions, rather than administrative red tape or restrictive zoning regulations, constitute the primary impediment to housing development near transit. Nevertheless, most interview participants spent considerably more time on discussing challenges and barriers than addressing the successes of TOD implementation.

Density Increases, Parking Reductions, and Community Opposition

As discussed earlier, density bonuses, streamlined approval processes, and parking reductions are three major policy tools that California state and local policymakers use to promote affordable housing development in transit-rich areas. These incentives, particularly density bonuses, are readily applicable in transit stations already characterized by urban uses and high-rise development. However, their applications in suburban station areas surrounded by low-density residential neighborhoods tend to elicit community concerns (Planners 9 and 12): “A big theme in housing dialogue is: We understand the need to upzone, but we do not like losing local control” (Planner 9). This is particularly a concern given that suburban station areas possess much more developable land for housing than their urban counterparts.

Furthermore, the frequent amendments to density bonus policies have generated considerable uncertainty and confusion among local planners and residents:

The state is supposed to give us certainty; it does in some ways, but it also creates uncertainty about what’s coming next. We used to have a more modest density bonus; now there’s effectively a 100% bonus. Housing-skeptical residents find state-driven streamlining hard to accept and also have a valid concern: if we upzone to six stories, does that really mean eight, nine, or ten once all the bonuses and new laws are layered on? (Planner 9)

Parking reduction represents another contentious issue in TOD implementation. Despite their relatively easy access to transit, most families living in TODs continue to rely on cars for commutes, school drop-offs, and multi-destination trips since transit service remains insufficiently frequent and reliable, and first- and last-mile connectivity is inadequate (Planners 19 and 25). Housing unaffordability has led to the prevalence single dwelling units being occupied by multigenerational families, for whom inadequate parking provision is particular challenging

given their tendency to own multiple vehicles (Planners 19 and 25). Some residents parked in fire lanes, creating safety hazards (Planner 23).

Reduced parking requirements in TOD projects constitute a major source of concern and opposition among existing residents who worry about parking spillovers and increased competition for limited parking spaces (Planners 19 and 27, TOD manager 2). In response, some affordable housing developers voluntarily provided parking space beyond what was required (Planner 43).

For joint development projects built on surface parking lots owned by transit agencies, parking replacement is usually a highly contested issue. Some transit systems, particularly those serving suburban communities, were originally designed around the park-and-ride model, and there are concerns that reduced parking supply may negatively impact transit ridership. Developers must therefore convince both transit agencies and local jurisdictions that one-to-one parking replacement is unnecessary, given that new multifamily housing built on surface parking lots would generate sufficient ridership to offset such loss (Developer 3). Consistent with this view, one TOD manager noted that parking garages built under earlier one-to-one replacement requirements often sit half empty, prompting the transit agency to revise its joint development guideline to prioritize projects with little or no required parking replacement (TOD manager 1).

High Development Costs and Financing Constraints

Several interview participants identified the substantial increase in development costs over the past few years as the primary barrier to housing development. Some noted that multiple shovel-ready projects had not been built, as construction cost growth had outpaced rental price increases.

Interview participants attributed development costs to multiple components, such as construction materials, equipment, insurance, labor, and financing. One participant reported average construction costs ranging from \$800,000 to \$1,000,000 per dwelling unit in affordable housing projects (TOD manager 2). Participants noted that while some of these cost components are mainly market-driven, high labor costs are at least partially attributable to policy mandates. As discussed previously, housing projects granted ministerial approval under SB 35 are required to comply with the prevailing wage requirement. Additionally, projects exceeding 50 units must satisfy apprenticeship and healthcare requirements, while those involving buildings taller than 85 feet must adhere to the “skilled and trained workforce” standard. A study by RAND Corporation suggests that prevailing wages in California are approximately 50% higher than market rates in Los Angeles and San Diego and more than double in San Francisco (Ward & Schlake, 2025). One non-profit developer advocated for the elimination of the prevailing wage requirement as a means of reducing affordable housing development costs (Developer 5).

