California State Assembly

HOUSING AND COMMUNITY DEVELOPMENT

MATT HANEY
CHAIR

AGENDA

Wednesday, April 30, 2025
9:30 a.m. -- State Capitol, Room 437

HEARD IN FILE ORDER

1.	AB 6	Ward	Residential developments: building standards: review.
2.	AB 48	Alvarez	Education finance: postsecondary education facilities: College Health and Safety Bond Act of 2026.
3.	AB 76	Alvarez	Surplus land: exempt surplus land: sectional planning area.
4.	AB 595	Carrillo	Housing: Building Home Ownership for All Program.
5.	AB 609	Wicks	California Environmental Quality Act: exemption: housing development projects.
6.	AB 660	Wilson	Planning and Zoning Law: postentitlement phase permits.
7.	AB 722	Ávila Farías	Reentry Housing and Workforce Development Program.
8.	AB 768	Ávila Farías	Mobilehome parks: rent protections: local rent control.
10.	AB 806	Connolly	Mobilehomes: cooling systems.
12.	AB 906	Mark González	Planning and zoning: housing elements: affirmatively furthering fair housing.
13.	AB 913	Celeste Rodriguez	Housing programs: financing.
16.	AB 1165	Gipson	California Housing Justice Act of 2025.
17.	AB 1244	Wicks	California Environmental Quality Act: transportation impact mitigation: Transit-Oriented Development Implementation Program.
20.	ACA 4	Jackson	Homelessness and affordable housing.

CONSENT

9.	AB 790	Ávila Farías	Homelessness: single women with children.
11.	AB 818	Ávila Farías	Permit Streamlining Act: local emergencies.
14.	AB 920	Caloza	Permit Streamlining Act: housing development projects: centralized application portal.
15.	AB 1007	Blanca Rubio	Land use: development project review.
18.	AB 1308	Hoover	Residential building permits: fees: inspections.
19.	AB 1529	Housing and Community Development	Housing omnibus.

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 6 (Ward) – As Amended March 28, 2025

SUBJECT: Residential developments: building standards: review

SUMMARY: Requires the Department of Housing and Community Development (HCD) to convene a working group to research and consider recommending building standards to allow residential developments between three and ten units to be built under the requirements of the California Residential Code (CRC), and requires HCD to perform a review of residential construction cost pressures, as specified. Specifically, **this bill**:

1) Requires HCD, no later than December 31, 2026, to convene a working group, with membership including but not limited to the California Building Standards Commission (CBSC), State Fire Marshal, Division of the State Architect, Energy Commission, and other stakeholders, to research and consider identifying and recommending amendments to state building standards allowing residential developments of between three to ten units to be built under the requirements of the CRC, and any necessary modifications to maintain health and safety standards for the developments.

2) Requires each entity in the working group to provide input relative to its area of expertise and oversight.

3) Requires HCD to provide a one-time report of its findings to the Legislature in the annual report, as specified, no later than December 31, 2027.

4) If the working group identifies and recommends amendments to building standards in the report under 3) above, requires HCD and other state agencies within the working group with authority to propose adoption of building standards to research, develop, and consider proposing for adoption by CBSC such standards for the next triennial update of the California Building Standards Code that occurs on or after January 1, 2027.

5) Allows HCD to exceed the scope and application of the International Residential Code, as specified, to allow residential developments of between three and ten units to be designed and constructed under the requirements of the CRC.

6) Clarifies that this bill does not limit the application of the California Electrical Code, the California Mechanical Code, the California Plumbing Code, and the California Energy Code to residential occupancies of any size.

7) Prohibits this bill from authorizing the working group to propose the expansion of the CRC to include chapters in the International Residential Code that were not adopted in the 2025 edition of the CRC due to duplication with other parts of the California Building Standards Code.

8) Requires HCD, by December 31, 2026, to perform a review of construction cost pressures for single-family and multifamily residential construction as a result of new or existing

building standards requirements in the California Building Standards Code and provide a one-time report of its findings to the Legislature in the annual report, as specified.

9) Requires HCD to perform the review under 8) above commencing with the next triennial update of the California Building Standards Code that occurs on or after January 1, 2027, and every three years thereafter, to revise or update standards, as needed, with a goal of reducing by 30% the cost of construction for new residential development.

EXISTING LAW:

1) Establishes the CBSC within the Department of General Services, and requires the commission to approve and adopt building standards and to codify those standards in the California Building Standards Code. Requires CBSC to publish editions of the code in its entirety once every three years. In the intervening period the commission must publish supplements as necessary. (Health and Safety Code (HSC) Sections 18942 and 18930)

2) Requires CBSC to receive proposed building standards from a state agency for consideration in an 18-month code adoption cycle. Requires CBSC to adopt regulations governing the procedures for 18-month code adoption cycle, which must include adequate provision of the following:

   a) Public participation in the development of standards;

   b) Notice in written form to the public of the compiled building standards with justifications;

   c) Technical review of the proposed building standards and accompanying justification by advisory boards appointed by CBSC; and

   d) Time for review of recommendations by the advisory boards prior to CBSC taking action. (HSC 18929.1)

3) Requires proposed building standards that are submitted to CBSC for consideration to be accompanied by an analysis completed by the appropriate state agency that justifies approval based on the following criteria:

   a) The building standard does not conflict with, overlap, or duplicate other building standards;

   b) The proposed standard is within the parameters of the agency's jurisdiction;

   c) The public interest requires the adoption of the building standard;

   d) The standard is not unreasonable, arbitrary, unfair, or capricious;

   e) The cost to the public is reasonable, based on the overall benefit to be derived from the building standard;

   f) The standard is not unnecessarily ambiguous or vague; and

g) The applicable national specifications, published standards, and model codes have been appropriately incorporated into the standard. (HSC 18930)

4) Requires HCD to propose the adoption, amendment, or repeal of building standards to CBSC for residential buildings, including hotels, motels, lodging houses, apartment houses, dwellings, buildings, and structures. (HSC 17921)

5) Requires the building standards adopted and submitted by HCD for approval to be adopted by reference, inclusive of any additions or deletions made by HCD, and requires the standards to impose substantially the same requirements as are contained in the most recent editions of the following international or uniform industry codes as adopted by the organizations specified:

   a) The Uniform Housing Code of the International Conference of Building Officials, except its definition of "substandard building;"

   b) The International Building Code of the International Code Council;

   c) The International Residential Code of the International Code Council;

   d) The Uniform Plumbing Code of the International Association of Plumbing and Mechanical Officials;

   e) The Uniform Mechanical Code of the International Association of Plumbing and Mechanical Officials;

   f) The National Electric Code of the National Fire Protection Association; and

   g) The International Existing Building Code of the International Code Council. (HSC 17922(a))

6) Provides that only those building standards that are approved by the CBSC and are in effect at the local level at the time an application for a building permit is submitted shall apply to the plans and specifications for construction. (HSC 18938.5)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "AB 6 would direct HCD to create a working group to explore allowing 'missing middle' developments between three and 10 units to be built under the requirements of the California Residential Code, rather than the California Building Code. This change could unlock the production of triplexes and other smaller multi-family housing types by streamlining code requirements, while preserving health and safety and opening up a broader workforce to build these projects. Additionally, this bill would also require HCD to perform an analysis of cost pressures created by current building code requirements and to complete the same analysis in future building code cycles with a goal of maintaining or reducing the costs of construction for new housing."

Building Standards: The California Building Standards Law establishes the process for adopting state building standards by the Commission. Statewide building standards are intended to

provide uniformity in building across the state. The CBSC's duties include the following: receiving proposed building standards from state agencies for consideration in each triennial and intervening building code adoption cycle; reviewing and approving building standards submitted by state agencies; adopting building standards for state buildings where no other state agency is authorized by law; and publishing the approved building standards in the California Building Standards Code (CCR, Title 24).

Most building standards currently in use in California are developed and vetted at the national level every three years by technical organizations, academics, and trade associations that develop national consensus standards, which are then incorporated into the International Building Code (IBC), the national model code used by most US jurisdictions. At the state level, state agencies with authority over specified occupancies then review the IBC and amend as necessary for California's specific needs. There are approximately 20 state agencies that develop building standards and propose them for adoption to the CBSC.

After the proposal of building standards by state agencies, the standards undergo a public vetting process. A code advisory committee composed of experts in a particular scope of code reviews the proposed standards, followed by public review. The proposing agency considers feedback and may then amend the standards and re-submit them to the CBSC for consideration. CBSC reviews and adopts the standards and files them with the Secretary of State for codification and publishing, and there is a 180-day period during which local agencies file modifications and changes to the state codes (though they are not limited to this window). The new codes then take effect January 1 of the subsequent year following publication.

Updates and changes to building standards are adopted on two timelines: through the triennial code adoption cycle which occurs every three years, and through the intervening code adoption cycle which provides an update to codes 18 months after the publication of the triennial codes. Regulatory activities for each cycle begin over two years before the effective date of the codes.

HCD is responsible for the standards for residential buildings, hotels and motels. The California Building Code and CRC govern general standards for multifamily and single-family residential construction, while the California Plumbing Code governs plumbing requirements for a variety of buildings and other codes similarly govern other aspects of building. Within the codes, there are certain requirements that are mandatory for all newly constructed dwellings or buildings, and certain provisions that are optional or voluntary – meaning the requirements must be followed only if an entity chooses to construct certain items or systems.

As a matter of practice, the Legislature typically offers guidelines or directs agencies to consider certain standards, rather than requires the adoption of specific standards, in order to provide flexibility and allow for subject matter experts to determine appropriateness and weigh the many considerations that must be evaluated when recommending new or modified building standards.

Numerous Additional Directives and Mandates in Recent Years: The Legislature has passed and the Governor has signed multiple additional directives to research and propose new building standards in recent years around proposals like rainwater catchment, electric vehicle charging, water efficiency and reuse, adaptive reuse projects, "single stair" apartments exceeding three stories, and beyond. Some of the most impactful mandates in recent years have also come from outside stakeholders or the adopting agencies themselves (rather than the Legislature), like solar panel mandates and fire sprinkler requirements. There are a number of legitimate and important concerns that are addressed by these and many other elements of building standards for housing.

However, the framework for proposing and adopting new standards leaves agencies in silos with regard to the volume or costs of new proposals that counterpart agencies are also simultaneously developing. Cost analyses are performed on each individual modification or for each respective chapter, not on the accumulation of the entirety of changes in each intervening or triennial cycle across all agencies. Holistic review is therefore difficult and while individual standards may increase costs by what appears a reasonable amount, from a different lens, the cost of the totality of all cumulative changes may be less reasonable.

Housing Costs and Missing Middle Housing: The cost of housing in California is the highest of any state in the nation. Additionally, the pace of cost increase has far outstripped that in other parts of the county. One result of this is that homeownership has become much more difficult to attain, and the median priced home in California has continued to climb even during the high interest rate environment. Construction costs have also continued to increase, though there are many drivers of this, including the cost of materials, cost and availability of labor, complexity of building code requirements, availability of construction loan financing, and more. According to the California Association of Realtors' Housing Affordability Index, only 15% of California households can afford to purchase the median priced home – compared to 36% for the country as a whole, one of the lowest levels since 2007.

One of the many reasons that housing is too expensive is the type of housing that is being built. Much of the housing built in California is large single-family homes (which can be an inefficient use of land) and mid- and high-rise construction (which are expensive to build). A strategy to lower the cost of housing is to facilitate the construction of "missing-middle" housing types that accommodate more units per acre, but are not as inherently expensive to build. This includes medium-density typologies such as accessory dwelling units, condos, duplexes, fourplexes, and the like. Such units are more likely to be affordable to moderate-income households that cannot afford typical market-rate homes, but that earn too much income to qualify for publicly-subsidized affordable housing.

The CRC governs construction of one- and two-family dwellings and townhouses of three stories or less. The California Building Code (CBC) establishes requirements for all other buildings, including medium and high-density housing. These are based on model international codes commonly used around the country. However, certain reasonable requirements in the CBC for larger buildings can make development prohibitively complicated or render the economics infeasible for smaller ones. As a result, several jurisdictions across the United States have begun to allow smaller, missing-middle housing types, including triplexes and fourplexes, to be built under the requirements of the Residential Code.

Additionally, the unit cutoffs in the CRC do not align with the current financing offerings for constructing one- to four-unit dwellings. FHA-backed mortgages allow recipients to take advantage of more affordable financing for construction up to a fourplex, but the rigidity of the CBC hinders this possibility. In addition, some jurisdictions have reported that the construction of new units that increase the unit count of a parcel from two to three (or more) are triggering the heightened requirements of the CBC, including instances of adding an ADU to properties with a duplex, or adding a second ADU to a lot with a single-family home and an existing ADU.

This bill would direct HCD to set up a working group, similar to the working group established in AB 529 (Gabriel), Chapter 743, Statutes of 2023, to examine the possibility of modifying the

CBC/CRC here in California for smaller developments between three and 10 units in size, without creating negative impacts on health and safety.

The city of Memphis, which pioneered this new flexibility, identified several immediate benefits to the shift, including no longer requiring separate mechanical, engineering, and plumbing drawings to be submitted for project permitting; providing simpler egress requirements; and safely modifying seismic and fire protections. In addition, more small-scale residential contractors are now available to build these homes, as commercial contractors tend to work on larger projects like block-size apartment complexes and large commercial buildings.

Cost Study: New building standards being proposed by various code entities like HCD or the Division of the State Architect to CBSC must be accompanied by an analysis that justifies approval based on the following criteria:

- The building standard does not conflict with, overlap, or duplicate other building standards;
- The proposed standard is within the parameters of the agency's jurisdiction;
- The public interest requires the adoption of the building standard;
- The standard is not unreasonable, arbitrary, unfair, or capricious;
- The cost to the public is reasonable, based on the overall benefit to be derived from the building standard;
- The standard is not unnecessarily ambiguous or vague; and
- The applicable national specifications, published standards, and model codes have been appropriately incorporated into the standard. (HSC 18930)

While the law currently requires the proposing entity to analyze the cost to the public of individual building code modifications, as discussed above, it is not apparent that any entity is reviewing the accumulation of those many changes at a holistic level to form a reasonable estimate of the cumulative cost impacts. These changes and any new or heightened requirements in the code have a direct impact on the cost of new housing in the state. This bill would require HCD to begin performing a more holistic cost pressure analysis of proposed standards, to better identify the impacts and ensure the residential building standards process evaluates not just the granular cost of individual modifications, but the overall impact of the totality of standards.

Arguments in Support: According to the Casita Coalition, the bill's sponsor, "With construction costs at all-time highs, California's code entities should look for efficiencies and cost savings that preserve health and safety while recognizing the lack of available affordable housing requires creative and innovative solutions. AB 6 recognizes that cost pressures affecting our ability to construct affordable homes do not come just from external factors, and prioritizes review of our existing building requirements that may be driving up the cost of construction at a time when we need to be reducing – not increasing – those prices."

Arguments in Opposition: According to the California Building Officials, "Multifamily housing, and the plan check, inspection, and ensuing approval process is already complicated. Local officials face setbacks due to the limited availability of those capable of drawing and submitting plans to meet the current definition(s) of multifamily housing. Expanding this definition would lead to even further delays when it comes to increased multifamily housing construction – which is contrary to your stated intent. Although AB 6 is currently limited in scope to a working group to assess these multifamily residential standards, we can see the policy intent behind the effort.

Although we applaud your efforts to increase housing supply in California with new construction – a change in how multifamily is defined and approved will not meet this stated effort. For those reasons, we cannot support AB 6."

Committee Amendments: Staff recommends the bill be amended to postpone the reporting requirements and the code cycle during which the working group departments would be authorized to propose any new or amended standards to align with the moratorium in AB 306 (Schultz and Rivas) which contains an urgency clause:

> Section 1. HSC 17921.12. (a) No later than December 31, 2026, the Department of Housing and Community Development shall convene a working group, with membership including, but not limited to, the California Building Standards Commission, State Fire Marshal, Division of the State Architect, Energy Commission, and other stakeholders, to research and consider identifying and recommending amendments to state building standards allowing residential developments of between 3 and 10 units to be built under the requirements of the California Residential Code (Part 2.5 of Title 24 of the California Code of Regulations), and any necessary modifications to maintain health and safety standards for the developments. Each entity shall provide input relative to its area of expertise and oversight.
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> (b) No later than December 31, ~~2027~~ ***2028***, the department shall provide a one-time report of its findings to the Legislature in the annual report required by Section 50408.
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> (c) (1) If the working group identifies and recommends amendments to building standards in the report described in subdivision (b), the Department of Housing and Community Development and other state agencies within the working group with authority to propose adoption of building standards shall research, develop, and consider proposing for adoption by the California Building Standards Commission such standards for the next triennial update of the California Building Standards Code (Title 24 of the California Code of Regulations) that occurs on or after January 1, ***2031*** ~~2027~~.
>
> (2) For the purposes of this subdivision, the Department of Housing and Community Development may exceed the scope and application of the International Residential Code as referenced in Section 17922 to allow residential developments of between 3 and 10 units to be designed and constructed under the requirements of the California Residential Code (Part 2.5 of Title 24 of the California Code of Regulations).
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> (d) (1) This section does not limit the application of the California Electrical Code (Part 3 of Title 24 of the California Code of Regulations), the California Mechanical Code (Part 4 of Title 24 of the California Code of Regulations), the California Plumbing Code (Part 5 of Title 24 of the California Code of Regulations), and the California Energy Code (Part 6 of Title 24 of the California Code of Regulations) to residential occupancies of any size.
>
> (2) This section does not authorize the working group to propose the expansion of the California Residential Code to include chapters in the International Residential Code that were not adopted in the 2025 edition of the California Residential Code due to duplication with other parts of the California Building Standards Code.

