

Assessing the Co-Benefits of Housing and Transportation Investments in Prohousing Designated Jurisdictions

Project 2548
September 2026

Hongwei Dong, PhD

Introduction

California faces a blunt housing challenge: homes are too scarce, too expensive, and too often disconnected from transit. In response, the state has become a testing ground for policies that try to build more housing, speed up approvals, and place affordable homes near high-quality transit. This research project examines two related dimensions of California's prohousing agenda. The first focuses on the Prohousing Designation Program (PDP), analyzing how 56 designated cities adopted and implemented prohousing policies. The second examines recent state and local policy shifts aimed at promoting affordable housing in transit-rich areas.

Study Methods

The study uses a mixed-methods research design that combines policy review, document analysis, and semi-structured interviews. I reviewed application materials submitted to the California Department of Housing and Community Development (HCD) by 56 prohousing cities to examine the prevalence of local policy tools intended to accelerate housing production. I also used city-level American Community Survey data to analyze the characteristics of designated jurisdictions. I conducted interviews with city planners, municipal housing and community development staff, transit-oriented development (TOD) managers, and real estate professionals. The interview protocol had two main components. The first examined which prohousing policies have been most effective in practice, how they work, and what barriers continue to limit housing production. The second explored local TOD policy changes following recent state laws that support housing near transit, with attention to effective policies and remaining implementation challenges.

In addition, I reviewed recent TOD policies and guidelines issued by regional agencies, municipal governments, and major transit agencies. This review focused on reforms related to affordability requirements, density regulations, and parking standards.

Findings

The study finds that Prohousing Designation status skews toward large urban cities. Interviewed planners identified four especially effective prohousing tools: streamlining entitlement and permitting processes, adopting specific plans, implementing inclusionary zoning, and facilitating or incentivizing accessory dwelling units (ADUs) in single-family neighborhoods. Participants also identified four major barriers to housing production: high construction costs and financing constraints, high land costs and constrained sites, staffing shortages and the administrative burden of keeping pace with rapidly evolving state housing laws, and community opposition. They also emphasized several cross-sector factors that shape housing production, including state and federal affordable housing funds and subsidies, infrastructure and utility capacity and delays, and onerous building and fire codes.

The analysis of recent TOD policy changes shows that state laws have pushed major coastal cities, metropolitan planning organizations (MPOs), and transit agencies to reform policies governing affordability requirements, density regulations, and parking standards in transit-rich areas. These reforms have helped create a more supportive policy environment for housing near transit. Yet implementation remains difficult. Interview participants cited persistent obstacles, including

opposition to higher densities and reduced parking, high development costs, financing constraints, fragmented funding sources, weak interagency coordination, and institutional and technical challenges.

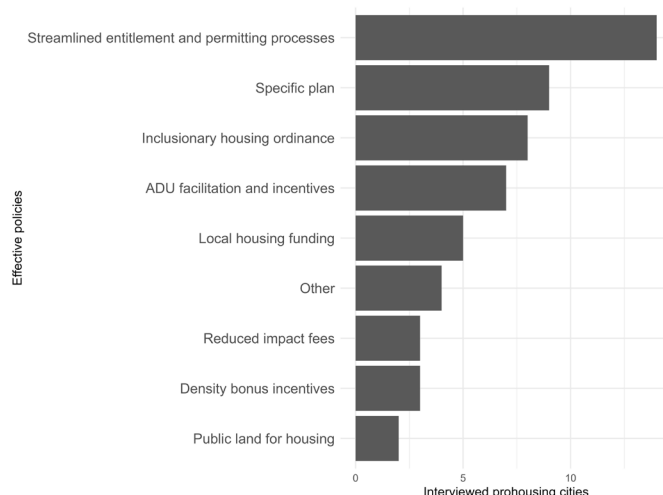
California's prohousing reforms have helped cities streamline approvals and support housing near transit, but high development costs, fragmented funding, and interagency coordination challenges still limit how much housing gets built.

Policy/Practice Recommendations

The analysis points to several opportunities to strengthen prohousing policy in California. First, future reforms should look beyond procedural streamlining. Recent housing reforms have focused heavily on accelerating project approvals, yet application requirements, development standards, building codes, and municipal review protocols remain detailed, costly, and difficult to navigate. Targeted studies should identify which codes and standards are essential and which can be simplified or removed without compromising public health and safety requirements. Future housing reforms should also engage the agencies responsible for building and fire codes to explore opportunities for simplifying and streamlining these requirements.

Second, California should reform municipal infrastructure financing. Local governments rely heavily on development and impact fees to fund infrastructure and public facilities. This approach can raise housing costs and place a large burden on new development. Several interview participants called for a more resilient and collectively financed funding mechanism for the infrastructure and utilities required by housing development. Third, state legislators and affordable housing funding agencies should reduce unnecessary development costs. Future policy efforts should seek to balance development costs with non housing requirements for affordable housing projects, such as energy-efficiency standards, off-site improvements, and enhanced design requirements.

Figure 1. Effective Prohousing Policies Cited by Interview Participants, Ranked by City Adoption



About the Author

Dr. Hongwei Dong is Professor of Geography and Planning at California State University Fresno. His research interests include housing and real estate, land use and transportation planning, and housing and climate.

To Learn More

For more details about the study, download the full report at <https://transweb.sjsu.edu/research/2548>



MTI is a University Transportation Center sponsored by the US Department of Transportation, the California Department of Transportation, and public and private grants, including those made available by the Road Repair and Accountability Act of 2017 (SB1). The Institute is part of San José State University's Lucas Graduate School of Business.