Financing constraints and high financing costs constitute another significant bottleneck for TOD projects. Elevated interest rates have substantially increased capital costs for both market-rate and affordable housing projects. Tighter financial markets have also increased the competition for financing nationwide (TOD manager 1). Financing poses a particular challenge for market-rate housing projects, as they lack access to public funding. Even for affordable housing projects that benefit from public subsidies, coordinating funding from multiple sources remains a considerable challenge:

Market-rate housing still has demand, but even though rents have grown, construction costs have grown more, so nothing pencils. That's a big problem. Affordable housing is being built because public programs finance it. (TOD manager 1).

Funding Constraints and Fragmentation

The majority of the participants acknowledged the intensifying competition for affordable housing funding and advocated for more public funding for TOD projects. Affordable housing projects located near transit may be eligible for funding from multiple state programs, including the Affordable Housing and Sustainable Community (AHSC), Infill Infrastructure Grant (IIG), and several other state programs designated for supporting affordable housing in general. Most participants identified access to AHSC funding as a major advantage for affordable housing projects located in transit-rich areas. The AHSC program, funded through proceeds from California's greenhouse gas (GHG) cap-and-trade scheme, supports integrated housing and transportation projects to reduce GHG emissions. Recent state legislation establishes a long-term commitment of about \$800 million annually for AHSC through 2045 and allocates about 45% of funds to TOD projects (Greenspan et al., 2025).

Beyond advocating for increased public funding, interview participants identified a few challenges associated with applying for and utilizing state funding for TOD projects, and they proposed multiple strategies to improve funding efficiency and equity.

First, both planners and developers called for a more coordinated and integrated funding system to reduce funding fragmentation. Currently, developers usually have to braid together funding from separate sources with different cycles and objectives. With few exceptions, such as the AHSC program, housing funds and transportation funds rarely overlap (Planner 2). One participant identified funding fragmentation as a major challenge in the funding application process, describing the challenge as follows:

The biggest barrier is fragmentation in funding systems. Housing funding and transportation funding are often siloed at the state and federal levels, with different rules, timelines, and reporting requirements. Programs like AHSC and IIG are notable exceptions because they intentionally tie housing and transportation together. But many other funding sources don't align well. (Planner 6)

Several planners advocated for more pre-development funding, particularly for non-profit developers. TOD projects typically require substantial pre-development work, such as site preparation, infrastructure work complicated by proximity to transit facilities, and public improvements. Conventional construction loans and public funding generally cover construction costs and are not available until the completion of the pre-development phase. Currently, few pre-development funding sources exist for non-profit developers to draw from. Furthermore, one planner advocated for greater funding for affordable housing operation and maintenance, as most funding is awarded for capital investment (Planner 19). Because of the administrative burden and local match requirements, small and under-resourced communities face even greater challenges in securing funding. One small city reported relying on partnerships with better-resourced agencies and neighboring cities to address these constraints (Planner 42).

Insufficient Leadership in Inter-Agency Coordination

Our examination into inter-agency coordination in TOD yielded mixed results. Some participants, particularly those from suburban jurisdictions with limited TOD experience, were less likely to identify insufficient inter-agency coordination as a barrier to TOD implementation. In contrast, several participants working in large urban cities acknowledged the challenges of coordinating among transit agencies, municipal departments (e.g., planning, building and permitting, housing, public works, and transportation), and developers, noting that each entity operates according to different priorities. One planner explained that regional transit agencies advocated for higher development intensity around rail transit stations, whereas municipal planners adopted a more cautious approach in order to address neighborhood concerns (Planner 9).

