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**AB-2553 Housing development: major transit stops: vehicular traffic impact fees.** (2023-2024)

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**Assembly Bill No. 2553**

**CHAPTER 275**

An act to amend Section 66005.1 of the Government Code, and to amend Section 21064.3 of the Public Resources Code, relating to land use.

[ Approved by Governor September 19, 2024. Filed with Secretary of State September 19, 2024. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 2553, Friedman. Housing development: major transit stops: vehicular traffic impact fees.

Existing law, the California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

CEQA exempts from its requirements residential projects on infill sites and transit priority projects that meet certain requirements, including a requirement that the projects are located within  $\frac{1}{2}$  mile of a major transit stop. CEQA defines "major transit stop" to include, among other locations, the intersection of 2 or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.

This bill would revise the definition of "major transit stop" to increase the frequency of service interval to 20 minutes.

Existing law, the Mitigation Fee Act, imposes various requirements with respect to the establishment, increase, or imposition of a fee by a local agency as a condition of approval of a development project. Existing law requires a local agency that imposes a fee on a housing development for the purpose of mitigating vehicular traffic impacts to set the rate for the fee to reflect a lower rate of automobile trip generation if the housing development satisfies specified characteristics, including that the housing development is located within  $\frac{1}{2}$  mile of a transit station, as specified. Existing law defines transit station for these purposes to mean a rail or light-rail station, ferry terminal, bus hub, or bus transfer station, including planned transit stations whose construction is programmed to be completed prior to the scheduled completion and occupancy of the housing development.

This bill would instead require the housing development to be located within a transit priority area and the major transit stop, if planned, is programmed to be completed before or within one year from the scheduled completion and occupancy of the housing development. The bill would define major transit stop for these purposes to mean a site containing an existing rail or bus rapid transit station, a ferry terminal served by either a bus or rail transit service, the intersection of 2 or more major bus routes with a frequency of service interval of 20 minutes or less during the morning and afternoon peak commute periods, or other major transit stops that are included in the applicable regional transportation plan.

This bill would incorporate additional changes to Section 66005.1 of the Government Code proposed by AB 3177 to be operative only if this bill and AB 3177 are enacted and this bill is enacted last.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

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## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

### **SECTION 1.** Section 66005.1 of the Government Code is amended to read:

**66005.1.** (a) When a local agency imposes a fee on a housing development pursuant to Section 66001 for the purpose of mitigating vehicular traffic impacts, if that housing development satisfies all of the following characteristics, the fee, or the portion thereof relating to vehicular traffic impacts, shall be set at a rate that reflects a lower rate of automobile trip generation associated with such housing developments in comparison with housing developments without these characteristics, unless the local agency adopts findings after a public hearing establishing that the housing development, even with these characteristics, would not generate fewer automobile trips than a housing development without those characteristics:

(1) The housing development is located within a transit priority area and the major transit stop, if planned, is programmed to be completed before or within one year from the scheduled completion and occupancy of the housing development.

(2) Convenience retail uses, including a store that sells food, are located within one-half mile of the housing development.

(3) The housing development provides either the minimum number of parking spaces required by the local ordinance, or no more than one onsite parking space for zero- to two-bedroom units, and two onsite parking spaces for three or more bedroom units, whichever is less.

(b) If a housing development does not satisfy the characteristics in subdivision (a), the local agency may charge a fee that is proportional to the estimated rate of automobile trip generation associated with the housing development.

(c) For purposes of this section:

(1) "Housing development" means a development project with common ownership and financing consisting of residential use or mixed use where not less than 50 percent of the floorspace is for residential use.

(2) "Major transit stop" has the meaning as the term is defined in Section 21064.3 of the Public Resources Code, except that, for purposes of this section, it also includes major transit stops that are included in the applicable regional transportation plan. "Major transit stop" includes planned major transit stops otherwise meeting this definition whose construction is programmed to be completed before or within one year from the scheduled completion and occupancy of the housing development.