Section 2. HSC 17921.13. (a) No later than December 31, 2026, the Department of Housing and Community Development shall perform a review of construction cost pressures for single-family and multifamily residential construction as a result of new or existing building standards requirements in the California Buildings Standards Code and provide a one-time report of its findings to the Legislature in the annual report required by Section 50408.

(b) Commencing with the next triennial update of the California Building Standards Code (Title 24 of the California Code of Regulations) that occurs on or after January 1, ***2031*** ~~2027~~, and every three years thereafter, the Department of Housing and Community Development shall perform a review as described in subdivision (a) to revise or update standards, as needed, with a goal of reducing by 30 percent the cost of construction for new residential development.

Related Legislation:

AB 306 (Schultz and Rivas) of the current legislative session would impose a six-year moratorium on the adoption of new state and local building standards or modification of existing standards affecting residential units, with limited exceptions. The bill recently passed the Assembly Floor on a vote of 71-0 and is pending hearing in the Senate.

AB 2934 (Ward) of 2024 was substantially similar to this bill. The bill was held in the Senate Appropriations Committee.

AB 529 (Gabriel), Chapter 743, Statutes of 2023: Requires HCD to convene a working group regarding adaptive reuse residential projects, including identifying and recommending amendments to state building standards, and makes other changes to state law related to adaptive reuse projects.

AB 835 (Lee), Chapter 345, Statutes of 2023: Requires the California State Fire Marshal to research standards for single-exit, single stairway apartment houses, with more than two dwelling units, in buildings above three stories, as specified, and to provide a report to the relevant legislative committees by January 1, 2026, as specified.

SB 745 (Cortese), Chapter 884, Statutes of 2023: Requires HCD and the CBSC to research, develop, and propose building standards to reduce potable water use in new residential and nonresidential buildings, and requires CBSC to perform a review of water efficiency and water reuse standards every three years, and update them as needed.

REGISTERED SUPPORT / OPPOSITION:

Support

Casita Coalition (Sponsor)
Abundant Housing LA
Bay Area Council
California Apartment Association
California Community Builders
California Housing Consortium
California YIMBY
Circulate San Diego

East Bay for Everyone
Habitat for Humanity California
Housing Action Coalition
Housing California
Redlands YIMBY
San Diego Regional Chamber of Commerce
SPUR

Opposition

California Building Officials

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Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 48 (Alvarez) – As Amended April 10, 2025

[Note: This bill is double referred to the Assembly Committee on Higher Education. The analysis prepared by that committee deals with issues that pertain to their jurisdiction.]

SUBJECT: Education finance: postsecondary education facilities: College Health and Safety Bond Act of 2026

SUMMARY: Enacts the College Health and Safety Bond Act of 2026 as a state general obligation bond act that would provide an unspecified dollar amount to construct and modernize education facilities, as specified. The bond act would only become operative if approved by the voters at an unspecified statewide election in 2026. Specifically, **this bill**:

1) Requires California State University (CSU) and Regents of the University of California (UC) to adopt a five year strategy plan for student housing for each campus covering the 2026-27 to 2023-31 fiscal years. Each plan shall include all of the following:

    a) A description of current student housing capacity, including the number of on-campus housing units, the demonstrated demand for those units, and the availability of off-campus alternatives for students who are denied student housing or are otherwise unable to access student housing. Requires this data to be disaggregated to detail the number of units in demand by, and occupied by, low-income students;

    b) The cost of on-campus and off-campus student housing, including how on-campus housing compares to local market rates and the availability of affordable off-campus housing located near the main campus;

    c) A description of campus efforts, over the last five years, to increase the availability of affordable student housing to a larger percentage of the campus' student body;

    d) A goal for additional affordable student housing units and a detailed plan for campus efforts within the next five years to prospectively construct, acquire, or develop collaboratively with their local communities, including their local community colleges, additional affordable student housing; and

    e) A description of campus institutional aid distribution policies to assist full-time students that meet the family income and asset qualifications to receive either a Cal Grant A financial aid award or Cal Grant B financial aid award to afford student housing.

2) Requires CSU and UC to submit a report to the Department of Finance (DOF) and the Legislature each year beginning in October 1, 2026 for each campus on the progress toward reaching the goals in the strategy plan.

3) Requires CSU and UC to use the campus housing plans in determining how to prioritize projects that are proposed to be funded using bond funds.

4) Includes the following definitions:

   a) "Affordable student housing" means housing for low-income students for which the rental rate is either below the local market rate or the rent could be paid with the equivalent of 15 hours per week of federal work student wages in conjunction with financial aid.

   b) "Low-income student" means a full-time student that meets the family income and asset qualifications to receive either a Cal Grant A financial aid award or Cal Grant B financial aid award.

5) Provides that it is the intent of the Legislature that each campus reflect local conditions, such as the percentage of local commuter students and the availability of affordable off-campus housing located near the campus, when developing the campus' five-year affordable student housing plan.

6) States that the Legislature intends to address the crisis of school facilities for all California students attending public community colleges and universities in order to:

   a) Upgrade public school facilities for earthquakes and other emergencies;

   b) Provide emergency funding to reopen schools following major disasters, including fires;

   c) Remove mold, asbestos, and other hazardous materials from classrooms and lead from school drinking water;

   d) Repair and replace aging public school buildings;

   e) Provide space for school nurses and counselors to increase student access to health care and mental health services;

   f) Modernize job, career, and vocational training facilities, including for veterans returning from duty;

   g) Construct, renovate, and expand affordable student and employee housing at public universities and community colleges to address critical shortages;

   h) Modernize existing student housing facilities to meet health, safety, and accessibility standards;

   i) Require independent audits and public hearings to provide accountability for taxpayer dollars; and,

   j) Cap administrative costs at 5%.

7) Increases the local bond capacity for California Community College (CCC) districts (CCDs) from 1.25% to 2%.

8) Authorizes CCDs to issue bonds that, as specified, must not exceed 4% of the taxable property of the CCD, as specified.

9) Establishes the College Health and Safety Bond Act of 2026 as a state general obligation bond act that would provide an unspecified dollar amount to construct and modernize education facilities, as specified. The bond act would only become operative if approved by the voters at an unspecified statewide election in 2026. Requires the Legislature to prioritize repayment of bonds issued under this bond act from revenue sources outside of the moneys to be applied by the state for support of school districts and community college districts.

10) Creates the 2026 CCC Capital Outlay Bond Fund, and also uses the Higher Education Facilities Finance Committee (Committee), created by the Higher Education Facilities Bond Act of 1986.

11) Creates the 2026 University Capital Outlay Bond Fund, and also uses the Committee, created by the Higher Education Facilities Bond Act of 1986.

12) States the purpose of this measure, in part, includes assisting in meeting the capital outlay financing needs of the CCC, CSU, and UC, including the development of affordable student and employee housing.

13) Directs the Committee to authorize the issuance of bonds only to the extent necessary to fund the related apportionments for the purposes described in this bill that are expressly authorized by the Legislature in the annual Budget Act. Pursuant to that legislative direction, the Committee determines by resolution whether or not it is necessary or desirable to issue bonds.

14) Conditions the receipt of funding from its proposed bond by requiring the CSU Board of Trustees and the UC Board of Regents to adopt a five-year affordable student housing plan for each campus with specified contents, as well as updated reports for each campus by October 15 of each year. The CSU Board of Trustees and UC Board of Regents must use its affordable student housing plan as a key input in prioritizing projects from campuses it determines are improving, or will improve, access to affordable student housing, in addition to other key inputs.

15) Makes funds available to UC and CSU for assisting in meeting its capital outlay financing needs, including:

    a) Construction, reconstruction, and remodeling of existing or new facilities and related fixtures;

    b) Equipping of new, renovated, or reconstructed facilities;

    c) Funding for the payment of preconstruction costs; and,

    d) Construction of off-campus facilities, so long as the respective governing board approved the construction.

16) Authorizes proceeds from the sale of bonds issued and sold for purposes of the measure to be used to fund any of the following at the CCC:

    a) Student and employee housing projects on or near CCC campuses, with priority given for affordability and proximity to transit;

    b) Construction on existing campuses, including the construction of buildings and the acquisition of related fixtures;

    c) Construction of intersegmental facilities; and

    d) Renovation and reconstruction of facilities, site acquisition, the equipping of new, renovated, or reconstructed facilities, which equipment shall have an average useful life of 10 years, and to provide funds for the payment of preconstruction costs, including, but not limited to, preliminary plans and working drawings for facilities of the CCC.

EXISTING LAW:

1) Stipulates that the Legislature shall not, in any manner create any debt or debts, liability or liabilities, which shall, singly or in the aggregate with any previous debts or liabilities, exceed $300,000 unless enactment has been passed by a two-thirds vote of all the members elected to each house of the Legislature and until, at a general election or at a direct primary, it shall have been submitted to the people and shall have received a majority of all the votes cast for and against it at such election (California Constitution, Article XVI, Section 1).

2) Requires the CCC Chancellor's Office to prepare a five-year capital outlay plan identifying the CCC's statewide needs and priorities (Education Code (EC) Section 67501).

3) Authorizes CSU to use up to 12% of its General Fund support budget, less the amount required to fund general obligation bond payments and State Public Works Board rental payments, to fund capital outlay projects, either on a pay-as-you-go approach or to pay principal and interest on university-issued revenue bonds (EC Section 89770, et seq.).

4) Under the State University Revenue Bond Act of 1947, authorizes the CSU Board of Trustees to construct operate and control certain facilities, including student housing and boarding facilities, and to establish charges for use of such facilities (EC Section 90010, et seq.).

5) Under the UC Dormitory Revenue Bond Act of 1947, authorizes the UC Board of Regents to construct operate and control certain facilities, including student housing and boarding facilities, and to establish charges for use of such facilities (EC Section 92400, et seq.).

6) Authorizes UC to use up to 15% of its General Fund support budget, less the amount required to fund general obligation bond payments and State Public Works Board rental payments, to fund capital outlay projects, either on a pay-as-you-go approach or to pay principal and interest on university-issued revenue bonds (EC Section 92495, et seq.).

7) Establishes the Kindergarten-University Public Education Facilities Bond Act of 2006, authorized $10.4 billion in general obligation bonds, including $3.1 billion for higher

education facilities, of which UC received $890 million and CSU received $690 million (EC Section 101000, et seq.).

8) Establishes the Kindergarten Through Community College Public Education Facilities Bond Act of 2016, approved by the voters in November 2016 (Proposition 51), which authorized $9 billion state general obligation bonds for K-12 facilities ($7 billion) and CCC facilities ($2 billion) (EC Section 101110, et seq.).

9) Establishes the Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024, approved by the voters in November 2024 (Proposition 2), which authorized $10 billion state general obligation bonds for K-12 facilities ($8.5 billion) and CCC facilities ($1.5 billion) (EC Section 101400, et seq.).

10) Requires the Governor to annually submit to the Legislature, in conjunction with the Governor's Budget, a proposed five-year infrastructure plan, which among other things, shall include the instructional and support facilities needs of the CCC (Government Code Section 13102).

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "AB 48 is a critical investment in California's future. By addressing the urgent infrastructure and housing crises plaguing public higher education, this bill safeguards students, promotes equity, and strengthens communities. Outdated facilities riddled with seismic risks, lead-contaminated water, and hazardous materials endanger the health and safety of students and educators. Meanwhile, skyrocketing housing costs disproportionately force low-income students—many from underrepresented backgrounds—to choose between basic needs and their education."

The author contends that, "AB 48 confronts these challenges head-on. It unlocks funding to modernize classrooms, remove environmental hazards, and expand access to affordable student housing, ensuring campuses are safe, inclusive, and equipped to support learning. By mandating accountability measures like public hearings, audits, and transparent reporting, the bill ensures taxpayer dollars directly benefit those most in need."

Lastly, the author states that, "this legislation is not just about bricks and mortar—it's about equity. Safe, affordable housing and modernized facilities are foundational to closing opportunity gaps and empowering students of all backgrounds to succeed. AB 48 reaffirms California's commitment to accessible, high-quality education as a pathway to economic mobility and a stronger, more equitable society. Its enactment is vital to building a higher education system that truly serves all Californians."

Student Housing Need: California's housing crisis is a half-century in the making. [1] After decades of underproduction, supply is far behind need and housing and rental costs are soaring.

[1] California Department of Housing and Community Development, *A Home for Every Californian*: 2022 Statewide Housing Plan. March 2022, https://storymaps.arcgis.com/stories/94729ab1648d43b1811c1698a748c136

As a result, millions of Californians must make hard decisions about paying for housing at the expense of food, health care, child care, and transportation, directly impacting the quality of life in the state. One in three households in the state doesn't earn enough money to meet their basic needs. In 2024, over 187,000 Californians experienced homelessness on a given night.[2]

To meet this housing need, the Department of Housing and Community Development (HCD) determined that California must plan for more than 2.5 million new homes, and no less than one million of those homes must be affordable to lower-income households, in the 6th Regional Housing Needs Allocation (RHNA). By contrast, housing production in the past decade has been under 100,000 units per year – including less than 10,000 units of affordable housing per year.[3]

A recent report from the Public Policy Institute of California (PPIC) shows that students spend more on housing than tuition while attending public university.[4] While public colleges have made significant efforts to house students on campus in recent years, the vast majority of California's college students still rely on a limited number of increasingly unaffordable and inaccessible off-campus housing units available through the private market.

According to a 2023 survey from the California Student Aid Commission, a majority of California college students experience rent burdens and housing insecurity due to high housing costs.[5] Nearly 24% of CCC, 11% of CSU, and 8% of UC students are unable to keep up with the high cost of housing and are forced into homelessness in a given year.[6] The largest representative study of homelessness since the 1990s found that the most common reason for leaseholders leaving their last housing was economic.[7]

Student Housing: All three of the higher education segments operate self-supporting facilities. Both UC and CSU have longstanding student housing programs with all of their campuses offering some housing. Most community colleges do not offer student housing. Student housing is financed using general obligation bonds or fee-revenue bonds. To get a self-supported student housing project approved, a CSU or UC campus develops a proposal and submits it for board approval at the system level. A CSU campus submits a new student housing project proposal to the CSU Chancellor's Office. A UC campus submits its housing proposals to the UC Office of the President for approval by the UC Board of Regents. A community college submits its proposal to its local governing board, with no approval required by the system wide Board of Governors. Proposals are reviewed to determine if they are financially viable. The revenue from rent payments must be sufficient to cover the cost of the debt service and the rents must be affordable enough for students to pay. At the universities, CSU and UC may sell university bonds. Community colleges may sell local general obligation bonds or lease revenue bonds. Campuses across all three segments also may engage in public-private partnerships.

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[2] U.S. Department of Housing and Urban Development, Point in Time Counts. https://www.huduser.gov/portal/datasets/ahar/2023-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html
[3] https://www.hcd.ca.gov/policy-research/housing-challenges.shtml
[4] https://www.ppic.org/publication/keeping-college-affordable-for-california-students/#:~:text=In%20fact%2C%20for%20a%20majority,community%20college%20(Figure%201).
[5] https://www.csac.ca.gov/sites/main/files/file-attachments/food_and_housing_basic_needs_survey_2023.pdf?1700100691&utm_medium=email&utm_source=ActiveCampaign&utm_medium=email&utm_content=California+Democrats+gather+to+pick+favorites+-+and+party&utm_campaign=WhatMatters
[6] https://lao.ca.gov/reports/2024/4898/Update-on-Student-Housing-Assistance-050724.pdf
[7] https://homelessness.ucsf.edu/our-impact/studies/california-statewide-study-people-experiencing-homelessness

UC houses the greatest share of its students (more than one-third). Among UC campuses, the share of students housed in fall 2022 ranged from 21% (at the Berkeley campus) to 49% (at the Los Angeles campus). At CSU, the number of on-campus beds system wide equated to 13% of all students in fall 2022, with the share ranging from 4% (at the Fresno campus) to 50% (at the Sonoma campus).

At CCC, the number of on-campus beds systemwide in fall 2022 equated to less than 0.5% of CCC headcount. Of the 12 colleges that have on-campus housing, beds as a share of headcount ranged from 0.7% (at the Sierra campus) to 17% (at the Feather River campus). Compared to UC students, students at CSU and CCC are much more likely to live at home with families or in off-campus housing.

In 2019-20, the state provided all three segments with ongoing General Fund augmentations to create rapid rehousing programs in partnership with community organizations. As of 2022-23, the state provided a total of $29 million ongoing ($19 million Proposition 98 General Fund and $10 million non-Proposition 98 General Fund) for these programs. These programs provide students who are homeless or at risk of homelessness with various services, including case management, emergency housing, and emergency grants. Beyond rapid rehousing programs, all three public segments also have received ongoing state funds in recent years to address students' basic needs, including food and housing insecurity.