Several planners acknowledged that inter-agency coordination is often limited to grant applications as some state funding programs require applicants to collaborate with multiple agencies to remain competitive. As one planner stated, “we come together for specific funding opportunities, like AHSC, because we must” (Planner 20). In this context, grant competition has become a major mechanism for fostering inter-agency coordination among municipal departments. However, coordination centered around funding applications is largely organized around funding cycles and specific grant proposals rather than around planning areas or specific TOD projects (Planner 20).

Internal competition over limited transportation resources complicates inter-agency coordination. Resolving such conflicts often requires intervention from executive leadership. Mayors and city managers, however, may be reluctant to take sides to avoid political repercussions (Planner 20). A participant described the challenges of interagency coordination as follows:

It’s extremely difficult because housing and transportation are funded by different entities, on different schedules, with different rules, and they rarely coordinate. True integration requires superhuman levels of coordination. (Planner 20)

In one of the interviewed cities, parking planning and management in rail transit station areas involve multiple municipal departments, such as public works, planning, transportation, and law enforcement, making coordination between these agencies a huge administrative burden. Parking is also a politically sensitive issue that requires space for public input. Planner 42 emphasized the importance of reporting directly to the City Manager's office in navigating these challenges.

Institutional and Technical Challenges

Joint development projects on transit agency-owned land face additional institutional and technical challenges. Because these projects involve public land and may include discounted ground leases, they are subject to additional discretionary review and public engagement requirements. One TOD manager (TOD manager 4) explained that when most housing projects were subject to extensive discretionary review, joint developments had a relative advantage because they had city leadership to help navigate regulatory uncertainty. However, under recent streamlined housing laws, projects on public land may now be required to undergo additional layers of review compared to projects on private land, thereby reducing their financial viability. Similarly, transit agencies may require joint development projects to undertake additional public hearings and community engagement processes, which developers perceived as extra burdens.

Land owned by transit agencies is usually located in close proximity to transit stations. On the one hand, this location provides housing projects easier access to transit service. On the other hand, it introduces additional technical and operational risks, such as excavation near tunnels and crane operations near active rail lines (TOD manager 2). These complexities further contribute to additional layers of review required for joint development projects.

Moreover, joint development projects are often subject to greater affordability requirements that exceed those mandated by local inclusionary ordinances. In order to maintain their control of the land for joint development projects, public transit agencies establish internal affordability targets (typically 25% or more) that meet or exceed the state legal requirements. As a result, joint development projects tend to operate with narrower financial margins and require greater levels of subsidy.

3.5 Discussion and Policy Implications

This study examines recent advances in policies and practices that aim to promote residential development, particularly affordable housing development, near transit in the Bay Area and Southern California. I first reviewed and compared recent TOD and housing statutes and policies that were initiated by state, regional, and municipal governments and large transit agencies. We then undertook semi-structured interviews with municipal planners and TOD managers responsible for implementing these policies to understand the persistent challenges in TOD implementation.

Policy document review focused on laws and policies that aim to encourage housing development in transit-rich areas through two mechanisms: reforming land use and zoning regulations and streamlining entitlement and permitting processes. Land use and zoning reforms highlight three major policy mandates in transit-rich areas: increased development density, reduced parking, and minimum affordability requirement. TOD projects that satisfy applicable standards for affordability, safety, and labor are eligible for ministerial reviews that allow them to bypass CEQA review and offer a certain number of incentives and concessions in design and development standards. These policies typically aim to achieve two major goals simultaneously: improving housing project viability through higher allowable densities, lower parking requirements, and development standard concessions, and reducing regulatory risks and development timeframes via streamlined approval processes.

The effectiveness of these policies remains to be seen as most of them have been in effect for only a few years, and SB 79 did not take effect until July 1, 2026. It is important to note that real estate market conditions have not been favorable to housing development because of quick increases in construction costs and financing constraints since the COVID-19 pandemic. This at least partially explains stagnant housing production in California in the past few years despite many land use and housing reforms at state and local levels. Though most cost components are market-driven, elevated labor costs are mainly attributable to prevailing wage requirements associated with ministerial approval under state law. Policymakers should strike a balance between protecting workers and keeping housing affordable.

