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## AB-1244 California Environmental Quality Act: transportation impact mitigation: Transit-Oriented Development Implementation Program. (2025-2026)

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CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

### ASSEMBLY BILL

NO. 1244

Introduced by Assembly Member Wicks  
(Coauthor: [Assembly Member Haney](#))

February 21, 2025

An act to add Section 21080.43 to the Public Resources Code, relating to environmental quality.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1244, as amended, Wicks. California Environmental Quality Act: transportation impact mitigation: ~~Transit-Oriented~~ [Transit-Oriented](#) Development Implementation Program.

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.

Under existing law, the ~~Transit-Oriented~~ [Transit-Oriented](#) Development Implementation Program is administered by the Department of Housing and Community Development to provide local assistance to developers for the purpose of developing higher density uses within close proximity to transit stations as provided. Existing law, establishes the ~~Transit-Oriented~~ [Transit-Oriented](#) Development Implementation Fund and, to the extent funds are available, requires the department to make loans for the development and construction of housing development projects within close proximity to a transit station that meet specified criteria.

This bill would authorize a project, to the extent that the project is required to mitigate transportation impacts under CEQA, to satisfy the mitigation requirement by electing to contribute an ~~unspecified~~ amount of ~~money for each vehicle mile traveled~~ [money](#),

at a price per vehicle mile traveled, as determined by the Office of Land Use and Climate Innovation, to the ~~Transit-Oriented~~ *Transit-Oriented* Development Implementation Fund for the purposes of the ~~Transit-Oriented~~ *Transit-Oriented* Development Implementation ~~Program~~. *The Program, as provided. The bill would require the office, on or before July 1, 2029, and at least once every 3 years thereafter, to update the price per vehicle mile traveled based on specified factors. The bill would require, upon appropriation by the Legislature, the contributions to be available to the department to fund developments located in the same region, as defined, with preference given to specified projects. The bill would require the department to, for each award, confirm the estimated reduction in vehicle miles traveled, as provided, and would require the department to post specified information on its internet website.*

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

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

### SECTION 1. The Legislature finds and declares all of the following:

(a) Senate Bill 743 (Chapter 386 of the Statutes of 2013) requires developers of transportation and land use projects to take actions to mitigate under the California Environmental Quality Act ((CEQA) (Division 13 (commencing with Section 21000) of the Public Resources Code)) the environmental impact of the additional vehicle miles traveled generated by the project, with the stated intent to balance the needs of congestion management with statewide goals related to infill development, promotion of public health through active transportation, and reduction of greenhouse gas emissions.

(b) Executive Order No. N-2-24 directs the Department of Transportation, in consultation with the Transportation Agency and the Office of Climate and Land Use Innovation, to identify opportunities to support the use of affordable infill housing as an environmental mitigation strategy.

(c) The Governor's proposed budget for the ~~2025-26~~ *2025-26* fiscal year directs the state to promote policies that remove barriers to infill housing and support transit-oriented development.

(d) Research definitively demonstrates that transit-oriented affordable housing significantly reduces vehicle miles traveled. Lower income households drive 25 percent to 30 percent fewer miles when living within one-half mile of transit. When living within one-quarter *mile* of frequent ~~transit~~ *transit*, they drive nearly 50 percent less.

(e) A statewide fund that collects and distributes funding for infill affordable housing as a vehicle miles traveled mitigation strategy is one voluntary option by which developers of transportation and land use projects may choose to fulfill their mitigation requirements under CEQA.

(f) A statewide approach provides efficiency, certainty, consistency, and a familiar process by which developers of affordable homes can access funding.

### SEC. 2. Section 21080.43 is added to the Public Resources Code, to read:

**21080.43.** (a) For purposes of this section, "region" means the territory of the regional transportation planning agency with jurisdiction over the project.

(b) *(1)* To the extent that a project is required to mitigate transportation impacts as determined by vehicle miles traveled metrics pursuant to this division, a project may satisfy the mitigation requirement by electing to contribute ~~\_\_\_\_\_ dollars (\$ \_\_\_\_\_) for each vehicle-mile traveled~~ *an amount, at a price per vehicle mile traveled that shall be determined, on or before July 1, 2026, by the Office of Land Use and Climate Innovation, to the* ~~Transit-Oriented~~ *Transit-Oriented* Development Implementation Fund established in Section 53561 of the Health and Safety Code for the purposes of the ~~Transit-Oriented~~ *Transit-Oriented* Development Implementation Program established pursuant to Part 13 (commencing with Section 53560) of Division 31 of the Health and Safety Code.

*(2) On or before July 1, 2029, and at least once every three years thereafter, the Office of Land Use and Climate Innovation shall update the price per vehicle mile traveled pursuant to paragraph (1) based on housing project costs and awards, vehicle miles traveled mitigated, and other factors relevant to housing projects funded by either the Transit-Oriented Development Implementation Program or the Affordable Housing and Sustainable Communities Program.*

(c) The moneys contributed pursuant to *paragraph (1) of* subdivision (b) shall be available to the Department of Housing and Community Development, upon appropriation by the Legislature, to fund developments located within the same region as the project, in the following priority order:

*(1)* First priority to developments within the same city as the project or for projects in unincorporated areas to developments in the same county.

(2) Second priority to developments in the same county.

*(d) For each award using moneys contributed pursuant to paragraph (1) of subdivision (b), the Department of Housing and Community Development shall confirm the estimated reduction in vehicle miles traveled attributable to the award using the same method as that employed for the Affordable Housing and Sustainable Communities Program.*

*(e) The Department of Housing and Community Development shall post on its internet website, as part of the list of Transit-Oriented Development Implementation Program awards posted to its internet website at the conclusion of each funding round, all of the following information:*

*(1) The name, location, and number of units in each development funded.*

*(2) The total development cost and the amount of funds awarded to each development, including, but not limited to, the amount of funds contributed pursuant to this section.*

*(3) The reduction in vehicle miles traveled estimated for each development and attributable to the award using the same method as that employed for the Affordable Housing and Sustainable Communities Program.*

*(4) The vehicle miles traveled mitigation obligations of each project that contributed funds pursuant to this section awarded during that round.*

REVISIONS:

Heading—Line 2.