(3) "Transit priority area" means the same as defined in paragraph (7) of subdivision (a) of Section 21099 of the Public Resources Code.

(d) This section shall become operative on January 1, 2011.

### **SEC. 1.5.** Section 66005.1 of the Government Code is amended to read:

**66005.1.** (a) When a local agency imposes a fee on a housing development pursuant to Section 66001 for the purpose of mitigating vehicular traffic impacts, if that housing development satisfies all of the following characteristics, the fee, or the portion thereof relating to vehicular traffic impacts, shall be set at a rate that reflects a lower rate of automobile trip generation associated with such housing developments in comparison with housing developments without these characteristics, unless the local agency adopts findings after a public hearing establishing that the housing development, even with these characteristics, would not generate fewer automobile trips than a housing development without those characteristics:

(1) The housing development is located within a transit priority area and the major transit stop, if planned, is programmed to be completed before or within one year from the scheduled completion and occupancy of the housing development.

(2) Convenience retail uses, including a store that sells food, are located within one-half mile of the housing development.

(3) The housing development provides either the minimum number of parking spaces required by the local ordinance, or no more than one onsite parking space for zero- to two-bedroom units, and two onsite parking spaces for three or more bedroom units, whichever is less.

(b) If a housing development does not satisfy the characteristics in subdivision (a), the local agency may charge a fee that is proportional to the estimated rate of automobile trip generation associated with the housing development.

(c) (1) A local agency shall not impose a land dedication requirement on a housing development pursuant to Section 66001 to widen a roadway if the land dedication requirement is for the purpose of mitigating vehicular traffic impacts, achieving an adopted traffic level of service related to vehicular traffic, or achieving a desired roadway width.

(2) Notwithstanding paragraph (1), a local agency may do any of the following:

(A) Impose a land dedication requirement on a housing development if both of the following conditions are met:

(i) The housing development is not located in a transit priority area.

(ii) The housing development has a linear street frontage of 500 feet or more.

(B) Discretionarily impose a land dedication requirement as a condition of approval of a specific housing development project for traffic safety features if the local agency makes a finding, specific to the housing development project and supported by substantial evidence, that the land dedication requirement is necessary to preserve the health, safety, and welfare of the public, including pedestrians, cyclists, and children.

(C) Impose a land dedication requirement to construct public improvements, including, but not limited to, sidewalk and sewer improvements.

(d) For purposes of this section:

(1) "Housing development" means a development project with common ownership and financing consisting of residential use or mixed use where not less than 50 percent of the floorspace is for residential use.

(2) "Land dedication" means a physical exaction of property for public use without compensation, whether imposed on an ad hoc or legislative basis, that is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project.

(3) "Major transit stop" has the meaning as the term is defined in Section 21064.3 of the Public Resources Code, except that, for purposes of this section, it also includes major transit stops that are included in the applicable regional transportation plan. "Major transit stop" includes planned major transit stops otherwise meeting this definition whose construction is programmed to be completed before or within one year from the scheduled completion and occupancy of the housing development.

(4) "Roadway" means the same as defined in Section 530 of the Vehicle Code.

(5) "Transit priority area" means the same as defined in paragraph (7) of subdivision (a) of Section 21099 of the Public Resources Code.

(e) This section shall become operative on January 1, 2011.

**SEC. 2.** Section 21064.3 of the Public Resources Code is amended to read:

**21064.3.** "Major transit stop" means a site containing any of the following:

(a) An existing rail or bus rapid transit station.

(b) A ferry terminal served by either a bus or rail transit service.

(c) The intersection of two or more major bus routes with a frequency of service interval of 20 minutes or less during the morning and afternoon peak commute periods.

**SEC. 3.** Section 1.5 of this bill incorporates amendments to Section 66005.1 of the Government Code proposed by both this bill and Assembly Bill 3177. That section of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2025, (2) each bill amends Section 66005.1 of the Government Code, and (3) this bill is enacted after Assembly Bill 3177, in which case Section 1 of this bill shall not become operative.