Semi-structured interviews with planners and TOD managers suggest a few other persistent barriers to TOD policy implementations. Neighborhood resistance to greater development density and reduced parking spaces remains strong among some suburban communities despite the recent rise of prohousing sentiment in California. Multiple layers of density bonuses that could be applied to a TOD project, however, have caused confusion among local planners and residents when trying to determine the potential size and height of potential projects. Several recent state laws have encouraged the shift of community engagement and environmental review from individual projects to neighborhood plans. The shift from discretionary review to ministerial review for affordable housing projects near transit also changed the focus of community engagement from whether an affordable housing project should be permitted to how the project should be built to better accommodate community needs.

One advantage for affordable housing projects in transit-rich areas is that they may be eligible for both public funding for affordable homes and funding that aims to integrate housing and transportation for climate objectives. However, it takes a substantial amount of administrative effort to integrate funding from different sources with different objectives and timelines. In addition to affordability requirements, affordable housing projects are typically required to fulfill other social and climate objectives regarding energy efficiency, public amenities, and urban

beauty, making them more expensive to build than market-rate projects. I recommend policymakers to reduce or eliminate social objectives that are not directly related to housing affordability so similar amount of funding could help provide more affordable units.

Policymakers and funding agencies may also consider the fact that proximity to transit stations poses some unique challenges for affordable housing projects. TOD projects may need to address additional technical and operational risks, such as excavation near tunnels, crane operations near transit, and more pre-development work to address land contamination and infrastructure realignment issues. All these additional risks may make TOD projects more expensive and thus require more funding support.

4. Summary & Conclusions

4.1 Overview

This research project examines two distinct but related dimensions of prohousing policies in California. One concerns the Prohousing Designation Program (PDP), with a focus on the adoption and implementation of prohousing policies in 56 California cities that had received the Prohousing Designation status as of May 2025. The other concerns California's recent policy shifts in promoting affordable housing in transit-rich areas. A mixed-methods research design was adopted, combining policy and document review with semi-structured interviews with municipal planner and housing professionals, TOD managers in large transit agencies, and real estate developers. The two analyses speak to a common policy challenge: expanding housing opportunities in ways that are quantitatively meaningful, spatially equitable, and environmentally sustainable.

4.2 Findings from the Prohousing Housing Policy Analysis

Which cities are more likely to receive a prohousing designation?

Prohousing designations skew toward large urban cities. At the city level, larger populations, greater shares of Black populations, higher proportions of multifamily homes in existing housing stock, lower homeownership rates, and lower automobile dependence are all associated with higher probabilities of receiving the designation.

What are the most popular prohousing policies among the 56 prohousing cities?

A review of applications submitted by the 56 prohousing cities reveals the policies adopted by at least 40 cities across each of the four policy categories (ordered by number of adopted cities):

Category 1: Favorable zoning and land use policies

- Increased density through modified development standards.
- Residential or mixed uses allowed in non-residential zones.
- Reduced parking for ADUs or density bonus units.

Category 2: Acceleration of housing production timeframes

- Streamlined, program-level CEQA review.
- Streamlined, project-level housing development approvals.
- Standardized application form.

- Objective development and design standards.
- Public posting of permit approval status updates.
- Streamlined permitting for zoning and plan-compliant projects.
- One-stop permitting or single point contact.
- Ministerial approval for multiple housing types.

Category 3: Reduction of construction and development cost

- Reduced barriers to ADU construction.
- Reduced transportation infrastructure costs.
- Waived or reduced impact fees for affordable housing projects.

Category 4: Providing financial subsidies

- Establishment of housing funds or contribution to affordable housing funds.

What are the most effective prohousing policies in practice?

We asked local planners and housing professionals to identify their two to three most effective policies for accelerating housing production. Collectively, they identified 56 distinct tools, which I grouped into 10 themes. The four most cited are presented below.