In addition to these ongoing program expansions, the state provided a substantial amount of one-time funding two years ago for the Higher Education Student Housing Grant program. As part of the 2022-23 budget agreement, the state provided a total of $1.5 billion one-time non-Proposition 98 General Fund for the first round of student housing grants. $565 million was provided for CCC projects, $498 million for CSU projects, and $389 million for UC projects. The funding supported 25 student housing construction projects across the three segments—11 CCC projects, eight CSU projects, five UC projects, and one intersegmental CCC/CSU project. The program also funded 75 community college planning grants.

Past Higher Education Bonds: Since the late 1980s, the Legislature has placed on the ballot and voters have approved bonds for public elementary, secondary, and postsecondary education every two to four years. The last bond with funds for UC and CSU approved by the voters, Proposition 1D (AB 127, Núñez and Perata, Chapter 35, Statutes of 2006), authorized $10.4 billion in general obligation bonds of which $3.087 billion was earmarked for higher education facilities. Of this amount, $1.5 billion was provided for CCC facilities, $890 million was provided for the UC, and $690 million was provided for the CSU. All Proposition 1D higher education facilities funds have since been depleted. This was the last time that the UC and CSU received funds from a statewide bond initiative.

Due to the Great Recession and the deterioration of the state's fiscal condition, no legislation needed to authorize the education bonds was enacted. Instead, since 2008, the higher education segments have received capital funding from lease-revenue bonds through the Annual Budget Acts; however, these funds have met less than half of the segments' capital needs. Bond funds, whether lease-revenue or general obligation, are allocated through the budget process in accordance with the segments' five-year capital facility plans.

In November 2012, California voters approved Proposition 39 to close a corporate tax loophole and increase the state's annual corporate tax revenues by as much as $1.1 billion. Proposition 39

specified that half of the revenue generated from 2013-2018, up to $550 million, should support energy efficiency and alternative energy projects at public schools, colleges, universities and other public buildings, as well as related public-private partnerships and workforce training.

Proposition 51 was approved by voters in November 2016. Proposition 51 authorized a total of $9 billion in state general obligation bond funds with $7 billion for K-12 education facilities and $2 billion for CCC facilities. Of the $7 billion for K-12 education, $3 billion was set aside for new construction, $3 billion for modernization, and $1 billion for charter schools and vocational education facilities.

Proposition 13 (AB 48, O'Donnell and Glazer, Chapter 530, Statutes of 2019), placed the $15 billion Public Preschool, K-12, and College Health and Safety Bond Act of 2020 on the March 2020 statewide ballot. California voters did not approve Proposition 13 during the Statewide Primary Election on March 3, 2020.

Lastly, Proposition 2 (AB 247, Muratsuchi and Mike Fong, Chapter 81, Statutes of 2024), placed the Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024 in the amount of $10 billion on the November 2024 statewide ballot. This measure was approved by the voters.

Student Housing Components of College Health and Safety Bond Act of 2026: This bill would place the College Health and Safety Bond Act of 2026 with an unspecified amount of funding on a statewide 2026 election to pay for capital projects on UC, CSU, and community college land, including student and employee housing, construction on existing campuses, construction of intersegmental facilities, renovations, and reconstructions of facilities.

UC and CSU would be required to create a five-year strategy for each campus that sets out a goal for additional affordable student housing units and a detailed plan for how to construct, acquire, or develop additional student housing. The plan must include the demand for housing for low-income students. UC and CSU would be required to use the 5-year strategy to inform how bond funds are spent, but are not required to spend a specific amount on student housing. Community colleges could also prioritize student housing from the bond funds but would not be required to develop a five year strategy plan.

Arguments in Support: According to UC, "UC campuses face significant long-term capital needs. Over 60 percent of UC's over 150 million gross square feet of built space across the system was constructed in the last century. The University last received state GO bond funds in 2006 as part of Prop. The University's Capital Financial Plan 2024-2030–which provides the system-wide blueprint for developing and maintaining appropriate and necessary facilities–identifies tens of billions in unfunded capital needs in state-eligible education and general facilities within the University. A GO bond for public higher education could assist campuses in developing these unfunded projects with a focus on capacity expansion and student housing to accommodate enrollment increases."

Arguments in Opposition: According to the Howard Jarvis Taxpayers Association, "AB 48 would sharply raise the limit on debt issuance by community college districts to 4% of the taxable property of the district. This is unnecessary. The bonding capacity of community college districts rises with the increase in the taxable value of property. In 2024, the rising value of county-assessed property was sufficient to produce a 7.1% increase in property taxes statewide,

according to the Board of Equalization. BOE Chair Sally J. Lieber stated in an April 2024 press release, "Property values statewide have steadily increased year over year since 2011." Roll values increased significantly across the state in 2024 compared to 2023 values: up 4.85% in Los Angeles County, up 5.41% in Orange County, up 4.17% in Contra Costa County, up 5.39% in Santa Clara County, up 2.12% in San Francisco County, up 5.58% in San Diego County, up 5.75% in San Mateo County and up 7.11% in Riverside County. Bond debt burdens taxpayers for decades. In the Los Angeles Community College District, voters approved four bond measures totaling $9.5 billion between 2001 and 2016. The district sought and voters approved another $5.3 billion in 2022. Property owners in the district are currently paying $40 per $100,000 of assessed value for the two most recent bond measures alone, adding $391 per year to the tax bill for a home valued at the average price in Los Angeles, $978,157 (per Zillow)."

***Related Legislation*:**

SB 28 (Glazer) of 2023, which was held on the Suspense File in the Assembly Committee on Appropriations, in part, would have authorized a $15 billion bond measure for the construction and modernization of public preschool, K-12, CCC, UC, and CSU facilities to be placed on the ballot for the March 2024 statewide primary election.

SB 22 (Glazer), of 2021, which was held by the Assembly Committee on Education, would have placed the Public Preschool, K–12, and College Health and Safety Bond Act of 2022 on an unspecified statewide election in 2022. The Bond Act would be for $15 billion.

AB 75 (O'Donnell) of 2021, which was held in the Senate Committee on Education, would have placed the Kindergarten-Community Colleges Public Education Facilities Bond Act of 2022 on the 2022 statewide ballot, to be operative only if approved by voters at the election.

AB 48 (O'Donnell and Glazer), Chapter 530, Statutes of 2019: Placed the $15 billion Public Preschool, K-12, and College Health and Safety Bond Act of 2020 on the March 2020 statewide ballot. California voters rejected the measure during the Statewide Primary Election on March 3, 2020.

AB 13 (Eggman) of 2019 would have placed the Higher Education Facilities Bond Act of 2020 on the November 3, 2020, Statewide General Election. The measure proposed $2 billion for UC facilities, $2 billion for CSU facilities and $3 billion for new CSU campuses. The measure was held in the Assembly Committee on Higher Education.

SB 14 (Glazer) of 2019, which died in the Assembly Rules Committee, placed the Higher Education Facilities Bond Act of 2020 on the March 3, 2020 Statewide Primary Election. The measure proposed $4 billion each for UC and CSU facilities.

AB 2771 (Eggman, et al.) of 2018, which died on the Senate Floor, in part, would have enacted a $7 billion general obligation bond for higher education facilities, to be considered by the voters at the November 2018 ballot.

SB 1225 (Glazer and Allen) of 2018, which died on the Assembly Floor, proposed a $4 billion general obligation bond measure for UC, CSU, and UC Law San Francisco (previously named UC Hastings) to be placed on the November 2018 statewide ballot.

SB 483 (Glazer and Allen) of 2017, which was held on the Suspense File in the Senate Committee on Appropriations, proposed a $2 billion bond for the November 2018 ballot facilities at UC, CSU, and UC Law San Francisco (previously named UC Hastings).

AB 148 (Holden) of 2015, which was held on the Suspense File in the Assembly Appropriations Committee, would have placed the K–14 School Investment Bond Act of 2016 with unspecified dollar amounts on the November 8, 2016 statewide ballot.

AB 1088 (O'Donnell) of 2015, which was held on the Suspense File in the Assembly Committee on Appropriations, authorized an unspecified amount of bonds for school districts, county superintendents of schools, county boards of education, charter schools, the CCC, CSU, Hastings, and UC.

AB 1433 (Gray) of 2015, which was held on the Suspense File in the Assembly Committee on Appropriations, would have placed the Recommitment to Higher Education Bond Act of 2016 with unspecified amounts for higher education facilities on the November 8, 2016 Statewide General Election.

Double-referred: This bill is double referred. It was heard in the Assembly Committee on Higher Education and passed on a vote of 6-2 on April 22, 2025.

REGISTERED SUPPORT / OPPOSITION:

Support

California Faculty Association
California State University, Office of the Chancellor
Faculty Association of California Community Colleges
Student Senate for California Community Colleges

Opposition

Howard Jarvis Taxpayers Association

Analysis Prepared by: Lisa Engel / H. & C.D. / (916) 319-2085

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 76 (Alvarez) – As Amended April 21, 2025

SUBJECT: Surplus land: exempt surplus land: sectional planning area

SUMMARY: Allows for purposes of meeting the requirements of the Surplus Lands Act (SLA), that student, staff, and faculty housing can be counted toward minimum density requirements. Excludes student, staff, and faculty housing from the total number of units used for calculating the minimum number of affordable housing units that must be constructed. Specifically, **this bill**:

1) Requires, for a SLA exemption that applies to land subject to a sectional planning document adopted prior to January 1, 2019, that a minimum of 25% of housing units proposed by the sectional planning area that are not designated for students, faculty, or staff of an academic institution, must be constructed and dedicated to lower-income households, as specified.

2) Provides, for purposes of the SLA exemption that applies to land subject to a sectional planning document prior to January 1, 2019, that a "student housing unit" must meet all of the following to count towards the minimum density requirement:

   a) The unit includes a fully functioning kitchen with a refrigerator, stove, sink with hot and cold water, vent, and an area to prepare food;

   b) The unit has a ratio of beds to toilets, lavatories, and showers not exceeding five to one; and

   c) The unit is not a substandard building, as specified.

3) Makes other technical and conforming changes.

EXISTING LAW:

1) Establishes the SLA, which requires local agencies to prioritize affordable housing when disposing of publicly owned land by establishing certain processes that they must follow. (Government Code (GOV) 54221)

2) Provides an exemption from the SLA to land that is subject to a sectional planning area that was adopted prior to January 1, 2019, and that is consistent with the local general plan designation, with certain restrictions. (GOV 54221)

FISCAL EFFECT: None.

COMMENTS:

Author's Statement. According to the author, "Chula Vista's university effort is positioned to benefit the region greatly. A university presence in the South County would be a key player within the regional economy, producing graduates who occupy regional jobs, employing thousands of local workers, and contributing to the regional and state economies. A South

County university presence would also provide more equitable access to higher education. Bachelor's degree holders have greater earning power and can earn about $32,000 more annually than those with a high school diploma. The City will develop approximately 4,000 residential units as part of the mixed-use UID project. The change in AB 76 is needed to build a much-needed four-year university in South County and provide the housing necessary for the university's students, faculty, and staff."

The Surplus Land Act. Public agencies are major landlords in some communities, owning significant pieces of real estate. When properties become surplus to an agency's needs, public officials may wish to dispose of that property, meaning selling or leasing it for fifteen years or longer, to recoup their investments. The SLA spells out clear steps that local agencies must follow when they want to dispose of land. It requires local governments to give a "first right of refusal" to other public agencies, nonprofit housing developers, schools, and parks and recreation departments. After notifying these groups that the land is available, the disposing agency must negotiate in good faith with these interested parties to try to come to agreement for 90 days before the local agency can dispose of the surplus land.

Before agencies can enter into negotiations to dispose of surplus land, they must send a written notice of availability (NOA) to various public agencies and nonprofit affordable housing developers, commonly referred to as "housing sponsors," notifying them that land is available for the following purposes:

1) Low- and moderate-income housing;

2) Park and recreation, and open space;

3) School facilities; or

4) Infill opportunity zones or transit village plans.

Housing sponsors can notify the Department of Housing and Community Development (HCD) if they are interested in acquiring surplus land to develop affordable housing. HCD maintains a list of notices of availability on its website.

If another agency or housing sponsor wants to buy or lease the surplus land for one of these purposes, it must tell the disposing agency within 60 days, and if multiple entities want to purchase the land, the housing sponsor that proposes to provide the greatest level of affordable housing gets priority. The agency and the housing sponsor then have an additional 90 days to negotiate a mutually satisfactory price and terms in good faith. If they cannot agree, the agency that owns the surplus land can sell the land on the private market. If surplus land is not sold to an affordable housing developer, but housing is developed on it later, 15%of the units must be sold or rented at an affordable cost to lower income households.

The SLA says that nothing in its provisions:

1) Limits the power of any local agency to sell or lease surplus land at fair market value or less than fair market value;

2) Prevents a local agency from obtaining fair market value;

3) Limits a local agency's authority or discretion to approve land use, zoning, or other entitlement decisions in connection with surplus land; or

4) Requires a local agency to dispose of land just because it is surplus.

Local agencies that dispose of surplus land in violation of the SLA face penalties totaling 30% of the sales price or the appraised fair market value at the time of disposition for the first violation, and 50% for subsequent violations. These penalty revenues must be deposited in a local housing trust fund. The enforcement process in the SLA requires that: Prior to agreeing to terms for the disposition of surplus land, a local agency must provide HCD a description of the notices of availability sent, and negotiations conducted with any responding entities, as specified. HCD must submit written findings to the local agency within 30 days of receipt of the description of the disposal if the proposed disposal of the land will violate SLA.

A local agency has at least 60 days to respond to the findings before HCD may take further action. The local agency must consider findings made by HCD and then either correct any issues found by HCD or respond in writing explaining why the disposal complied with the SLA. If the local agency does not respond or does not address the issues, HCD must notify the local government and may notify the Attorney General that the disposal violates the SLA. A local agency cannot be held liable for the penalties under the SLA if HCD does not notify the agency that the agency is in violation within 30 days of receiving the description.

The City of Chula Vista's University Development Plans. According to the City of Chula Vista's adopted UI-SPA, "For more than 20 years the City of Chula Vista has maintained a vision to locate university and innovation land uses in the Otay Ranch. On October 28, 1993, the Chula Vista City Council and the San Diego County Board of Supervisors adopted the Otay Ranch General Development Plan/Subregional Plan (GDP/SRP) as a means of implementing the City of Chula Vista General Plan. The GDP/SRP resulted from the culmination of years of planning and provides clear direction and policies regarding the type and intensity of uses that will occur within the roughly 23,000-acre Otay Ranch."

The University Innovation Sectional Planning Area (UI-SPA) guides implementation of a portion of the GDP/SRP within Chula Vista. Land use planning in Otay Ranch is a cooperative effort between Chula Vista and San Diego County, with both agencies jointly adopting and amending the GDP/SRP, which functions as a general plan-level document for the area. Subsequent, more detailed planning processes are required before land can be subdivided: Chula Vista uses Sectional Planning Area (SPA) plans, while San Diego County requires Specific Plans. These processes serve similar purposes. Chula Vista's UI-SPA operates as a discretionary land use plan and must remain consistent with the jointly adopted GDP/SRP.

Over several decades, the City of Chula Vista acquired parcels intended to facilitate development of a university campus. The city's UI-SPA details this acquisition history, which spans from 1990 to 2014, and identifies legal restrictions tied to these parcels through various agreements. These restrictions limit the types of development permitted on the land. In anticipation of disposing of these parcels, Chula Vista staff consulted with the California Department of Housing and Community Development (HCD) and requested an SLA exemption for the properties critical to the UI-SPA. The city also prepared a memorandum for its City Council summarizing the status and legal restrictions applicable to each parcel.

The City of Chula Vista, HCD, and the Resulting SLA Exemption. Each parcel identified by the city is subject to some form of legal restriction controlling development uses. Under the SLA, exemptions are permitted for properties owned by local agencies where legal restrictions imposed by outside entities (e.g., deeds, covenants) prohibit housing, unless those restrictions can be feasibly mitigated. Restrictions that originate from the local agency's own actions, however, do not qualify for an exemption.

Chula Vista asserted that the restrictions on its parcels prohibited housing, except for housing directly associated with university purposes, and argued that the parcels should be exempt from the SLA. However, HCD's analysis generally found otherwise. While the restrictions may limit the types of allowable uses (e.g., to university-related development), they do not fully prohibit housing, and in many cases, allow for university-affiliated housing (e.g., student or faculty housing). Further, with the exception of a parcel subject to a superior court order, HCD found that Chula Vista was a party to the original agreements, meaning the restrictions were imposed by the city itself—and thus not eligible for an SLA exemption.

As a result, HCD informed Chula Vista that the city must follow standard SLA procedures when disposing of the properties. Nonetheless, HCD acknowledged that Chula Vista could include reasonable conditions in the NOA, specifying that, due to the land's university-oriented purpose, the city envisions a development that includes both housing and university uses.

Legislative Resolution and Affordable Housing Requirements: In order to address the problem above, AB 837 (Alvarez) of 2023 proposed an SLA exemption for Chula Vista's UI-SPA, though the bill stalled in the Senate Local Government Committee. A substantially similar policy was later adopted through the budget trailer bill AB 129 (Committee on Budget), Chapter 40, Statutes of 2023, granting an SLA exemption with specific conditions.

