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**M E M O R A N D U M**

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**To:** City of Palo Alto  
**From:** Townsend Public Affairs  
**Date:** March 22, 2024  
**Subject:** **Bill Analysis: AB 2485 (Carrillo)**

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*The official text of AB 2485 can be found [here](#).*

Summary

AB 2485 (Carrillo) seeks to enhance transparency in the Department of Housing and Community Development's (HCD) regional housing needs calculation process by creating an advisory panel and requiring the publication of methodologies used on HCD's website. Specifically, AB 2485:

- Requires, for the 7th and subsequent revision cycles of the housing element, the assembly and convening of an advisory panel that includes, among others, an expert on the data assumptions by each council of governments to advise HCD on the assumptions and methodology it will use to determine each region housing need.
- Requires the advisory panel to be comprised of the following:
  - A United States Census Bureau-affiliated practitioner.
  - An expert on population projections and transportation needs, and
  - A representative from the council of governments.
- Requires HCD to publish on its Internet website the data sources, analyses, and methodology, including the assumptions and factors used in and applied to the Department of Finance projections and engagement process with the council of governments, prior to finalization of the regional determination.

Status

AB 2485 was amended into its current form on March 19 and is pending policy committee scheduling.

Author's Statement

*"In March 2022, the State Auditor conducted an emergency audit to examine the RHNA process and identified several errors in HCD's housing projections, resulting in a decrease in the housing*

amounts. Specifically, Sacramento COG fell short by 2,484 housing units and Santa Barbara COG by 1,338 units.

*The State Auditor attributed HCD's miscalculations to a lack of oversight in staff data entry and a failure to consider all factors required by state law in its estimates. Additionally, the State Auditor stated that shortcomings in calculations and support for HCD's factor considerations risk eroding public confidence in their ability to provide accurate information to COGs about housing needs. In 2021, the Orange County COGs filed a lawsuit against HCD, claiming that HCD used inaccurate data rates in their evaluations. In a separate lawsuit, individuals and nonprofit corporations argued that HCD failed to consider factors required by law in its assessment for the San Francisco Bay Area COGs.*

*The State Auditor recommended a formal review process and thorough documentation measures to ensure that all RHNA calculations provided to COGs by the HCD are accurate.*

*AB 2485 aims for transparency in the RHNA determination process by providing COGs, housing stakeholders, members of the public, and all interested parties with information on the data sources, analyses, and calculation methods used by HCD. This bill would establish a formal review process by creating an expert panel to advise HCD on its assumptions, data, and analyses prior to a final RHNA determination."*

#### Support and Opposition

AB 2485 is officially sponsored by the Southern California Association of Governments (SCAG). There are no officially recorded entities registered in support or opposition as of March 22. The release of the measure's first policy committee analysis will reveal more.

#### Recommended Position

##### Support

This bill will increase local government stakeholder engagement on the RHNA allocations for future cycles of the housing element revision process. This in turn will increase transparency and ensure that HCD is responsible for its methodologies in assessing regional housing needs allocations.