- Streamlined entitlement and permitting processes: Policies under this theme aimed at reducing the time required for housing projects to obtain entitlement and permitting approvals, many of which were driven by and built on top of SB 35.
- Specific plans: Multiple cities have used specific plans as a comprehensive policy package which typically include five elements: (1) upzoning to allow more height and density strategically rather than in a piecemeal way; (2) coordinating land use with infrastructure investments; (3) reducing parking requirements; (4) undertaking a programmatic area-level environmental impact review to streamline CEQA review for subsequent individual projects; and (5) engaging the community at the plan level instead of project by project.
- Inclusionary zoning and local housing funds: Inclusionary zoning and local housing subsidies are the two primary tools prohousing cities use to support affordable housing development. Planners acknowledged inclusionary zoning's inherent trade-offs and described strategies to mitigate its chilling effects on housing supply, such as leveraging mandated inclusionary units to trigger State Density Bonus Law incentives and customizing inclusionary requirements by zone. Multiple planners identified local affordable housing bonds as a much more effective and stable funding source.

- ADU facilitation and incentives: Beyond state-mandated by-right approval, local jurisdictions have adopted additional measures to promote ADU development, including eliminating parking requirements, creating financing programs, reducing impact fees, providing pre-approved design models, and allowing larger units than state minimums.

What are the persistent barriers to housing production?

We asked interview participants to identify the persistent barriers to housing production. Across all interviews, they named 50 barriers, which I consolidated into seven thematic categories. The four most cited are presented below.

- High construction costs and financing constraints: Most participants cited high construction cost and capital constraint as a major barrier to housing productions. High construction costs are particularly problematic in cities where home and rental prices are relatively low, making market-rate housing projects difficult to pencil. While certain components of construction costs are largely market driven, high labor costs resulting from prevailing wage requirements stem from policy mandates.
- Affordable housing projects also tend to have longer timelines, increasing carrying and interest costs. Publicly subsidized projects face further cost pressures from requirements to deliver broader social benefits, such as energy efficiency and climate goals, off-site improvements, and high-quality design.
- High land costs and constrained sites: High land costs, limited vacant land, and site constraints pose major challenges for built-out cities. Rent control and stringent demolition ordinances, including tenant protections and unit replacement requirements, can further limit the feasibility of redevelopment.
- Understaffing and state law compliance burden: Several planners identified chronic understaffing as a major barrier, as staff shortages prolonged entitlement and permitting reviews. Even those who did not flag understaffing noted that new state housing legislation imposed substantial administrative burdens.
- NIMBYism: Despite the rise of YIMBY, some planners still identified NIMBY as a major barrier, particularly to affordable housing development. They noted that opposition has not disappeared but migrated, becoming more coded and adopting language that is strategically persuasive and socially acceptable.

What extra-sector policies and external factors significantly influence housing production?

A “magic wand” question was included in the interview protocol to prompt participants beyond their traditional planning roles and explore extra-sector factors affecting housing production. I present the three most prominent factors below.

- Limited housing funding and subsidies: Competition for affordable housing funds has intensified recently, partially because of increased RHNA obligations. Smaller and under-resourced cities are disadvantaged in competitive funding processes because they lack sufficient grant-writing capacity, and many programs require local matches and favor larger projects that promise broader social and climate benefits.
- Infrastructure capacity, funding gaps, and utility-related delays: Local jurisdictions in California rely heavily on development and impact fees to finance public infrastructure and facilities. Several planners called for infrastructure financing reform to create broader, more stable funding sources for municipal infrastructure and utilities. Others cited high utility connection fees and delays caused by public utility agencies, underscoring the need for better interagency coordination to facilitate housing development.
- Onerous building and fire codes: Multiple planners and developers identified onerous and frequently updated building and fire codes as a major driver of high construction costs, calling for code reforms, particularly for provisions not directly related to public health and safety.