Among the numerous conditions of the exemption granted in the budget trailer bill, current law requires that the land be developed at a minimum density of 10 units per acre across the entire sectional planning area (totaling 384 acres) and that 25% of those units be dedicated to lower income households. This calculation would yield a minimum of 960 units of affordable housing.

*(384 acres*10 units per acre) *.25= 960 affordable housing units*

The UI-SPA identifies housing for students, staff, and faculty housing and separately market rate housing units, which is interpreted to be units open to the community. According to the UI-SPA, the planning area will include 2 million square feet of market rate housing, which equates to a proposed 2,000 units. Applying the 25% affordable housing dedication requirement to just the proposed 2,000 market rate units would yield a minimum of 500 units of affordable housing.

This bill amends the existing exemption in the SLA for the City of Chula Vista's University Innovation District: Sectional Planning Area Plan (UI-SPA) by:

1) Excluding housing designated for students, faculty, or staff of an academic institution from the total number of units used for calculating the minimum number of affordable units to be constructed;

2) Allowing student, staff, and faculty housing to count toward the minimum density requirements of the exemption;

3) Clarifying that a minimum of 25% of the units that are not designated for students, faculty, or staff shall be constructed and designated to lower-income households; and

4) Establishes minimum requirements for student housing that will be counted toward the minimum density specified in the exemption.

Arguments in Support. The City of Chula Vista writes in support, "Since the adoption of the Otay Ranch General Development Plan in 1993, the City of Chula Vista has pursued a vision of locating a university within eastern Chula Vista. This vision is also reflected in the Otay Ranch General Development Plan and Sectional Planning Area Plan for a new UID. Under the adopted planning documents that govern the development of the site, the UID will accommodate up to 20,000 students with an innovation district capable of building approximately 10 million square feet of mixed-use development, inclusive of 4 million square feet of academic space, 2 million square feet of commercial space for business innovation uses, and 3.6 million square feet of housing.

The City has committed to allocating 25 percent of the entitled housing units as affordable. While this commitment has not changed, restrictions on 'affordable housing', as defined by the U.S. Department of Housing and Urban Development (HUD), does not allow for student and faculty housing to be designated as affordable. Proper planning for student housing is critical in developing a new university. Therefore, AB 76 seeks to clarify the affordability requirement by excluding housing designated for students, faculty, and university employees from the affordable housing ratio, reaffirming the City's intent to develop the UID in a manner consistent with the existing land use entitlements for the project."

***Arguments in Opposition*.** None on file.

***Related Legislation*.**

AB 837 (Alvarez) of 2023 would have exempted the disposition of land subject to an existing section planning area document that meets specified conditions related to affordable housing from the Surplus Land Act, thereby providing Chula Vista with the requested SLA exemption. The bill was held in the Senate Local Government Committee.

AB 129 (Committee on Budget), Chapter 40, Statutes of 2023 established a substantially similar policy to that which was proposed in AB 837 (Alvarez) of 2023.

***Double Referral*.** This bill was also referred to the Assembly Committee on Local Government, and passed on a vote of 8-1 April 9, 2025.

REGISTERED SUPPORT / OPPOSITION:

Support

City of Chula Vista (Sponsor)
California Association for Local Economic Development (CALED)
CFT- a Union of Educators & Classified Professionals, AFT, AFL-CIO

Opposition

None on file.

Analysis Prepared by: Dori Ganetsos / H. & C.D. / (916) 319-2085

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 595 (Carrillo) – As Amended March 24, 2025

SUBJECT: Housing: Building Home Ownership for All Program

SUMMARY: Requires the Treasurer, on or before January 1, 2027, in consultation with the California Housing Finance Agency (CalHFA), the Department of Housing and Community Development (HCD), and other stakeholders, to develop a framework for the Building Home Ownership for All Program (the Program) in accordance with the goals and elements of the program and submit a report outlining the program framework to the Legislature. Specifically, **this bill**:

1) Require the goals of the Program to include, but not be limited to, all of the following:

    a) Expanding access to homeownership by making it affordable for moderate and middle-income Californians, as specified;

    b) Establishing a program to finance the construction of for-sale housing units at a price that is ultimately affordable to moderate and middle-income Californians through the use of tradable tax credits modeled after the Low-Income Housing Tax Credit Program, the New Markets Tax Credit Program, and other similar financing models;

    c) Ensuring the Program maximizes the effectiveness of state subsidies by prioritizing efficiency and speed in the review and allocation process; and

    d) Ensuring that there is not a reduction in funding to existing rental programs due to enactment of the program.

2) Require the framework of the Program to include, but not be limited to, all of the following elements:

    a) Program structuring tailored to the development of income-restricted for-sale housing, similar to tax-credit-based models;

    b) Income limits and home price limits aligned with CalHFA first-time homebuyer programs;

    c) Allocation of tax credits to projects to offset up to 40% of eligible development costs;

    d) An incentive structure designed to attract participation from homebuilders and investors familiar to existing tax credit programs;

    e) Resale restrictions consistent with CalHFA's existing first-time homebuyer programs, such as the California Dream for All Program, without undermining the Program's affordability goals;

f) Allowance for tax credits to be syndicated and resyndicated, consistent with practices in other residential development finance programs.

3) Requires the Legislative Analyst, in collaboration with the California Tax Credit Allocation Committee, to annually evaluate the effectiveness of the program starting on or before January 1, 2028. The evaluation must include, but is not limited to all of the following:

   a) The number of for-sale housing units produced;

   b) The extent to which the Program has enabled first-time homebuyers to build wealth and access market-rate homeownership; and

   c) An assessment of the Program's efficiency in delivering capital to developers and recommendations for improving program implementation.

4) Sunsets the Program on December 31, 2031, unless extended by a later statute.

EXISTING LAW:

1) Establishes a number of housing assistance programs for affordable housing at HCD, including CalHOME, which provides grants to individual homebuyers to purchase a home and loans to nonprofit developers to construct single-family homes. The program also provides grants to nonprofit organizations and local governments to make loans to individual homeowners to construct accessory dwelling units (ADUs) or junior ADUs (JADUs). (Health and Safety Code (HSC) Section 50650.3)

2) Establishes and authorizes CalHFA to make loans to housing sponsors for housing developments and to qualified mortgage lenders, among others. Provides that the primary purpose of CalHFA is to meet the housing needs of persons and families of low- or moderate-income. (HSC 51345)

3) Provides that CalHFA is administered by a board of directors and is supervised on a day-to-day basis by an executive director. (HSC 50903)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's statement: According to the author, "For far too many Californians, the dream of homeownership remains just that—a dream. AB 595 is a bold step toward changing that reality by making it financially feasible to build the affordable for-sale homes our working families need. Homeownership is more than just a milestone; it's a foundation for economic security and generational wealth. With this bill, we are taking action to ensure that more Californians, especially those historically left behind in communities of color, have a real path to owning a home."

Disparities in Homeownership: California, like the nation as a whole, has lower homeownership rates among communities of color. According to Census data, 65% of white Californians are homeowners while Asian/Asian-Americans have a homeownership rate that is six percentage

points lower at 59%. About one in two Californians of Native/Indigenous descent are homeowners (49%), while the rate of homeownership amongst the Latinx population is 44%. Black Californians have the lowest rate of homeownership across racial/ethnic groups in California with only about 1 in 3 owning their home (35%).

For Black Californians who do own homes, racial disparities also exist in the valuation of their assets. Black-owned homes in majority-Black areas of both the San Francisco-Oakland-Hayward Metropolitan Statistical Area (MSA) and the Los Angeles-Long Beach-Anaheim MSA are worth substantially less than equivalent homes with the same structural characteristics and neighborhood amenities in non-majority-Black areas. In the Bay Area, the average devaluation of homes in majority-Black neighborhoods is 22.3%, and in the Los Angeles area it is 17.1%. Differences in credit scores also contribute to racial disparities in homeownership. About 54% of Black Americans report having no credit or a credit score of below 640. About 41% of Latinx Americans report falling into this category as well. In contrast, 37% of white Americans and 18% of Asian Americans report similar credit circumstances. Home Mortgage Disclosure Act (HMDA) data show that Black applicants are denied loans at twice the rate of white applicants, controlling for income and gender. Even when approved for home loans, HMDA data also show that Black and Latinx borrowers are more likely to be offered higher-cost mortgages.

Neighborhood Homes Investment Act: The Neighborhood Homes Investment Act, which has been introduced in Congress, would create a new financing tool for homeownership modeled after the Low Income Housing Tax Credit (LIHTC). LIHTC funds the creation of multifamily rental housing for households at or below 80% of the area median income. States would receive an allocation of tax credits and select sponsors through a competitive process, and developers would sell the tax credits and raise equity to invest in building or acquiring homeownership units.

According to the author, the goal of AB 595 is to establish the Building Home Ownership for All Program, a statewide financing initiative that uses tradable tax credits to support the development of income-restricted, for-sale housing affordable to moderate- and middle-income Californians. The program is modeled after existing tax credit programs like LIHTC and the New Markets Tax Credit, and is designed to expand access to homeownership, particularly for communities historically excluded from homeownership opportunities due to systemic barriers.

State Support for Homeownership: The state invests in homeownership through several programs, including the following:

> ***Mortgage Interest Deduction:*** The mortgage interest deduction is the largest investment the state makes in housing. Homeowners can deduct the mortgage interest on up to $750,000 of qualified residence loans ($375,000 for married individuals filing separately) on their primary home and a second home that they live in part of the year. The mortgage interest deduction costs the state General Fund approximately $5 billion each year.
>
> ***MyHome***: MyHome offers a deferred-payment junior loan of an amount up to the lesser of 3.5% of the purchase price or appraised value to assist with down payment closing costs of a home that is capped at $15,000. There is no cap on the amount of down payment buyers can receive if they are a veteran, school employee, or have an income of 80% of AMI or less, and are purchasing a new home, manufactured home, or a home with an ADU. Buyers must be first time homeowners (have not owned a home in the last three years), complete homebuyer

education, and meet the income qualifications (which extend to households up to 150% of AMI in high cost areas). CalHFA received $150 million for home purchase assistance from Proposition 1 (2018) bond funds to provide first and junior loan options for low- to moderate-income families, including low to zero interest rate down payment assistance loans. CalHFA issues bonds to fund the mortgages and uses the proceeds of mortgage repayments to repay the bonds. Down payment assistance is funded by voter-approved bonds and through repayment of assistance as buyers sell or refinance their homes. CalHFA provides first-mortgages to buyers who income qualify. CalHFA is not a direct lender but partners with qualified lenders that offer their products.

California Dream for All Program: The 2022-23 State Budget (SB 197 (Committee on Budget)), Chapter 70, established the California Dream for All Program, a revolving shared appreciation loan program designed to increase access to homeownership for low- and moderate-income Californians. The 2022-23 budget included $300 million which was awarded to 2,500 homeowners with an average appreciation loan of $112,000. The 2023-24 budget included an additional $200 million for the program with a requirement that the program be revamped to focus on providing down payment assistance to homebuyers who would not otherwise be able to purchase a home.

CalHOME: The CalHOME program provides loans and grants to nonprofit corporations and local governments to support homeownership activities. Grants provide down payment assistance to qualified households and loans to fund the construction of ownership units. To qualify, households must be lower income (making 80% of AMI or less); however, grants may be made to households making up to 120% of AMI in areas where the Governor has declared a state of emergency due to a disaster. In 2019, AB 101 (Committee on Budget), Chapter 159, expanded the uses of CalHOME to include grants to local governments or nonprofit corporations to develop and construct ADUs and JADUs. The program makes grants to local agencies that then loan funds to qualifying homeowners who build ADUs or JADUs and rent them out. The program is intended to increase the supply of affordable housing and provide income to lower income homeowners. Although the CalHOME program provides loans to nonprofit corporations that build ownership units for qualifying families, it does not allow nonprofits to construct ADUs or JADUs and sell them as separate units.

Tax Credits: In 1987, the Legislature authorized a state LIHTC program to augment the federal tax credit program. State tax credits can only be awarded to projects that have also received, or are concurrently receiving, an allocation of federal 4% LIHTC. The amount of state LIHTC that may be annually allocated by TCAC is limited to $70 million, adjusted for inflation. In 2020, the total credit amount available for allocation was about $100 million plus any unused or returned credit allocations from previous years.

While the state LIHTC program is patterned after the federal LIHTC program, there are several differences. First, investors may claim the state LIHTC over four years rather than the 10-year federal allocation period. Second, the rates used to determine the total amount of the state tax credit (representing all four years of allocation) are 30% of the eligible basis of a project that is not federally subsidized and 13% of the eligible basis of a project that is federally subsidized, in contrast to 70% and 30% (representing all 10 years of allocation on a present-value basis), respectively, for purposes of the federal LIHTC.

Combining federal 9% credits (which amounts to roughly 70%) with state credits (which amounts to 30%) generally equals 100% of a project's eligible basis. Combining federal 4% credits (which amounts to roughly 30%) with state credits (which amounts to 13%), only results in 43% of a project's eligible basis, again requiring developers to seek additional funding sources to make up the remaining gap.

Policy Considerations: The program envisioned by this bill is intended to be modeled after the LIHTC, however because it is designed to fund the construction of single-family homes it is inherently different. LIHTC provides subsidy to multi-family rental housing that is affordable to multiple families over at least 55 years. LIHTC serves as an equity investment that is passed on to lower-income renters in the form of affordable rental units. This bill lacks specifics on how a tax credit awarded to developers constructing single-family homes would be passed on to a homebuyer in the form a lower sales price or affordable mortgage. This bill should also be clarified to make clear that a home created by the program must be owner occupied.

In addition, this bill seeks to create a new tax credit to subsidize the creation of for-sale homes for moderate and middle income households. As drafted, the bill gives the Treasurer authority to create a tax credit with broad parameters. This bill lacks the details and authority needed for a tax credit including the amount of the credit available and other guardrails that are the purview of the Legislature.

Arguments in Support: According to the California Community Builders and UnidosUs, the Building Homeownership for All Act, will create a state-level homeownership construction tax credit pilot program to increase affordable for-sale housing for working families and communities of color by making such development more financially feasible. Homeownership is a key tool for building wealth and stabilizing neighborhoods, yet rising housing costs have made it unattainable for many Californians, particularly Black and Latino families, whose homeownership rates are 26% and 19% lower than white Californians. While programs like LIHTC focus on rental housing and down payment assistance is helpful, they do not create new homes for purchase. Meanwhile, CalHOME funding has been unreliable, and federal support is increasingly uncertain. To ensure affordable for-sale development remains viable in California, state support is essential.

Arguments in Opposition: None on file.

Committee Amendments: The Committee may wish to consider the following amendments which address some of the concerns raised above.

1) Require that the Program be available for lower income households in addition to moderate income households.

2) Clarifying that the program is intended to assist first-time homebuyers**,** with a focus on those historically excluded from home ownership opportunities due to systemic barriers.

3) Require homes to be owner occupied.

4) Add that eligible homes must be priced below market rate, to ensure that the value of the tax credit is passed on in the form of lower housing costs.

***Related Legislation*:**

AB 2140 (Carrillo) of 2024 would have required the State Treasurer, in consultation with CalHFA and HCD, to develop a framework for the Building Home Ownership for All Program, to expand access to homeownership for lower- and moderate-income Californians by financing for-sale housing that is affordable and increasing support for communities impacted by systemic barriers. The bill was held in Assembly Appropriations Committee.

SB 17 (Caballero) of 2023 would have revised the California Tax Credit Allocation Committee's LIHTC program to ensure a minimum percentage of credits are allocated for senior housing projects. The bill was vetoed by the Governor.

AB 2873 (Jones-Sawyer), Chapter 316, Statutes of 2022: Mandated that housing sponsors receiving LIHTC allocations report on the utilization of women, minority, disabled veteran, and LGBT business enterprises, promoting diversity and inclusion in affordable housing development.

AB 1654 (Robert Rivas), Chapter 638, Statutes of 2022: Required that a portion of the LIHTC allocation be specifically reserved for farmworker housing projects, addressing the unique housing needs of agricultural workers.

AB 447 (Grayson), Chapter 344, Statutes of 2021: Made changes to the state LIHTC program at the California Tax Credit Allocation Committee, aiming to enhance the allocation process for low-income housing projects.

REGISTERED SUPPORT / OPPOSITION:

Support

Abundant Housing LA
Architecture Frolic Community
Azure Community Development
Black Oak Group
California Catholic Conference
California Community Builders
California Community Defense League
California YIMBY
Casita Coalition
Central Valley Immigrant Integration Collaborative
Central Valley Urban Institute
Enterprise Community Partners, Inc.
Faith and Community Empowerment
Hogar Hispano
Housing Action Coalition
Inland Empire Latino Coalition
LISC San Diego
Livable Communities Initiative
MAAC
Montebello Housing Development Corporation
Neighborhood Housing Services of the Inland Empire (NHSIE)

New Way Homes
Next Door Real Estate
Nicola Duesberg
Pathway to Tomorrow
People for Housing - Orange County
Redlands YIMBY
Regenerate California Innovation, Inc.
Richmond Community Foundation
Southern California Black Chamber of Commerce
SPUR
Student Homes Coalition
The Billup Group
The Two Hundred
UnidosUS
United Latinos Vote
Unite Way Bay Area
Ventura County Community Development Corp
Ventura County YIMBY
Individuals -1

Opposition

None on file.

