

Mitigation Applicability for Planned and Permitted Housing

Many residential projects will not be required to mitigate transportation impacts under CEQA. For those projects with mitigation requirements, the Mitigation Bank will provide an option for lead agencies and developers to consider.

Key Point:

The vast majority of planned¹ and permitted² housing in California likely will not need to mitigate impacts related to vehicle miles traveled (VMT).

This is driven by three primary factors:

- **Location** (e.g., infill areas, near transit, or in lower-VMT areas)
- **CEQA exemptions** (e.g., AB 130 infill exemption)
- **Ministerial or by-right approval:** Non-discretionary approvals (e.g., SB 35 / SB 423 (SMAP), AB 2011, among others)

For the remaining share of projects that may require mitigation, CEQA provides flexible and well-established compliance options, including both on-site changes and off-site strategies.

What the Data Show

Out of 100 Homes:

- **~75–85 homes** → Do **not** require VMT mitigation
- **~15–25 homes** → May require mitigation

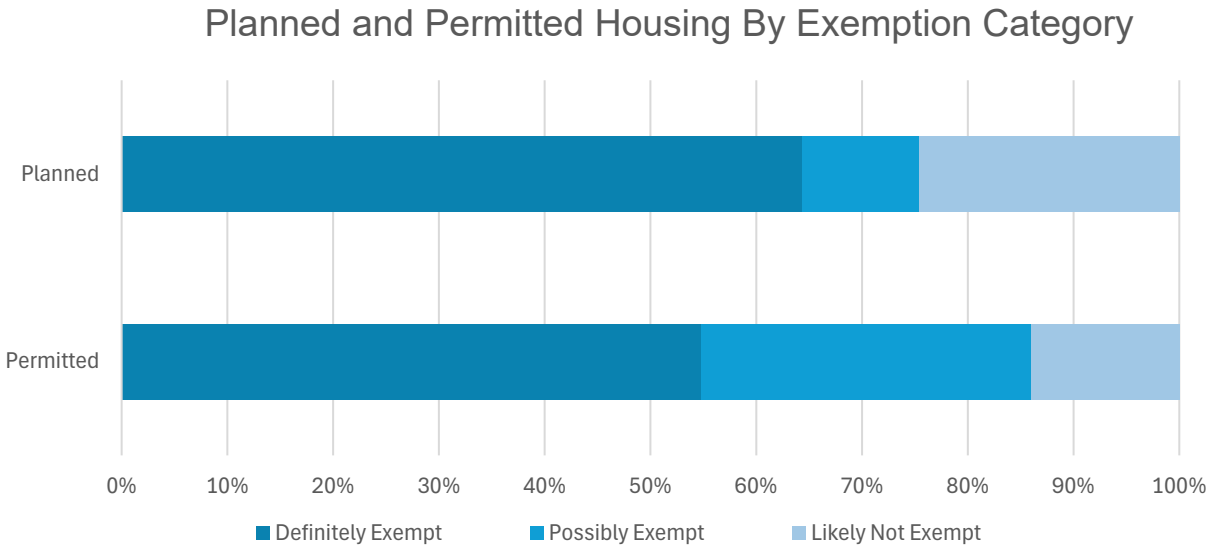
This reflects a mix of projects that, based on their location or other characteristics, qualify for an exemption from VMT mitigation.

These estimates are conservative because they focus on location-based and statutory exemptions. Other projects will be subject to ministerial and by-right approvals, and will

¹ Planned housing refers to housing sites identified by localities in their Housing Element Sites Inventories. This analysis examined all available Sites Inventories submitted as part of Sixth Cycle Housing Elements, which, depending on the region of the state the locality is in, cover a 5- or 8-year planning period beginning as early as 2019 and as recent as 2024. This includes a total of 3.7 million planned housing units.

² Permitted housing refers to all housing development for which a building permit was reported by a locality on its Housing Element Annual Progress Report from 2018 to 2024. This includes a total of 886,000 permitted housing units.

therefore also not be subject to VMT mitigation requirements. As a result, the actual share of housing that avoids VMT mitigation is likely even higher.



Analysis based on data gathered as of April 2026.