Recommendations for improving the PDP

- Incorporate performance-based metrics: HCD may consider incorporating performance-based metrics into the self-scoring criteria in at least two ways: as a scoring metric tied to past housing production or changes in production levels, or as an eligibility threshold requiring jurisdictions to meet a minimum production level or demonstrate sufficient progress toward their RHNA targets.
- Revisiting point allocation and enhancement factors: Point values in the self-scoring rubric may not proportionally reflect policy effectiveness, and enhancement factors were viewed as subjective. I recommend prioritizing measurable, demonstrable impacts and limiting the weight of enhancement factors to improve consistency and credibility.

4.3 Findings from the Analyses of Recent TOD Policies and Practices

What policies have transit agencies, MPOs, and municipal governments recently adopted to support affordable housing development near transit?

This study reviewed regional and local guidelines for affordable housing development, particularly transit-joint development (TJD), focusing on affordability requirements, density regulations, and parking standards in the Bay Area and Southern California:

- Housing goals & affordability requirements: To ensure compliance with the Surplus Land Act, all TJD portfolios managed by transit agencies are required to allocate at least half of the gross acreage for residential uses. At least 25% of residential developments across

the portfolio must be affordable for lower income households for a minimum of 55 years for rental units or 45 years for ownership housing.

- The two largest transit agencies in California, BART and LA Metro, set ambitious housing goals. BART aims to facilitate the construction of 20,000 residential units by 2040 on its properties with a 35% total affordable housing portfolio. LA Metro commits to creating at least 10,000 housing units on its properties by 2031, with at least 5,000 being income-restricted.
- Tiered density requirements: Before SB 79, most transit agency-owned land fell under local jurisdiction, producing wide variation in density requirements across cities, with BART as a notable exception. BART's TOD standards set a portfolio-wide minimum net residential density standard of 75 units per acre, while San Diego's Complete Communities program waives maximum residential density for eligible projects, regulating density through FAR instead.
- Parking requirements: Parking policy is a key element of TOD strategies designed to reduce car use and to lower housing development costs. California AB 2097 (2022) prohibits local government from enforcing minimum parking requirements for most projects within one-half mile of high-quality transit stops. BART, MTC, the City of Los Angeles, and San Diego's Complete Communities program all established maximum parking ratios based on transit station tiers.

What are the opportunities and challenges for affordable housing development in transit-rich areas in California cities?

In interviews with local planners, TOD managers, and developers, we asked participants to identify policies and conditions that support TOD and TJD implementation, as well as persistent barriers to TOD. Overall, participants acknowledged the positive effects of pro-TOD policies reviewed above. Several argued that unfavorable market conditions, rather than administrative red tape or restrictive zoning, are the primary barrier to housing development near transit. Still, participants spent considerably more time discussing challenges than successes, suggesting that TOD implementation remains complex and difficult in practice.

- Community opposition to increased density and reduced parking: While upzoning and density bonus work well in transit stations with existing high-rise development, applying them in suburban station areas often draws community opposition. Frequent amendments to density bonus policy have further compounded uncertainty among local planners and residents. Reduced parking requirements represent another major source of community opposition in TOD projects, and replacing parking on transit-owned land is often contested by local jurisdictions.

- High development costs and financing constraints: Rising development costs over the past few years were cited as the primary barrier to housing development in transit-rich areas, compounded by tight financing conditions and high borrowing costs.
- Funding constraints and fragmentation: Most interview participants acknowledged intensifying competition for affordable housing funding and advocated for more public investment in TOD projects. They also identified several challenges in accessing state funding and proposed multiple strategies to improve efficiency and equity: (1) a more coordinated and integrated funding system to reduce fragmentation; (2) more pre-development funding, particularly for non-profits; (3) streamlined and standardized applications, and (4) greater support for small and under-resourced communities.
- Insufficient leadership in inter-agency coordination: Inter-agency coordination is often limited to grant applications, and internal competition over scarce resources further strains collaboration. Resolving such conflicts often requires executive intervention, though mayors and city managers may be reluctant to engage for fear of political repercussions.
- Institutional and technical challenges: Joint development projects on transit agency-owned land face additional discretionary review and public engagement requirements compared to market-rate homes, as well as technical and operational risks such as excavation near tunnels and crane operations near active rail lines. They are also subject to stricter affordability requirements than local inclusionary ordinances mandate, narrowing margins and increasing subsidy needs.