Analysis Prepared by: Lisa Engel and Leila Romero / H. & C.D. / (916) 319-2085

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 609 (Wicks) – As Amended April 24, 2025

SUBJECT: California Environmental Quality Act: exemption: housing development projects

SUMMARY: Establishes a statutory California Environmental Quality Act (CEQA) exemption for infill housing developments, as specified. Specifically, **this bill**:

1) Establishes a CEQA exemption for housing development proposals meeting the following conditions:

    a) The project site is 20 acres or less;

    b) The project site is either in an incorporated municipality or within an urban area, as defined by the U.S. Census Bureau;

    c) The project site has previously been developed with an urban use, or at least 75% of the perimeter of the site adjoins parcels developed with urban uses;

    d) The project is consistent with the applicable general plan, zoning ordinance, and any local coastal program. The housing development project shall be deemed consistent with the applicable general plan, zoning ordinance, and any applicable local coastal program if there is substantial evidence that would allow a reasonable person to conclude that the housing development project is consistent. If the underlying zoning and general plan of the site are inconsistent, a project shall be deemed consistent with both if it is consistent with one;

    e) The project proposes housing units at least half of the "Mullin" Density for the underlying site, resulting in a minimum density of five units per acre for an unincorporated area in a nonmetropolitan county, 10 units per acre in a suburban jurisdiction, and 15 units per acre in a metropolitan county;

    f) The project is not on a site meeting any of the following environmental criteria:

        i) On a site located in the coastal zone that is:

            A. Between the sea and the first public road paralleling the sea, or within 300 feet of the inland extent of any beach or of the mean high tideline where there is no beach, whichever is greater;

            B. On tidelands, submerged lands, public trust lands, within 100 feet of any wetland, estuary, or stream, or within 300 feet of the top of a coastal bluff;

            C. Vulnerable to five feet of sea level rise;

            D. On or within a 100-foot radius of a wetland;

            E. On prime agricultural land;

F. On a parcel not zoned for multifamily housing; or

G. Not subject to a certified local coastal program or a certified land use plan.

ii) On either prime farmland or farmland of statewide importance, or land zoned or designated for agricultural protection or preservation by a local ballot measure that was approved by the voters of that jurisdiction;

iii) On wetlands;

iv) Within a high or very high fire hazard severity zone, unless the site has adopted fire hazard mitigation measures such as certain building code or defensible space requirements;

v) On a hazardous waste site, unless:

A. The site is an underground storage tank site that received a uniform closure letter based on closure criteria established by the State Water Resources Control Board for residential use or residential mixed uses. This does not alter or change the conditions to remove a site from the list of hazardous waste sites; or

B. The State Department of Public Health, the State Water Resources Control Board, the Department of Toxic Substances Control, or a local agency made a determination that the site is suitable for residential use or residential mixed uses.

vi) Within a designated earthquake fault zone, unless the development complies with applicable seismic building code standards;

vii) Within a special flood hazard area subject to inundation by the 1-percent annual chance flood (100-year flood) as determined by the Federal Emergency Management Agency (FEMA) in any official maps published by FEMA. If a development proponent is able to satisfy all applicable federal qualifying criteria in order to provide that the site satisfies this or is otherwise eligible for streamlined approval, a local agency shall not deny the application on the basis that the development proponent did not comply with any additional permit requirement, standard, or action adopted by that local agency that is applicable to that site. A development may be located on a site on the 100-year flood map if either of the following are met:

A. The site has been subject to a Letter of Map Revision prepared by FEMA and issued to the local jurisdiction; or

B. The site meets FEMA requirements necessary to meet minimum flood plain management criteria of the National Flood Insurance Program.

viii) Within a regulatory floodway as determined by FEMA in any official maps published by FEMA, unless the development has received a no-rise certification. If a development proponent is able to satisfy all applicable federal qualifying criteria in order to provide that the site satisfies this and is otherwise eligible for streamlined approval, a local agency shall not deny the application on the basis that the

development proponent did not comply with any additional permit requirement, standard, or action adopted by that local agency that is applicable to that site;

ix) Lands identified for conservation in an adopted natural community conservation plan pursuant to the Natural Community Conservation Planning Act, a habitat conservation plan pursuant to the federal Endangered Species Act of 1973, or other adopted natural resource protection plan;

x) Habitat for protected species identified as candidate, sensitive, or species of special status by state or federal agencies, fully protected species, or species protected by the federal Endangered Species Act of 1973, the California Endangered Species Act, or the Native Plant Protection Act; or

xi) Lands under conservation easement.

g) If the site is not currently developed with an urban use, the site does not contain tribal cultural resources, found pursuant to a Tribal Consultation, which could be affected by the development without a pathway for mitigation.

2) Requires the local government to, as a condition of approval for development, require the development proponent to complete a phase I environmental assessment, as follows:

a) If the Phase I assessment finds a recognized environmental condition, the development proponent must complete a Preliminary Endangerment Assessment, prepared by an environmental assessor. The assessment must determine whether there is a release of a hazardous substance on the site, and the potential for exposure of future occupants to significant health hazards from nearby properties or activities;

b) If a hazardous substance is found on the site, the substance must be removed or its effects mitigated to levels required by current federal and state standards before a certificate of occupancy is issued; and

c) If there is a potential for exposure to significant hazards from surrounding properties or activities, the exposure must be mitigated to acceptable levels under current federal and state standards before a certificate of occupancy is issued.

3) Defines "urban use" as any current or previous residential or commercial development, public institution, or public park that is surrounded by other urban uses, parking lot or structure, transit or transportation passenger facility, or retail use, or any combination of those uses.

EXISTING LAW:

1) Establishes the California Environmental Quality Act (CEQA), which requires lead agencies to determine whether a project is exempt, prepare a Negative Declaration or Mitigated Negative Declaration for projects with no or mitigable impacts, or complete an Environmental Impact Report (EIR) for projects with significant environmental impacts. (Public Resources Code (PRC) 21000–21189)

2) Defines "lead agency" to mean the public agency which has the principal responsibility for carrying out or approving a project which may have a significant effect upon the environment. (PRC 21067)

3) Requires lead agency to prepare and certify an EIR for non-exempt projects that may have a significant effect on the environment, and allows appeals of CEQA determinations made by nonelected bodies to the elected decision-making body, if one exists. (PRC 21100, 21151)

4) Requires the Office of Planning and Research (OPR) to develop, and the Natural Resources Agency to adopt, CEQA Guidelines (Title 14, Division 6, Chapter 3 of the California Code of Regulations) and include therein, a list of categorically exempt projects determined to not have a significant impact on the environment. (PRC 21084). The list includes exemptions applicable to residential projects, including:

    a) Section 15303 for new construction or conversion of small structures, including, but not limited to:

        i) One single-family residence, or a second dwelling unit in a residential zone. In urbanized areas, up to three single-family residences may be constructed or converted under this exemption; and

        ii) A duplex or similar multi-family residential structure, totaling no more than four dwelling units. In urbanized areas, this exemption applies to apartments, duplexes and similar structures designed for not more than six dwelling units.

    b) Section 15332 for larger, infill development projects, as follows:

        i) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations;

        ii) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses;

        iii) The project site has no value as habitat for endangered, rare, or threatened species;

        iv) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality; and,

        v) The site can be adequately served by all required utilities and public services.

5) Exempts from CEQA multi-family residential and mixed-use housing projects on infill sites within unincorporated areas that are within the boundaries of an urbanized area or urban cluster. (PRC 21159.25)

6) Exempts from CEQA any residential development project, including any subdivision, or any zoning change that is undertaken to implement and is consistent with a specific plan for which an environmental impact report (EIR) has been certified, unless substantial changes or new information require the preparation of a supplemental EIR for the specific plan, in which

case the exemption applies once the supplemental EIR is certified. (Government Code (GC) 65457)

7) Exempts from CEQA projects that are consistent with the development assumptions in an EIR certified for the applicable general plan or zoning, where there are no parcel- or project-specific significant environmental effects not addressed in the prior EIR, unless substantial new information shows significant environmental effects more substantial than described in the prior EIR. (PRC 21083.3)

8) Exempts from CEQA specified residential housing projects which meet detailed criteria established to ensure the project does not have a significant effect on the environment, including:

   a) Affordable agricultural housing projects not more than 45 units within a city or urban area, not more than 20 units if within an agricultural zone, and on a site not more than five acres in size in more populated areas or two acres in less populated areas;

   b) Urban affordable housing projects not more than 100 units on a site not more than five acres in size; and,

   c) Urban infill housing projects not more than 100 units on sites not more than four acres in size within one-half mile of a major transit stop. (PRC 21159.20-21159.24)

9) Requires metropolitan planning organizations (MPOs) to include a sustainable communities strategy (SCS), as defined, in their regional transportation plans, or an alternative planning strategy (APS), for the purpose of reducing greenhouse gas (GHG) emissions, aligns planning for transportation and housing, and creates specified incentives for the implementation of the strategies, including CEQA exemption or streamlined review for residential or mixed-use residential "transit priority projects" if the project is consistent with the use designation, density, building intensity, and applicable policies specified for the project area in either an approved SCS or APS and is within one-half mile of a major transit stop or high-quality transit corridor. (PRC 21155.1; Government Code (GOV) 65080)

10) Establishes, pursuant to AB 1490 (Lee), Chapter 764, Statutes of 2023, a ministerial, streamlined approval process for the adaptive reuse of buildings into 100 percent affordable housing. (Government Code (GOV) Section 65913.12)

11) Establishes, pursuant to SB 423 (Wiener), Chapter 778, Statutes of 2023, a streamlined, ministerial approval process, not subject to CEQA, for certain infill multifamily affordable housing projects that are compliant with local zoning and objective standards and that are proposed in local jurisdictions that have not met their regional housing needs allocation. (GOV 65913.4)

12) Establishes, pursuant to AB 2011 (Wicks), Chapter 647, Statutes of 2022, a streamlined, ministerial approval process, not subject to CEQA, for certain infill multifamily affordable housing projects that are located on land that is zoned for retail, office, or parking. (GOV 65912.100-65912.140)

13) Establishes, pursuant to accessory dwelling unit (ADU) law, a streamlined, ministerial approval process, not subject to CEQA, for ADUs. (GOV 66310 – 66342)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "AB 609 would make it much easier to build environmentally friendly housing in California. It would do so by exempting individual projects from CEQA if they comply with local objective standards, are in an infill location, and are not located on environmentally sensitive or hazardous sites. By exempting these projects from CEQA, AB 609 that these projects can be approved in a timely way, without threat of frivolous litigation. By making it much easier to build this housing, AB 609 can play a major role in increasing affordability for all Californians in a way that helps protect our environment."

California Housing Crisis: California's housing crisis is a half-century in the making.[1] After decades of underproduction, supply is far behind need and housing and rental costs are soaring. As a result, millions of Californians must make hard decisions about paying for housing at the expense of food, health care, child care, and transportation, directly impacting the quality of life in the state.[2] One in three households in the state doesn't earn enough money to meet their basic needs.[3] In 2024, over 187,000 Californians experienced homelessness on a given night.[4]

To meet this housing need, HCD determined that California must plan for more than 2.5 million new homes, and no less than one million of those homes must be affordable to lower-income households, in the 6th Regional Housing Needs Allocation (RHNA) cycle. By contrast, housing production in the past decade has been under 100,000 units per year – including less than 10,000 units of affordable housing per year.[5]

The state's housing crisis is not equally experienced by all Californians. Testimony by the UC Berkeley Terner Center to this Committee showed that the impacts of the housing crisis are significantly more severe for lower-income individuals, single-earner households, Black and Latino Californians, younger and older populations, and those who reside in, or aspire to live and work in, the state's highest-cost regions.[6]

Cost of Building Housing: It is expensive to build housing in California. The UC Berkeley Terner Center finds that challenging macroeconomic conditions, including inflation and high interest rates, affect the availability and cost of capital, resulting in rising costs for labor and materials.[7] Furthermore, workforce and supply shortages have exacerbated the already high price

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[1] California Department of Housing and Community Development, *A Home for Every Californian*: 2022 Statewide Housing Plan. March 2022, https://storymaps.arcgis.com/stories/94729ab1648d43b1811c1698a748c136
[2] IBID.
[3] IBID.
[4] U.S. Department of Housing and Urban Development, Point in Time Counts. https://www.huduser.gov/portal/datasets/ahar/2023-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html
[5] https://www.hcd.ca.gov/policy-research/housing-challenges.shtml
[6] UC Berkeley Terner Center Testimony by Ben Metcalf, Managing Director, at the State Housing Production Legislation: Actions, Outcomes, and Opportunities Informational Hearing, February 12, 2025
[7] David Garcia, Ian Carlton, Lacy Patterson, and Jacob Strawn, *Making It Pencil: The Math Behind Housing Development (2023 Update)*, Terner Center for Housing Innovation, December 2023, https://ternercenter.berkeley.edu/research-and-policy/making-it-pencil-2023/

of construction in California, and economic uncertainty has made equity partners and lenders apprehensive about financing new housing development proposals.[8]

A 2025 study found that California is the most expensive state for multifamily housing development, in part due to the long timeline it takes to go from an application to an approved project.[9] This report found that longer production timelines are strongly associated with higher costs, and the average time to bring a project to completion in California is more than 22 months longer than the average time required in Texas.[10] A separate analysis by the California Housing Partnership compares the cost of market-rate development prototypes developed by the Terner Center with the median cost of developing affordable rental homes. In the four regions analyzed, the study found that the cost of developing one unit of affordable housing ranged from approximately $480,000 to $713,000, while the cost of developing one unit of market rate housing in the state ranged from approximately $508,000 to $637,000.[11] The increased cost for the affordable units can be attributed, in part, to the difficulty associated with assembling a capital stack for affordable housing development, the complex regulations that these affordable units must comply with, and the added cost of labor requirements tied to certain funding sources used by affordable housing developers.

Housing Approvals Process: Planning for, and approving, new housing developments is primarily a local responsibility. Under the California Constitution, cities and counties have broad authority, known as the police power, to regulate land use in the interest of public health, safety, and welfare. Local governments enforce this authority through an entitlement process, which includes both discretionary and ministerial approvals. Gaining "entitlement" is essentially a local government's confirmation that a housing project conforms to all applicable local zoning regulations and design standards. For discretionary projects, environmental review under CEQA is often required as part of the entitlement process. CEQA can influence project design, add mitigation requirements, or delay approval if significant environmental impacts are identified. Once a project receives entitlement, or approval, from the local planning department or review body, it must obtain postentitlement permits, such as building, demolition, and grading permits. Postentitlement permits are related to the physical construction of the development proposal before construction can begin.

Navigating through the various stages of housing approval requires developers to invest time and resources early in the development process. Obtaining approval to build housing can be even more difficult for less-experienced developers seeking to enter new markets throughout the state, or for developers from other states who are unfamiliar with California's unique approvals process, including the CEQA process. To address this, the Legislature has enacted various laws to streamline, expedite, and standardize housing approvals, particularly for projects meeting objective standards. Despite the efforts to expedite local approvals for housing development proposals both at the entitlement and permitting stages, it still takes far too long to approve housing in California.

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[8] IBID.
[9] https://www.rand.org/pubs/research_reports/RRA3743-1.html
[10] https://www.rand.org/pubs/research_reports/RRA3743-1.html
[11] Mark Stivers, *Affordable Housing Compares Favorably to Market-Rate Housing From a Cost Perspective*, California Housing Partnership, January 2024: https://chpc.net/affordable-housing-compares-favorably-to-market-rate-housing-from-a-cost-perspective/#:~:text=It%20turns%20out%20that%20costs,market%2Drate%20developments%20do%20not.

HCD identifies lengthy permit processing timelines and procedures as a governmental constraint to housing development. In HCD's *San Francisco Housing Policy and Practice Review*, the department found that procedural complexities associated with housing entitlement and permitting are "not only a barrier to entry to new development professionals pursuing [housing] projects," but they may also cause developers to exit housing markets with complex permitting ecosystems and pursue developments in neighboring jurisdictions with less complex procedural requirements instead."[12] Bureaucratic hurdles and delays can result in project abandonment, further tightening the housing production pipeline.

2023 Housing Development Approvals Timeline[13]

Development Type	Average Days: Submitted to Entitled	Average Days: Entitled to Permitted	Average Days: Submitted to Approved
Single Family (Detached)	160	151	311
Single Family (Attached)	221	93	314
Accessory Dwelling Unit (ADU)	112	222	334
Mobile Home	212	161	373
Two to Four Units	179	345	524
Five or More Units	323	377	700

This bill seeks to expedite the entitlement stage for housing development projects by providing a statutory exemption for infill housing development projects, as described below.

CEQA: The California Environmental Quality Act (CEQA) was enacted in 1970 and signed into law by Governor Reagan in response to growing public concern about the environmental consequences of development. Over time, CEQA has become a central feature of land use planning in California, influencing how and where development proposals, including proposed housing developments, can proceed. Modeled after the National Environmental Policy Act (NEPA), CEQA requires public agencies to identify, disclose, and, where feasible, mitigate the significant environmental impacts of proposed projects. The level of environmental review varies depending on a project's potential impacts or its eligibility for exemption under CEQA. Projects may qualify for a statutory or categorical exemption, or, if not exempt, may require a Negative Declaration, Mitigated Negative Declaration (MND), or a full Environmental Impact Report (EIR). While categorical exemptions typically apply to project types that are unlikely to have significant environmental impacts, statutory exemptions may apply even if a project could result in significant impacts, based on policy decisions made by the Legislature.