How the Analysis Defines “Definitely” vs. “Possibly” Exempt

- **Definitely Exempt** →The project clearly meets exemption criteria based on available data (e.g., near transit or in a low-VMT area)
- **Possibly Exempt** →The project meets initial screening criteria but requires project-level confirmation (e.g., sites subject to additional site-specific conditions)

Why Most Housing Avoids VMT Mitigation

Housing projects typically avoid VMT mitigation for three primary reasons:

1. Location

The regulations that implement CEQA state that most projects in infill, transit-accessible, or lower-VMT areas will likely not have a significant transportation impact.³ If there is no significant impact, there is no requirement to mitigate.

³ 14 CCR 15064.3(b)(1) (“Generally, projects within one-half mile of either an existing major transit stop or a stop along an existing high quality transit corridor should be presumed to cause a less than significant

2. CEQA Exemptions

Many housing developments are exempt from CEQA altogether. Projects that are exempt are not required to mitigate VMT under CEQA.⁴

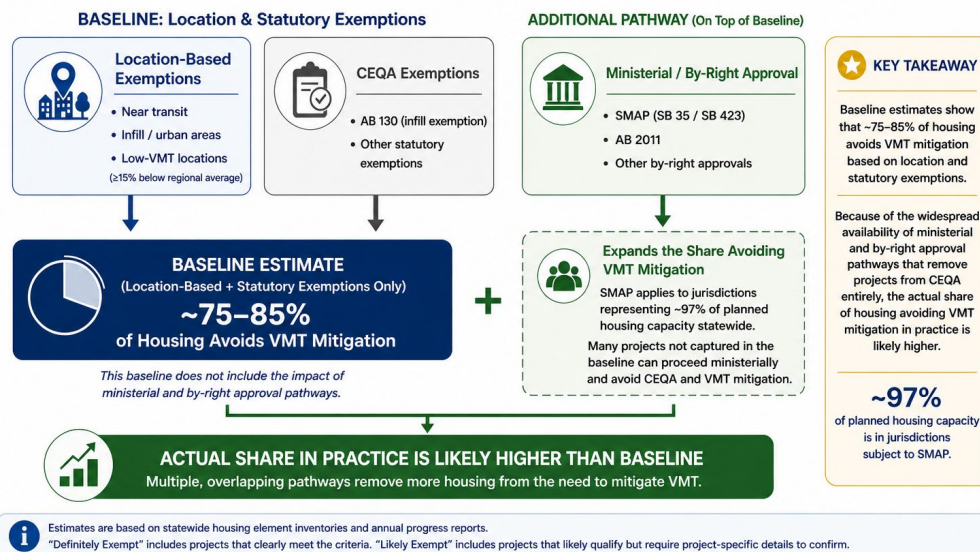
3. Ministerial / By-Right Approval Pathways

Similar to CEQA exemptions, projects that must be approved without any discretionary hearings are not subject to CEQA and therefore do not require VMT mitigation.

Since 2018, California has passed numerous laws that streamline housing development, particularly in developed areas and areas that include affordable homes. During that time, the state's various streamlining measures have enabled the approval of nearly 45,000 homes that would have otherwise faced standard discretionary review. This includes the Streamlined Ministerial Approval Process (SMAP), which was created by SB 35 and expanded by SB 423 and applies to jurisdictions representing ~97% of planned housing capacity statewide, providing a broad pathway to ministerial approval.

Multiple Pathways Mean the Share of Housing Avoiding VMT Mitigation Is Likely Higher in Practice

Baseline estimates reflect location-based and statutory exemptions. These do not include the impact of ministerial and by-right approval pathways.



transportation impact. Projects that decrease vehicle miles traveled in the project area compared to existing conditions should be presumed to have a less than significant transportation impact.”).

⁴ Exemptions for housing projects are found in, among other codes, Government Code, § 65457; Public Resources Code, §§ 21080.66, 21081.3, 21094.5, 21099, 21155.1, 21155.2, 21155.4, 21159.22, 21159.23, 21159.24, 21159.25, 21159.28; California Code of Regulations, title 14, §§ 15183, 15303, 15332.

Why VMT Mitigation Applies to a Small Share of Housing

Only projects that will create significant impacts related to transportation will be required to mitigate those impacts. State laws create several pathways for a housing development to be exempt from VMT mitigation. As such, much of the state's planned and permitting housing would be created through one or more such pathways.