Appendix A

Interview Consent Form

Hello, my name is Hongwei Dong, and I'm a professor of urban planning at California State University, Fresno. My research team is conducting a study on the Pro-Housing Designation Program run by the California Department of Housing and Community Development (HCD). You have been invited to participate in this interview because your city or county has received a Pro-Housing designation from HCD.

This research is funded by the California Department of Transportation (Caltrans) through a Senate Bill 1 (SB1) research grant and advised by staff members from HCD's Housing Policy Development Division are serving as external advisors.

The interview will take approximately 45 minutes. With your permission, we would like to audio record the conversation so that we can focus on the discussion instead of taking detailed notes. The recording and any information you share will be used only for research and analysis purposes.

Participation is completely voluntary. Your decision to participate or not will not affect your relationship with California State University, Fresno or with the research team. If you choose to participate, you may withdraw at any time without penalty.

This research has been reviewed and approved by the Committee for the Protection of Human Subjects at California State University, Fresno. If you have questions about your rights as a research participant, please contact the Chair of the Committee for the Protection of Human Subjects, Dr. Emily Mason, via email emason@csufresno.edu or phone (559) 278-8863.

By participating, you will be contributing to a better understanding of housing and transportation policy in California. We would be happy to share our findings with you once the study is completed.

Research Interview Guide

(City planners & municipal housing professionals)

I. Interview consent form & introduction (3 minutes)

II. Background and Context (5 minutes)

To help provide some context for our discussion:

1. Could you describe your role and responsibilities in X city?
2. How long have you been working in this position/field?

3. Briefly, how would you describe X city's housing context, such as general political appetite for housing, affordability challenges, and growth pressures?

III. Effective prohousing policies (20 minutes)

1. Looking broadly at X city's efforts, what 2–3 housing policies or programs have been the most effective in actually promoting housing production (Market rate & subsidized/affordable housing)?

a. From what you've seen, what makes these housing policies actually work in Sacramento? [follow up: what incentives matter most to developers?]

b. Once the policy was passed, what was the biggest operational, political, or technical hurdle in making it work as intended on the ground?

c. With the benefit of hindsight, have there been any unexpected outcomes—positive or negative—from implementing this policy?

2. On the flip side, what are the most significant and persistent challenges or barriers to building more homes in city X?

3. If you had a magic wand and could change one thing to make it easier to build homes in city X, what would it be?

IV. Integrating Housing and Transportation (15 minutes)

Next, we'd now like to hear your perspective on the policies and investments in city X that have produced positive outcomes for both housing and transportation.

1. Big picture—at high-level, how are you bringing transportation and housing together right now? (Follow up: Any specific station areas or projects? What does integration look like on the ground?)

2. What integration requires: when this goes well, what has to be in place? (Note: Inter-agency collaboration, funding, policy tools, public-private partnership, local politics)

3. What tends to get into the way: what kinds of tensions or trade-offs have you had to navigate?

4. Knowledge learned: What could other similar cities learn from Sacramento? What should they avoid?

V. Experience with Prohousing Designation (5 minutes)

1. What have been the main benefits of receiving the prohousing designation?

2. Has the designation influenced how your jurisdiction approaches housing and transportation policy? If so, how?
3. What improvements would you suggest for the Prohousing designation program at HCD to make it more impactful for local jurisdictions?
4. Lastly, I'd like to discuss the interplay between state and local housing policy. From your perspective, how effective are state-level mandates—like regional housing needs allocations or recent upzoning legislation—in actually accelerating housing production at the local level? And in implementing these, where do you see the most significant friction between these top-down goals and local control over land use?