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[12] HCD San Francisco Policy & Practice Review, Page 13. Published October 2023. Accessed from: https://www.hcd.ca.gov/policy-and-research/plans-and-reports

[13] Based on self-reported Annual Progress Report (APR) data provided by local governments to HCD for housing developments approved the year 2023. These timelines includes time where the applicant was responsible for responding to feedback or any corrections identified by the local government, so they are not entirely representative of the length of time that a local government spent reviewing any given development. https://www.hcd.ca.gov/planning-and-community-development/housing-element-implementation-and-apr-dashboard

While CEQA is intended to promote transparency and environmental protection, it also introduces time, complexity, and litigation risk to proposed developments, particularly for multifamily or infill housing projects. Developers and local governments often face challenges navigating CEQA's technical requirements, including preparing lengthy documentation and coordinating among various departments and consultants. CEQA includes statutory timelines intended to guide the environmental review process, but these deadlines are largely unenforceable in practice. Statute establishes time limits for completing various levels of environmental review, such as a one-year timeframe to complete a full EIR, but courts have consistently interpreted CEQA's timeframes as *advisory* rather than *mandatory*, meaning there are no penalties for exceeding them. As a result, environmental review under CEQA can often extend well beyond the statutory timelines, contributing to uncertainty and delays in project approvals, especially for complex or controversial developments.

In a 2024 report, the Little Hoover Commission (Commission) found that debates over CEQA can function as a "proxy battle," for other policy disputes, such as debates over land-use and local control.[14] CEQA's broad standing provisions allow virtually any party to file a lawsuit challenging the adequacy of a CEQA analysis, which can lead to costly and time-consuming delays even for projects that comply with all applicable state and local requirements. While CEQA litigation is often cited as a key barrier to housing production, the Commission finds that lawsuits are relatively rare in proportion to the overall number of projects subject to CEQA review.[15] On average, approximately 200 CEQA lawsuits are filed annually, representing about 2% of all developments that are subject to CEQA.[16] This low rate of litigation is partly attributable to CEQA's broad applicability, as the vast majority of all projects subject to CEQA have minimal environmental impact, and can proceed under CEQA exemptions or some other form of streamlined review.[17] For example, fewer than 10% of housing projects, representing slightly under a quarter of the total number of residential units proposed in the timeframe and jurisdictions analyzed by the Commission, required the preparation of a full EIR.[18]

However, the Commission's report also notes that when litigation does occur, it disproportionately targets housing developments, particularly multifamily and mixed-use projects.[19] Approximately 25% of all CEQA lawsuits filed challenged residential or mixed-use housing, with many such lawsuits being filed for infill housing and transit-oriented developments, which are central to California's housing and climate policy objectives.[20] Research cited by the Commission suggests that litigation may disproportionately affect housing developments proposed in higher-income communities and in transit priority areas.[21] Furthermore, the broader impact of CEQA litigation on housing development is difficult to measure. Beyond formal lawsuits, CEQA's influence extends to project delays associated with preparing defensible environmental documentation, settlements between developers and opponents to avoid litigation, or the deterrent effect on projects never proposed due to the uncertainty and risk that going through CEQA review poses. The Commission concludes that

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[14] Little Hoover Commission Report # 279, *CEQA: Targeted Reforms for California's Core Environmental Law,* May 2024. Page 12
[15] IBID.
[16] IBID.
[17] IBID.
[18] IBID.
[19] IBID.
[20] IBID.
[21] IBID.

while CEQA litigation is infrequent, its potential to disrupt critical housing production, particularly the types of projects aligned with state policy goals, warrants continued attention.

CEQA Exemptions for Housing Developments*:* Certain housing developments are currently exempt from CEQA review altogether, including projects that are:

- Ministerial (i.e., those that do not involve discretionary approvals);
- Covered by statutory exemptions enacted by the Legislature; or
- Eligible for categorical exemptions under CEQA Guidelines.

These exemptions are intended to streamline the approval process for housing developments that are typically unlikely to result in significant environmental impacts, especially in urban infill locations. However, the criteria for these exemptions are often narrow and challenging to use, particularly for larger or more complex projects. Categorical exemptions, such as the Class 32 Infill Development Exemption, are intended to streamline CEQA review for projects that are unlikely to cause significant environmental impacts, including small-scale housing developments on sites that are five acres or less in urbanized areas. However, local governments may hesitate to rely on these exemptions due to the risk of litigation. Under CEQA, even if a project meets all the technical criteria for a categorical exemption, opponents can challenge its use by claiming the presence of "unusual circumstances" that could result in significant environmental effects. This legal uncertainty creates a strong incentive for local agencies to conduct a full environmental review, even for projects that qualify, simply to avoid the time and cost of defending an exemption in court. Additionally, the strict requirements regarding traffic, noise, air quality, and water quality impacts further limit the practical application of Class 32 to smaller, less complex projects. As a result, categorical exemptions, while available in theory, are often underutilized in practice, especially for the types of larger infill housing developments needed to address California's housing shortage.

In recent years, the Legislature has increasingly implemented statutory exemptions for infill housing developments in order to address the difficulties associated with CEQA compliance. These include statutory exemptions for:

- Accessory Dwelling Units (ADUs);
- Streamlined multifamily housing meeting certain criteria in jurisdictions falling short of their RHNA targets - SB 35 (Wiener, Chapter 366, Statutes of 2017) and SB 423 (Wiener, Chapter 778, Statutes of 2023);
- Lot splits and duplexes - SB 9 (Atkins, Chapter 162, Statutes of 2021);
- Mixed-income housing along commercial corridors - AB 2011 (Wicks, Chapter 647, Statutes of 2021);
- 100% affordable housing projects that meeting certain locational criteria - AB 1449 (Alvarez), Chapter 761, Statutes of 2023; and
- Affordable housing development on faith and independent higher-education organization-owned land - SB 4 (Wiener, Chapter 771, Statutes of 2023).

These laws are designed to facilitate housing production by exempting certain projects from CEQA, and expediting approvals if they meet strict conditions. ADUs and SB 9 projects benefit from relatively broad statutory exemptions, as they target small-scale developments with minimal environmental impacts. However, for larger multifamily housing developments, SB 35/SB 423, AB 1449, SB 4, and AB 2011 impose complex eligibility requirements, including

mandatory affordability thresholds and labor requirements. While these policies advance worthwhile goals, such as increasing the supply of deed-restricted affordable housing and ensuring prevailing wages are paid for skilled labor, they can diminish the financial feasibility of projects in certain markets. This is particularly true in areas with lower rents or higher construction costs. For example, market-rate developers in central California are unlikely to turn towards these tools in jurisdictions without inclusionary zoning requirements. As a result, these existing exemptions are quite valuable for 100% affordable housing developments that already include affordable units, and would typically have to use higher labor standards tied to certain affordable housing funding programs, and may help mixed-income developments in certain markets. They are less accessible for market-rate or mixed-income projects statewide, thus limiting their ability to address the broader housing shortage at all income levels. For example, analysis by YIMBY Law found that in 2024, only eight projects sought entitlement under AB 2011, and all of them were for 100% affordable projects.[22]

In 2024, the Little Hoover Commission (Commission) recommended that the state "create a broad, simplified [CEQA] exemption for infill housing…without additional conditions or qualifications. This exemption would apply both in cities and in urbanized, non-incorporated areas. The Commission suggests that for purposes of this exemption, infill housing should be understood as that which is developed on sites that are at least three quarters surrounded by existing urban uses. This requirement should ensure that the exemption does not promote additional urban sprawl and should prevent greenfield developments from being able to take advantage of the exemption."[23]

The Commission further stipulates that broader policy considerations are best addressed through the planning process at the programmatic level, rather than the individual project level. Jurisdiction-wide issues are evaluated during updates to long-range planning documents, such as the Housing Element of the General Plan or rezoning efforts, which themselves undergo CEQA review. Addressing these matters comprehensively at the plan level can help to promote more consistent and equitable decision-making outcomes, rather than debating city-wide policies on a project-by-project basis during individual environmental reviews.

This bill would do just that. This bill proposes a broad and simple statutory CEQA exemption for infill housing development in incorporated cities or urban areas, as defined by the U.S. Census Bureau. The exemption applies to housing projects on sites no larger than 20 acres, situated on sites with existing urban use or that are surrounded by urban uses on three-quarters of the site. To qualify, projects must be consistent with either the local general plan or zoning ordinance (or both, if they are aligned, which they theoretically should be under the state's "consistency doctrine"). They also must be consistent with any applicable Local Coastal Programs. Projects seeking to use this exemption must also achieve at least half of the minimum density designated for lower-income housing sites under Housing Element Law, also known as the "Mullin Density."

Importantly, the bill includes environmental safeguards that limit where the exemption can be applied, and require remediation of potential hazards. In order to use the provisions of this bill,

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[22] YIMBY Law, *California's Streamlining Laws*, February 24, 2025. https://www.yimbylaw.org/law-journal/californias-streamlining-laws-dlf8x
[23] Little Hoover Commission Report # 279, *CEQA: Targeted Reforms for California's Core Environmental Law,* May 2024. Page 15

the development proponent must complete a Phase I environmental assessment to identify potential contamination. If contamination is found, a preliminary endangerment assessment must be conducted, and any hazardous substances must be remediated to current federal and state standards before a certificate of occupancy can be granted for development. For sites without prior urban development, the exemption proposed in this bill cannot be used if a mandatory tribal consultation identifies cultural resources that would be significantly impacted and cannot be fully mitigated.

Beyond these requirements, the bill explicitly prohibits the use of this exemption in a wide range of environmentally sensitive areas. Projects cannot use this exemption on sites such as in the Coastal Zone between the sea and the first public road, within 300 feet of beaches, wetlands, estuaries, or coastal bluffs, or areas vulnerable to sea level rise. It also excludes prime agricultural land, wetlands, high or very high fire hazard severity zones (unless specific mitigation measures are adopted), hazardous waste sites (except under strict conditions), earthquake fault zones (without meeting seismic standards), 100-year flood zones (unless FEMA standards are met), regulatory floodways (without a no-rise certification), and habitats for protected species. Additionally, lands identified for conservation in habitat protection plans or under conservation easements are excluded. These restrictions seek to strike a balance between expediting the approvals process for qualifying infill housing, without compromising environmental protections.

Levels of CEQA Review: Importantly, this bill would not eliminate the public's ability to participate in the CEQA process to inform future development in their community; it would simply shift the level at which CEQA review occurs and remove duplicative processes. Unless a statutory or categorical exemption applies, any discretionary decision made by a local government that may cause a physical change in the environment is considered a "project" under CEQA and is subject to its requirements. In adopting these local standards, including the Housing Element of the General Plan, zoning code amendments, and Local Coastal Program amendments, local governments would still be required to comply with CEQA, typically by preparing an EIR. The plan-level CEQA process provides robust opportunities for public participation and input. Local governments must provide public notice and solicit feedback from both the public and relevant agencies, enabling community members to engage on broader land use policies and environmental concerns at a comprehensive scale. This early engagement allows for environmental impacts and mitigation strategies to be considered holistically, rather than through piecemeal review of individual projects. Concentrating CEQA review at the planning stage can create a more transparent and predictable process while reducing the delays and uncertainties associated with project-by-project CEQA reviews for housing development.

This bill would provide a statutory exemption from project-level CEQA review for infill housing developments that meet all applicable local standards adopted in these plans, such as General Plan designations, underlying zoning, and Local Coastal Programs. In doing so, this rewards development proponents seeking to build housing to the exact standards contemplated by the local government and the community during long-range planning efforts. Conducting CEQA review at the plan level and removing subsequent project-level reviews can streamline subsequent housing approvals, reduce duplication of environmental analysis for individual projects, and reduce the risk associated with trying to build housing in California. Under this bill, housing developments that are consistent with the adopted plans, that already went through CEQA review, would be exempt from subsequent project-level CEQA review, providing greater

predictability for developers, reducing administrative burdens for local governments, and ensuring environmental considerations are addressed early in the decision-making process.

Arguments in Support: Supporters of AB 609, including YIMBYs, planners, and a group of elected officials, argue that the bill is a targeted solution to California's housing crisis, which has driven up homelessness, housing costs, and long commutes that worsen climate change. They contend that CEQA's current structure creates redundant and unnecessary barriers for infill housing projects, even when those projects fully comply with local zoning, general plans, and environmental standards that have already undergone CEQA review. These duplicative reviews, they argue, delay much-needed housing, increase costs, and discourage development in the very areas near jobs, transit, and schools that reduce greenhouse gas emissions and promote sustainability. Proponents further argue that while CEQA is effective at preventing harmful environmental impacts, it is not designed to facilitate projects that are inherently beneficial to the environment, such as infill housing. They stress that AB 609 maintains key environmental safeguards by excluding projects on hazardous or sensitive sites, while streamlining approvals for projects that meet density thresholds and local planning requirements. By focusing development in existing urban areas, supporters assert that the bill aligns with California's climate goals, curbs sprawl, and makes housing more affordable and accessible.

Arguments in Opposition: Opponents of AB 609, including housing justice and environmental justice organizations, argue that the California Environmental Quality Act (CEQA) is essential for safeguarding environmental health and ensuring public participation, particularly in pollution-burdened and disadvantaged communities. CEQA requires developers to assess and mitigate environmental impacts, preventing exposure to hazards such as toxic air contaminants and contaminated soil. It also guarantees that communities, especially low-income and historically marginalized groups, have a voice in land use decisions that affect their neighborhoods. Critics warn that removing project-level CEQA review for infill housing, as AB 609 proposes, would silence these communities, leading to unchecked environmental harms and repeating historic patterns of displacement and disinvestment. Opponents also contend that CEQA is not a significant barrier to housing production. They cite studies showing that fewer than 1% of housing projects face CEQA litigation and emphasize that multiple existing exemptions and streamlining provisions are already in place for infill and affordable housing. Rather than undermining CEQA, they argue that the state should prioritize deep affordability, anti-displacement measures, and environmental protections to ensure new housing serves the communities most in need.

Committee Amendments: The Committee may wish to consider the following amendments:

1) Create a new subdivision in PRC 21080.66 to clarify that proposed developments seeking to utilize Density Bonus Law still qualify for the statutory exemption proposed by this bill:

   A housing development proposed pursuant to this article shall be eligible for a density bonus, incentives or concessions, waivers or reductions of development standards, and parking ratios pursuant to Section 65915.

2) Add language to PRC 21080.66(a) to prohibit the statutory exemption proposed by the bill from being used for proposed developments that would require the demolition of structures on a historic register:

The project does not require the demolition of a historic structure that was placed on a national, state, or local historic register.

3) Add HVAC and air filtration requirements to PRC 21080.66(b) for proposed developments on sites within 500 feet of a freeway:

For any housing on the site located within 500 feet of a freeway, all of the following shall apply:

(1) The building shall have a centralized heating, ventilation, and air-conditioning system.

(2) The outdoor air intakes for the heating, ventilation, and air-conditioning system shall face away from the freeway.

(3) The building shall provide air filtration media for outside and return air that provide a minimum efficiency reporting value of 16.

(4) The air filtration media shall be replaced at the manufacturer's designated interval.

(5) The building shall not have any balconies facing the freeway.

Related Legislation:

SB 607 (Wiener) of this legislative session makes numerous changes to CEQA, with a focus on categorical exemptions. The bill passed out of the Senate Environmental Quality Committee with a vote of 6-0.

AB 1449 (Alvarez), Chapter 761, Statutes of 2023, created a CEQA exemption for 100% affordable housing projects that meet local objective standards and are located in areas that are infill, low vehicle miles travelled, near major transit, or near several amenities, and are not on sites that are environmentally sensitive or hazardous.

SB 423 (Wiener), Chapter 778, Statutes of 2023. Amended SB 35 (Wiener), Chapter 366, Statutes of 2017, which created a streamlined, ministerial local approvals process for housing development proposals in jurisdictions that have failed to produce sufficient housing to meet their RHNA.

SB 4 (Wiener), Chapter 771, Statutes of 2023. Established a by-right process for affordable housing development on faith and independent higher-education organization-owned land

AB 1490 (Lee), Chapter 764, Statutes of 2023. Established a streamlined, ministerial approval process for "extremely affordable adaptive reuse projects."

SB 9 (Atkins), Chapter 162, Statutes of 2021. Required ministerial approval of a housing development of no more than two units in a single-family zone (duplex), the subdivision of a parcel zoned for residential use into two parcels (lot split), or both.

AB 2011 (Wicks), Chapter 647, Statutes of 2021. Created the Affordable Housing and High Road Jobs Act of 2022, creating a streamlined, ministerial local review and approvals process for certain affordable and mixed-use housing developments in commercial zoning districts and commercial corridors.

