

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**DIVISION OF STATE FINANCIAL ASSISTANCE**

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MEMORANDUM FOR: Interested Stakeholders**FROM:** Jennifer Seeger, Deputy Director
Division of State Financial Assistance**SUBJECT: Transit-Oriented Development Implementation Program
Public Comment Draft Guidelines**

The California Department of Housing and Community Development (HCD or Department) is releasing draft Guidelines for the Transit-Oriented Development (TOD) Implementation Program, as authorized by Chapter 22, Statutes of 2025 (AB 130). The Guidelines establish a framework to support Vehicle Miles Traveled (VMT) efficient affordable housing and related infrastructure by providing an additional tool for lead agencies to address significant transportation impacts under the California Environmental Quality Act (CEQA).

The Mitigation Program advances the state's housing, climate, and land use goals by creating a structured pathway to direct mitigation investments toward location-efficient affordable housing. By linking CEQA mitigation to tangible and durable housing and infrastructure outcomes, the Mitigation Program is designed to facilitate housing production while supporting long-term reductions in VMT.

During the initial phase, access to and use of the Mitigation Program will be focused on publicly funded projects, consistent with the phased approach outlined in the December 2025 Program Update #1. This approach supports early coordination with public sector partners, helps those projects meet their mitigation obligations, and allows the Department to manage program demand while aligning it with available administrative capacity and building a reliable pipeline of mitigation projects. As noted in Program Update #1, this phased implementation is administrative in nature, and participation in the Mitigation Program remains voluntary and at the discretion of the lead agency, consistent with longstanding CEQA requirements. Nothing in this approach alters or limits a lead agency's authority to determine significance or require appropriate mitigation, and lead agencies not included in the initial phase may continue to pursue alternative mitigation strategies, including local or regional approaches that support and facilitate affordable housing as a means of addressing transportation impacts.

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HCD, in coordination with the Office of Land Use and Climate Innovation (LCI), may consider expanding access to additional lead agencies and project types. Any such expansion would be informed by programmatic considerations, and could include extending access to lead agencies for non-publicly funded projects upon request. The Department would provide additional guidance at that time, including the scope and process for participation.

HCD looks forward to continued engagement with stakeholders throughout the guideline development process and as we implement the Mitigation Program. We welcome feedback on the draft Guidelines and appreciate your partnership in advancing housing solutions that support California's climate and transportation goals.

Attachment