VI. Closing (2 minutes)

1. To close, do you have any other insights into this issue that we didn't get a chance to discuss?

Research Interview Guide

(TOD Managers)

Section 1 — Background & context

1. Your role.

Could you tell me about your role at X (transit agency)? How long have you been in this role?

2. X's role in TOD.

How do you see X's role in TOD in the region today?

Section 2 — TOD: the big picture

1. Trends over the last decade.

Looking back about 10-20 years, what stands out to you about how TOD has changed in the region? (market conditions, funding, community attitudes, policy changes, etc.)

Section 3 — What makes TOD work

1. Examples that worked.

Could you share one or two TOD projects or corridors you'd call successful? What, specifically, made them work?

2. How the partnership actually functions.

From idea to opening, how do the partners—transit agency, the city, private developers, and non-profits—work together in practice?

3. Financing the deal.

People sometimes call project financing a “capital stack”—even a “lasagna” of sources. For a project with a big affordable housing component, what does that stack typically include, and what’s the hardest part of getting it to line up?”

4. Policy tools that matter.

What state or local planning tools and policies have been most important for getting TOD done at transit stations?

Section 4 — Challenges & hurdles

1. What gets in the way.

What are the biggest institutional, legal, or funding challenges when trying to support housing near transit?

2. One high-impact change.

If you could change one thing—by local governments, the state, transit agencies, or developers—that would most improve TOD outcomes, what would it be and why?

Section 5 — Lessons & future directions

1. Takeaways for other regions/agencies.

Based on your experience, what strategies or lessons would you share with other regions or transit agencies trying to better align housing and transportation?

2. Suggestions for HCD.

What suggestions would you offer to the state housing department (HCD) about programs, guidance, or coordination that would help TOD succeed?

Section 6 — Wrap-up

Is there anything important we didn’t ask about?

Research Interview Guide

(Housing Developers)

1. Background

- a. Can you briefly describe your organization and your experience in housing development?

2. Project development process

- a. Could you walk me through the typical steps in housing development?

3. Interactions with local jurisdictions

- a. How would you describe your working relationship with local governments and other public agencies (e.g. utilities and transit)?

4. Policy environment

- a. On a scale from 1 to 10, how would you rate land use regulations and approval processes as a barrier to housing development?
- b. What are the most challenging parts in the entitlement and permitting processes?
- c. Have recent state laws (e.g., SB 35, density bonus laws, AB 130, SB 79) changed the way you approach projects in any meaningful way?
- d. Have recent local land use reforms and approval streamlining efforts helped accelerate housing production?
- e. If you could change one or two local regulations or processes, what would they be?

5. Development costs and Financing

- a. What are the major cost drivers in a housing project and how have those costs changed in the past few years?
- b. How do regulatory requirements, such as impact fees, design standards, building and fire codes, or environmental reviews, affect your development costs?
- c. What financing challenges do you face when trying to get housing project built? How do current interest rates and lender requirements shape your decisions?
- d. How do gaps between available financing and total development costs influence project feasibility, and what tools or incentives help close the gap?

6. Remaining obstacles

- a. What are the remaining barriers you face in getting a housing project approved and built today?

7. Middle housing and infill development

- a. Middle housing: What opportunities do you see in developing missing middle housing types?
- b. What factors most influence whether missing middle housing projects are financially feasible?
- c. How do you evaluate the feasibility of infill development?
- d. What barriers or uncertainties make developers hesitant to pursue infill development or transit-oriented development?

8. Closing

- a. Is there anything we didn't cover that you think is important?
- b. Are there other developers or stakeholders you would recommend I speak with?

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