AB 68 (Ting), Chapter 655, Statutes of 2019, AB 881 (Bloom), Chapter 659, Statutes of 2019, and SB 13 (Wieckowski), Chapter 653, Statutes of 2019: Collectively, these bills made changes to ADU and JADU laws, including narrowing the criteria by which local jurisdictions can limit where ADUs are permitted, clarifying that ADUs must be ministerially approved if constructed in existing garages, eliminating for five years the potential for local agencies to place owner-occupancy requirements on the units, prohibiting an ordinance from imposing a minimum lot size for an ADU, and eliminating impact fees on ADUs that are 750 square feet or less and capping fees on ADUs that are 750 square feet or more to 25%.

AB 2162 (Chiu), Chapter 753, Statutes of 2018. Streamlined affordable housing developments that include a percentage of supportive housing units and onsite services.

AB 2299 (Bloom), Chapter 735, Statutes of 2016; and SB 1069 (Wieckowski), Chapter 720, Statutes of 2016: Provided legislative intent regarding ADUs and provided requirements and authorizations for the entitlement of ADUs, including a ministerial process.

Double Referred: This bill was also referred to the Committee on Natural Resources, and passed on a vote of 12-0 on April 21, 2025.

REGISTERED SUPPORT / OPPOSITION:

Support

Bay Area Council (Sponsor)
California YIMBY (Sponsor)
21st Century Alliance
AARP
Abundant Housing LA
American Planning Association, California Chapter
California Apartment Association
California Community Builders
California Conference of Carpenters
California Downtown Association
California Forward
Casey Glaubman, Councilmember of Mount Shasta
Central City Association of Los Angeles
Chris Ricci - Modesto City Councilmember
Circulate San Diego
City of Berkeley Councilmember Rashi Kesarwani
City of Gilroy Council Member Zach Hilton
City of Mountain View Council Member Emily Ramos
City of Mountain View Council Member Lucas Ramirez
City of San Diego
City of Santa Monica Council Member Jesse Zwick
Claremont City Councilmember, Jed Leano
East Bay YIMBY
Eastside Housing for All
Elevate California
End Poverty in California (EPIC)
Fieldstead and Company, INC.

Fremont for Everyone
Generation Housing
Grow the Richmond
Habitat for Humanity California
Inner City Law Center
Jamboree Housing Corporation
Los Angeles County Business Federation
Mark Dinan - Vice Mayor, East Palo Alto
Matt Mahan, Mayor City of San José
Mayor of West Hollywood Chelsea Byers
Monterey Park Councilmember Thomas Wong
Mountain View YIMBY
Napa-Solano for Everyone
North Bay Leadership Council
Northern Neighbors
Peninsula for Everyone
Phoebe Shin Venkat - Councilmember, Foster City
Redlands YIMBY
Rural County Representatives of California
San Francisco YIMBY
Sergio Lopez - Mayor, Campbell
SLOCO YIMBY
South Bay YIMBY
South Pasadena Residents for Responsible Growth
SPUR
Student Homes Coalition
The Two Hundred
Ventura County YIMBY
West Hollywood Councilmember John Erickson
YIMBY Action
YIMBY Los Angeles
Individuals - 1

Opposition

Beverly-Vermont Community Land Trust
California Preservation Foundation
California Rural Legal Assistance Foundation
Ceja Action
Center for Community Action and Environmental Justice
Center on Race, Poverty, & the Environment
Communities for a Better Environment
East Bay Community Law Center
East Yard Communities for Environmental Justice
El Sereno Community Land Trust
Environmental Health Coalition
Esperanza Community Housing
Homey
Leadership Counsel Action

Livable California
Los Angeles Alliance for a New Economy
Mission Street Neighbors
Physicians for Social Responsibility - Los Angeles
PODER SF
Race & Equity in All Planning Coalition
State Building & Construction Trades Council of California
Strategic Concepts in Organizing and Policy Education
Trust South LA
Western Center on Law & Poverty
Individuals - 8

Analysis Prepared by: Dori Ganetsos / H. & C.D. / (916) 319-2085

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 660 (Wilson) – As Amended April 24, 2025

SUBJECT: Planning and Zoning Law: postentitlement phase permits

SUMMARY: Makes numerous changes to the postentitlement permit review process. Specifically, **this bill**:

1) Limits a local agency to two rounds of plan check and specification reviews while reviewing a building permit for a housing development proposal, unless the local agency's requirement or request for additional review is accompanied by written findings based on substantial evidence in the record that the additional review is necessary to address a specific, adverse impact on public health or safety.

2) Deletes the provision that would allow the timeframes that local agencies must comply with when reviewing postentitlement permits for housing development to be tolled if a local agency requires review by an outside entity.

3) Prohibits a local agency from requesting or requiring any action or inaction as a result of a building inspection that would represent a deviation from a previously approved plan or similar approval for the project, unless the local agency's requirement or request is accompanied by written findings based on substantial evidence in the record that both of the following apply:

    a) A reasonable person could not interpret the previously approved plan or similar approval as being compliant with the applicable standards; and

    b) The deviation is necessary to address a specific, adverse impact on public health or safety.

4) Makes the following changes to the process and requirements that apply if a postentitlement phase permit is determined to be incomplete or denied, or determined to be noncompliant:

    a) Removes the authority of a city or county to provide that the right of appeal is to the Planning Commission;

    b) Reduces the amount of time within which a local agency must provide a final written determination after receipt of an applicant's written appeal, as follows:

        i) With respect to a postentitlement phase permit concerning housing development projects with 25 units or fewer, a local agency shall provide a final written determination no later than 30 business days (instead of 60 business days) after receipt of the applicant's written appeal; and

        ii) With respect to a postentitlement phase permit concerning housing development projects with 26 units or more, a local agency shall provide a final written determination no later than 45 business days (instead of 90 business days) after receipt of the applicant's written appeal.

c) Allows the applicant to seek a writ of mandate to compel approval of the application if the applicant's appeal is denied, or a decision on the appeal is not made within the timelines provided, or an appeals process is not provided as required. The writ of mandate shall be granted if there is substantial evidence in the record that a reasonable person could find that the application is complete and compliant with the applicable standards.

5) Adds plan checking and building inspection functions to the definition of "building permits" as it pertains to postentitlement phase permits.

6) Makes a number of conforming, technical, and clarifying changes.

EXISTING LAW:

1) Defines "postentitlement phase permit" as follows:

   a) All nondiscretionary permits required by a local agency after the entitlement process to begin construction of a development that is intended to be at least two-thirds residential, excluding specified planning permits, entitlements, and other permits. These permits include, but are not limited to, all of the following:

      i) Building permits, and all inter-departmental review required for the issuance of a building permit;

      ii) Permits for minor or standard off-site improvements;

      iii) Permits for demolition; and

      iv) Permits for minor or standard excavation and grading.

   b) All building permits and other permits issued under the California Building Standards Code or any applicable local building code for the construction, demolition, or alteration of buildings, whether discretionary or nondiscretionary;

   c) Permits required and issued by the California Coastal Commission, a special district, or a utility that is not owned and operated by a local agency, or any other entity that is not a city or county, are excluded from the definition of "postentitlement phase permit." [Government Code (GOV) 65913.3]

2) Requires a local agency, defined to include a city or county, to compile one or more lists of information that will be required from any applicant for a postentitlement phase permit. (GOV 65913.3)

3) Allows the local agency to revise the lists specified in (2), however, any revised list cannot apply to any permit pending review. (GOV 65913.3)

4) Requires a local agency to post an example of a complete, approved application and an example of a complete set of postentitlement phase permits for at least five types of housing development projects in the jurisdiction, as specified. Requires the lists and example permits to be posted on the city or county's website by January 1, 2024. (GOV 65913.3)

5) Requires a local agency to determine whether an application for a postentitlement phase permit is complete and provide written notice of this determination to the applicant within 15 business days after the local agency received the application, as follows:

    a) If the local agency determines an application is incomplete, the local agency must provide the applicant with a list of incomplete items and a description of how the application can be made complete, but the local agency can't request new information that wasn't on the original list of needed information;

    b) After receiving a notice that the application was incomplete, an applicant may cure and address the items that are deemed to be incomplete by the local agency. Upon receipt of a corrected application, the local agency must notify the applicant whether the additional application has remedied all incomplete items within 15 business days; and

    c) If a local agency does not meet the timelines required for determining an application complete, and the application or resubmitted application states that it is for a postentitlement phase permit, the application or resubmitted application shall be deemed complete. (GOV 65913.3)

6) Specifies the process for approving postentitlement permits, as follows:

    a) Requires local agencies to complete review, either return in writing a full set of comments to the applicant with a comprehensive request for revisions or return the approved permit application, and electronically notify the applicant of its determination within:

        i) Thirty business days of the application being complete for housing development projects with 25 units or fewer; or

        ii) Sixty business days of the application being complete for housing development projects with 26 units or more.

    b) Provides that these time limits do not apply if the local agency makes written findings within the applicable time limit that the proposed postentitlement phase permit might have a specific, adverse impact on public health or safety and that additional time is necessary to process the application;

    c) Tolls the time limits for approval if the local agency requires review of the application by an outside entity, as specified;

    d) If a local agency finds that a complete application is noncompliant, the local agency must provide the applicant with a list of items that are noncompliant and a description of how the application can be remedied by the applicant within the applicable time limit, as provided, and must allow the applicant to correct the application; and

    e) Requires local agencies to establish an appeals process. If an applicant appeals, the local agency must make a final determination within:

        i) Sixty business days of the appeal for a project of 25 units or fewer; or

        ii) Ninety business days of the appeal for a project of 26 units or more. (GOV 65913.3)

7) Provides that failure to meet the time limits in 6) constitute a violation of the Housing Accountability Act (HAA). (GOV 65913.3)

8) Allows extension of any of the time limits upon mutual agreement by the local government and the applicant. However, a local agency cannot require as a condition of submitting the application that the applicant waive the time limits in this bill, with an exception for environmental review associated with the project. (GOV 65913.3)

9) Specifies that the process and timeframes outlined above do not place limitations on the amount of feedback that a local agency may provide or revisions that a local agency may request of an applicant. (GOV 65913.3)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "While California has taken many steps to address the housing crisis, there is still much work to be done. AB 660 aims to build on AB 2234 by closing gaps in existing law regarding the timelines for local agencies to review applications and act on post-entitlement permits and applications. The post-entitlement process has become a significant cog in the housing progress, delaying construction and advancement across the state. AB 660 aims to ensure that our housing projects are approved and built on time, avoiding delays during the plan check process that often derail housing development. This legislation ensures that the standards we put on our local agencies are truly binding by empowering developers to seek legal action when these agency "shot clocks" are violated. AB 660 moves to continue the streamlining of housing production in California, removing unnecessary plan checks and assuring that our local agencies abide by established deadlines."

California's Housing Crisis: California's housing crisis is a half-century in the making. [1] After decades of underproduction, supply is far behind need and housing and rental costs are soaring. As a result, millions of Californians must make hard decisions about paying for housing at the expense of food, health care, child care, and transportation, directly impacting the quality of life in the state. [2] One in three households in the state doesn't earn enough money to meet their basic needs. [3] In 2024, over 187,000 Californians experienced homelessness on a given night.[4]

To meet this housing need, HCD determined that California must plan for more than 2.5 million new homes, and no less than one million of those homes must be affordable to lower-income households, in the 6th Regional Housing Needs Allocation (RHNA) cycle. By contrast, housing production in the past decade has been under 100,000 units per year – including less than 10,000 units of affordable housing per year.[5]

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[1] California Department of Housing and Community Development, *A Home for Every Californian*: 2022 Statewide Housing Plan. March 2022, https://storymaps.arcgis.com/stories/94729ab1648d43b1811c1698a748c136
[2] IBID.
[3] IBID.
[4] U.S. Department of Housing and Urban Development, Point in Time Counts. https://www.huduser.gov/portal/datasets/ahar/2023-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html
[5] https://www.hcd.ca.gov/policy-research/housing-challenges.shtml

The state's housing crisis is not equally experienced by all Californians. Testimony by the UC Berkeley Terner Center to this Committee showed that the impacts of the housing crisis are significantly more severe for lower-income individuals, single-earner households, Black and Latino Californians, younger and older populations, and those who reside in, or aspire to live and work in, the state's highest-cost regions.[6]

Housing Approvals Process: Planning for, and approving, new housing developments is primarily a local responsibility. Under the California Constitution, cities and counties have broad authority, known as the police power, to regulate land use in the interest of public health, safety, and welfare. Local governments enforce this authority through an entitlement process, which includes both discretionary and ministerial approvals. Gaining "entitlement" is essentially a local government's confirmation that a housing project conforms to all applicable local zoning regulations and design standards. For discretionary projects, environmental review under CEQA is often required as part of the entitlement process. CEQA can influence project design, add mitigation requirements, or delay approval if significant environmental impacts are identified.

Once a project receives entitlement, or approval, from the local planning department, it must obtain postentitlement permits, such as building, demolition, and grading permits. Postentitlement permits are related to the physical construction of the development proposal before construction can begin. At the postentitlement stage, plans are reviewed for consistency with State Housing Law, which provides requirements and procedures for uniform statewide code enforcement to protect the health, safety, and general welfare of the public and occupants of housing and accessory buildings. Among other things, State Housing Law delegates responsibility to state administrative agencies for the adoption of building standards, applies state building codes uniformly, and directs local agencies' administration of code enforcement. During the postentitlement stage, development proposals are checked for consistency with the Building Code, Fire Code, Energy Code, and green building standards.

The process to gain approval to build new housing in California is often arduous, unpredictable, and expensive. A 2025 study found that California is the most expensive state for multifamily housing production, in part due to the long timeline it takes to go from an application to an approved project.[7] This report found that longer production timelines are strongly associated with higher costs, and the time to bring a project to completion in California is more than 22 months longer than the average time required in Texas.[8]

HCD identifies lengthy permit processing timelines and procedures as a governmental constraint to housing development. In HCD's *San Francisco Housing Policy and Practice Review*, the department found that procedural complexities associated with housing entitlement and permitting are "not only a barrier to entry to new development professionals pursuing [housing] projects," but they may also cause developers to exit housing markets with complex permitting ecosystems and pursue developments in neighboring jurisdictions with less complex procedural

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[6] UC Berkeley Terner Center Testimony by Ben Metcalf, Managing Director, at the State Housing Production Legislation: Actions, Outcomes, and Opportunities Informational Hearing, February 12, 2025
[7] https://www.rand.org/pubs/research_reports/RRA3743-1.html
[8] https://www.rand.org/pubs/research_reports/RRA3743-1.html

requirements instead."[9] Bureaucratic hurdles and delays can result in project abandonment, further tightening the housing production pipeline.

2023 Housing Development Approvals Timeline[10]

Development Type	Average Days: Submitted to Entitled	Average Days: Entitled to Permitted	Average Days: Submitted to Approved
Single Family (Detached)	160	151	311
Single Family (Attached)	221	93	314
Accessory Dwelling Unit (ADU)	112	222	334
Mobile Home	212	161	373
Two to Four Units	179	345	524
Five or More Units	323	377	700

This bill seeks to address postentitlement and construction delays for housing development proposals by imposing reasonable and clear limits on local agency processes during the permitting and inspection stages, as further described below.

AB 2234 (R. Rivas): In an effort to address delays in the postentitlement permitting process, in 2022, the Legislature passed AB 2234 (Rivas, Chapter 651) to establish clear timelines and review standards for local governments processing postentitlement phase permits, as follows:

- Deemed Complete Timeframe: Local governments must determine application completeness within 15 business days of receipt;
- Substantive Review Timeframe: Local governments must approve or deny postentitlement permits within 30-60 business days, depending on project size; and
- Revision and Appeal Process: Developers have a clear process to amend applications and appeal denials or incomplete determinations.

Furthermore, AB 2234 requires local governments to prepare lists specifying required application materials and post examples of approved permits. It also establishes strict timelines and procedures that must be followed to appeal decisions made on postentitlement permits. If a local government violates the timelines stipulated in AB 2234, it is considered a violation of the Housing Accountability Act (HAA). HCD has enforcement authority over the HAA, among other state housing laws. HCD initiates enforcement reviews based on various sources, including stakeholder complaints. If there is suspected violation of a housing law such as the HAA, the process typically begins with discussions with the local government for HCD to better

[9] HCD San Francisco Policy & Practice Review, Page 13. Published October 2023. Accessed from: https://www.hcd.ca.gov/policy-and-research/plans-and-reports

[10] Based on self-reported Annual Progress Report (APR) data provided by local governments to HCD for housing developments approved the year 2023. These timelines includes time where the applicant was responsible for responding to feedback or any corrections identified by the local government, so they are not entirely representative of the length of time that a local government spent reviewing any given development. https://www.hcd.ca.gov/planning-and-community-development/housing-element-implementation-and-apr-dashboard

understand the issue. If further action is needed, HCD may issue a letter of inquiry, technical assistance, or corrective action, usually allowing 30 days for a response. Depending on the outcome, HCD may acknowledge compliance, issue a violation notice, or revoke housing element certification. If the issue remains unresolved, HCD may escalate the matter to the California Attorney General, who may take legal action, including potentially imposing fines or other penalties.

Despite the passage of AB 2234, developers cite continued delays, hurdles, and inconsistencies in the postentitlement permitting and inspection process. This bill seeks to address many of those. First, this bill would prohibit local agency inspectors from requiring in-field changes that deviate from previously approved plans, unless they make written findings based on substantial evidence in the record that a reasonable person could not interpret the previously approved building plan or similar approval as being compliant with the applicable standards for the building permit, and that the changes are necessary for life/safety reasons. This would help to ensure that projects are not delayed by last-minute change requests. These adjustments, which local agencies often justify by saying certain requirements were missed during the plan check stage, can be quite costly and can impact both construction costs and project timelines. Second, this bill would limit the number of plan check or specification resubmittals that a local agency can require from applicants during the building permit review process, reducing redundant back-and-forth that can slow down timelines. This bill still maintains the ability for additional rounds of review if the local agency makes written findings based on substantial evidence in the record that the additional review is necessary to address a specific, adverse impact on public health or safety.

Additionally, this bill strengthens enforcement of permit timelines by allowing applicants to seek a writ of mandate in court to compel the approval of an application if an applicant's appeal of a postentitlement permit decision is not made within the statutory timelines, or if a local appeals process is not provided. If there is substantial evidence in the record to show that the application is complete and compliant, a court could compel the agency to issue the permit. This may help to address reported deficiencies in the current enforcement structure for postentitlement permits, which is a violation of the HAA. HAA violations require an often lengthy enforcement process involving HCD. This bill would provide developers with an alternate means of enforcing the law with regard to appeals. This bill also expedites the appeals process by cutting in half the time that a local government has to provide a written determination on the appeal, and by removing the role of the Planning Commission from the appeals process. Finally, this bill would prevent local agencies from indefinitely extending shot clocks if they outsource application reviews to third parties, ensuring that permitting timelines remain predictable and enforceable.

Arguments in Support: A group of organizations, including the California Building Industry Association (Sponsor), write in support: "While prior legislation—such as AB 2234 (Rivas)—took significant steps in setting a framework for timely post entitlement permit approvals, AB 660 seeks to further bolster this process. Permit issuance delays increase development costs and hinder the timely delivery of much-needed housing for California families.

AB 660 effectively builds upon the existing law by addressing critical shortcomings in the post entitlement permit process. By promoting a more efficient, predictable, and fair permitting process, AB 660 is essential to ensuring that the housing projects California desperately needs can move forward without unnecessary bureaucratic delays."

Arguments in Opposition: The City of Murrieta writes in opposition: "AB 660 would prohibit local agencies from requiring more than two plan checks and specification reviews for building permit applications. Additionally, it imposes an expedited review timeline. These restrictions could compromise the thoroughness of safety and compliance evaluations, increasing the risk of oversights in building standards and public safety. Furthermore, the compressed timelines could overburden local agencies, limiting their ability to conduct comprehensive reviews. Finally, the bill removes tolling provisions when external reviews by outside agencies are required, failing to account for the complexities and variances inherent in different projects. This change could lead to unrealistic deadlines that do not reflect the real-world challenges of housing development."

Related Legislation:

AB 253 (Ward) of this legislative session allows an applicant for specified residential building permits to contract with or employ a private professional provider to check plans and specifications if the county or city building department estimates a timeframe for this plan-checking function that exceeds 30 days, or does not complete this plan-checking function within 30 days. AB 253 is pending in the Senate Committee on Local Government.

AB 1308 (Hoover) of this legislative session allows an applicant for specified residential building permits to contract with or employ a private professional provider to perform inspections if the county or city building department estimates a timeframe for this function that exceeds 30 days, or does not complete this function within 30 days. AB 1308 passed out of the Committee on Local Government with a 10-0 vote and is pending in this Committee.

AB 1007 (Blanca Rubio) of this legislative session expedites timelines for approval or disapproval by a public agency acting as the "responsible agency" for residential and mixed-use development projects. AB 1007 passed out of the Committee on Local Government with a 10-0 vote and is pending in this Committee.

AB 1114 (Haney), Chapter 753, Statutes of 2023, expanded the scope of postentitlement phase permits subject to mandated processing timelines and other requirements to include discretionary permits. This bill functionally only applies to the City and County of San Francisco.

AB 2234 (Robert Rivas), Chapter 651, Statutes of 2022, required local agencies to process postentitlement permits within 30 days for small housing development projects and 60 days for large housing development projects.

Double-Referred: This bill was also referred to the Committee on Local Government, and passed on a vote of 10-0 on April 23, 2025.

REGISTERED SUPPORT / OPPOSITION:

Support

California Building Industry Association (Sponsor)
Abundant Housing LA
Associated General Contractors
Associated General Contractors-San Diego Chapter
BOMA California
California Apartment Association

California Association of Realtors
California Builders Alliance
California Business Properties Association
California Business Roundtable
California Retailers Association
California YIMBY
Circulate San Diego
El Dorado County Chamber of Commerce
El Dorado Hills Chamber of Commerce
Elevate California
Elk Grove Chamber of Commerce
Folsom Chamber of Commerce
Housing Action Coalition
Housing California
Housing Trust Silicon Valley
Institute for Responsive Government Action
LeadingAge California
Lincoln Area Chamber of Commerce
MidPen Housing
NAIOP California
Rancho Cordova Chamber of Commerce
Rocklin Area Chamber of Commerce
Roseville Area Chamber of Commerce
Sacramento Regional Builders Exchange
Shingle Springs/Cameron Park Chamber of Commerce
South Pasadena Residents for Responsible Growth
Southern California Leadership Council
SPUR
United Chamber Advocacy Network
Yuba Sutter Chamber of Commerce

Opposition

City of Murrieta (as of 4/10/25)

Analysis Prepared by: Dori Ganetsos / H. & C.D. / (916) 319-2085

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 722 (Ávila Farías) – As Amended April 21, 2025

SUBJECT: Reentry Housing and Workforce Development Program

SUMMARY: Establishes the Reentry Housing and Workforce Development Program (the Program) at the Department of Housing and Community Development (HCD). Specifically, **this bill**:

1) Establishes the Reentry Housing and Workforce Development Program to provide five-year renewable grants to counties, community-based organizations, and continuums of care (CoCs) to fund evidence-based housing, housing-based services, and employment interventions to allow people with recent histories of incarceration to exit homelessness and remain stably housed.

2) Requires HCD, upon appropriation from the Legislature, to do all of the following by July 1, 2026:

    a) Establish a referral process for eligible participants, in collaboration with the California Department of Corrections and Rehabilitation (CDCR) and local counties;

    b) Work with CDCR, at least one reentry-focused community based organization (CBO), and one housing-focused organization to establish protocols to prevent discharges from prison into homelessness;

    c) Issue guidelines, a Notice of Funding Availability, or request for proposals for five-year renewable grants; and

    d) Establish scoring criteria for applicants that includes the following:

        i) Need, which includes data on the number of individuals experiencing homelessness, people on parole, and people with recent histories of incarceration;

        ii) Extent of coordination and collaboration between counties, CoCs, and homeless services providers;

        iii) Experience providing housing navigation, tenancy services, and employment support;

        iv) Documented partnerships with affordable and supportive housing providers;

        v) Demonstrated commitment through existing or planned programs;

        vi) Proposed use of funds and expected impact on homelessness and recidivism; and

        vii) Extent to which counties that oversee housing authorities have eliminated or plan to eliminate restrictions against people with arrests or criminal convictions accessing publicly funded housing subsidies.

3) Requires that no less than 10% and no more than 20% of total program funds be allocated to CBOs that meet all of the following criteria:

   a) Are led by individuals with lived experience of incarceration in executive leadership positions;

   b) Employ at least 25% of staff who have lived experience of incarceration and are now stably housed;

   c) Provide voluntary services and housing navigation to participants;

   d) Offer access to livable wage employment opportunities and permanent housing options; and

   e) Do not evict or terminate a participant's housing unless and until the participant has secured permanent housing of their choice.

4) Specifies the following eligible activities for Program funding:

   a) Long-term rental assistance in permanent housing;

   b) Interim interventions;

   c) Operating subsidies in new and existing affordable or supportive housing units;

   d) Incentives to landlords, including security deposits, holding fees, and incentives for landlords to accept rental assistance or operating subsidies;

   e) Innovative or evidence-based services to assist participants in accessing permanent housing, including supportive housing, and to promote stability in housing;

   f) Operating support for interim interventions with services to meet the specific needs of the eligible population;

   g) Evidence-based voluntary services in conjunction with housing to obtain and maintain health and housing stability while participants are on parole and after discharge from parole, for as long as the participant needs the services or until the grant period ends;

   h) In-reach services to assist eligible participants at least 90 days before release from prison, to include any of the other services in this subdivision;

   i) Parole discharge planning;

   j) Housing navigation and tenancy acquisition services;

   k) Tenancy transition services;

   l) Tenancy supportive services;

   m) Food security services;

n) For housed participants or participants once they are housed, innovative or evidence-based employment services that assist participants to obtain meaningful employment and a livable wage;

o) Linkage to other services, including education and childcare services, as needed;

p) Benefit entitlement application and appeal assistance, as needed;

q) Transportation assistance to obtain services and health care, as needed;

r) Assistance obtaining appropriate identification, as needed;

s) Teaching people to navigate disabilities;

t) As necessary, assistance in performance activities of daily living and other personal care services; and

u) Wraparound services, including linkage to Medi-Cal funded mental health treatment, substance use disorder treatment, and medical treatment, as medically necessary.

5) Specifies the following services must be provided to participants in their home or made as easily accessible as possible:

a) Case management services;

b) Parole discharge planning;

c) Linkage to other services including education and employment services;

d) Benefit entitlement application and appeal assistance;

e) Transportation assistance to obtain services and health care;

f) Assistance obtaining appropriate identification; and

g) Linkage to Medi-Cal funded mental health treatment, substance use disorder treatment, and medical treatment.

6) Provides that for participants identified prior to release from prison, an intake coordinator or case manager shall:

a) Receive all pre-release assessment and discharge plans;

b) Draft a plan for the participant's transition into affordable or supportive housing;

c) Engage the participant to actively participate in services upon release on a voluntary basis;

d) Assist in obtaining identification for the participant; and

e) Assist in applying for any benefits for which the participant is eligible.

7) Requires recipients and providers to adhere to the core components of Housing First.

8) Requires grant recipients to report annually to HCD the following data:

   a) Number of participants served;

   b) The types of services that were provide to program participants;

   c) Whether the recipient met performance metrics identified in their application; and

   d) Outcomes for participants, including the number who remain permanently housed, the number who ceased to participate in the program and the reason why, the number who returned to state prison or were incarcerated in county jail, the number of arrests among participants, and the number of days in jail or prison among participants, to the extent data are available.

9) Requires HCD to design an evaluation and hire an independent evaluator to assess outcomes from the program and requires a final evaluation report to be submitted to the Legislature by February 1, 2029.

EXISTING LAW:

1) Proposition 57 moves up parole consideration of nonviolent offenders who have served the full-term of the sentence for their primary offense and who demonstrate that their release to the community would not pose an unreasonable risk of violence to the community.

2) Allows a judge discretion to strike a prior serious felony conviction, in furtherance of justice, to avoid the imposition of the five-year prison enhancement when the defendant has been convicted of a serious felony. (Penal Code Section 667)

3) Requires that state and local homelessness programs follow the core components of the Housing First model, which prioritizes low-barrier access to permanent housing and does not condition housing on participation in services. (Welfare and Institutions Code Section 8255)

4) Authorizes the Department of Housing and Community Development (HCD) to administer housing programs and issue grants to support housing services and infrastructure through various state and federal funding streams.

5) Defines individuals as homeless or at risk of homelessness under federal regulations, and allows for the prioritization of housing and services for people exiting institutions who are likely to become homeless upon release. (24 C.F.R. § 91.5)

6) Provides for coordinated entry systems to assess and prioritize access to housing and services for people experiencing homelessness, including those with criminal justice histories. (24 C.F.R. § 578.7)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "Recently incarcerated individuals often have little savings, familiar support, or stable housing upon reentering our communities following their sentence. Not to mention, face harsh barriers of entry and stigma when applying for employment and a place to call home. It is unfortunately no surprise that this vulnerable population is 27 times more likely to be unstably housed or homeless than the general public.

AB 722 provides an evidence based approach to address homelessness and recidivism rates by establishing the Reentry Housing and Workforce Development Program. This program provides grants for housing assistance and specified services for individuals who are scheduled for release from prison and for recently incarcerated individuals experiencing or at risk of homelessness. This program will not only address homelessness here in our state, but will improve public safety and save California tax payers money."

Background*:* Formerly incarcerated people are 27 times more likely to be unstably housed or homeless than the general public. In fact, one-third to one-half of all people on parole in San Francisco and Los Angeles are experiencing homelessness at any point in time. In addition, about half of people experiencing homelessness statewide report a history of incarceration. People on parole are seven times more likely to recidivate when homeless than when housed. African Americans are almost seven times more likely to be homeless than the general population in California, driven by systemic racism that includes disproportionate incarceration, and discharges from prisons and jails into homelessness.

Cost Savings of Supportive Housing**:** CDCR spends close to $100,000 each year to incarcerate someone in a California prison. A chronically homeless person living unsheltered costs taxpayers an average of $35,578 per year. With 60% of incarcerated people likely to recidivate, and with an average sentence length of 4.5 years, the state can spend millions of dollars on a single person who lacks a stable environment to return to upon their release. Supportive housing, affordable housing coupled with services, costs an average of $20,000 per year and reduces the risk of recidivism sevenfold.

Reentry Housing Program: This bill would create the Reentry Housing Program to provide five-year renewable grants to counties to fund evidence-based housing interventions and employment services to allow people with recent histories of incarceration to exit homelessness, remain stably housed, and become successfully employed. Counties could apply to HCD for funding and use funds for rental assistance, operating costs, and services to help people experiencing homelessness remain stably housed. Ninety days prior to their release, grantees will provide inmates with services including housing navigation and tenancy acquisition services. Grant recipients will be required to report on the outcomes for program participants including how many people stayed permanently housed and the incidence of recidivism. Like all housing programs serving people experiencing homelessness funded or operated by the state, the Reentry Housing Program would require counties to implement a Housing First model that provides housing without limit on stay and without pre-conditions.

Arguments in Support: According to supporters, AB 722 promotes permanent supportive housing as a proven and cost-effective strategy that pairs affordable housing with voluntary services—such as healthcare, substance use treatment, and employment support—to meet the complex needs of individuals experiencing homelessness. The average annual cost of providing these services is approximately $20,000 per person. Supporters argue that AB 722 will not only

help reduce homelessness but also enhance public safety and generate long-term savings for California taxpayers.

Arguments in Opposition: None.

***Related Legislation*:**

AB 1229 (Schultz) of the current legislative session would move the Adult Reentry Grant Program from the Board of State and Community Corrections to HCD to administer and makes specified changes to the program. This bill is pending a hearing in the Assembly Appropriations Committee.

AB 745 (Bryan) of 2023 sought to expand reentry housing and services for formerly incarcerated individuals. This bill died on the Inactive File in the Senate.

AB 1816 (Bryan) of 2021 was largely identical to this bill and sought to create the Reentry Housing and Workforce Development Program (Program) under HCD to help recently incarcerated people exit homelessness and remain stably housed. This bill died on the Inactive File in the Senate.

REGISTERED SUPPORT / OPPOSITION:

Support

California Housing Partnership
Housing California
A New PATH
A New Way of Life Reentry Project
Bend the Arc: Jewish Action California
Black Women for Wellness Action Project
Bridges of Hope CA
Budget 2 Save Lives
Californians United for a Responsible Budget
Communities United for Restorative Youth Justice (CURYJ)
Corporation for Supportive Housing
Ella Baker Center for Human Rights
Empowering Women Impacted by Incarceration
Fair Chance Project
Felony Murder Elimination Project
GRACE Institute – End Child Poverty in CA
Human Impact Partners
Initiate Justice
Initiate Justice Action
Interfaith Movement for Human Integrity
Justice2Jobs Coalition
La Defensa
Legal Services for Prisoners with Children
Prison Policy Initiative
Sister Warriors Freedom Coalition
The TransLatin@ Coalition

Individuals - 5

Opposition

None on file.

Analysis Prepared by: Leila Romero and Lisa Engel / H. & C.D. / (916) 319-2085

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 768 (Ávila Farías) – As Introduced February 18, 2025

SUBJECT: Mobilehome parks: rent protections: local rent control

SUMMARY: Limits the application of local rent control to mobilehome spaces that are not the only or principal residence of a homeowner, and deletes a presumption that a mobilehome is a homeowner's principal residence if they receive a homeowner's tax exemption for that mobilehome, among other changes. Specifically, **this bill**:

1) Exempts a mobilehome space within a mobilehome park from any ordinance, rule, regulation, or initiative measure adopted by any local jurisdiction which establishes a maximum amount that the landlord may charge a tenant from rent ("local rent control"), if the mobilehome space is not the only or principal residence of a homeowner.

2) Deletes a provision allowing a mobilehome space to remain subject to local rent control if the space is not the principal residence of the homeowner and the homeowner has rented the mobilehome to another party.

3) Deletes a provision requiring a mobilehome to be deemed to be the principal residence of a homeowner unless a review of state or county records demonstrates that the homeowner is receiving a homeowner's tax exemption for another property or mobilehome in this state, or unless a review of public records reasonably demonstrates that the principal residence of the homeowner is out of state.

4) Requires mobilehome park management, before modifying the rent or other terms of a tenancy as a result of learning through a review of state or county records that the mobilehome space is not the only or principal residence of a homeowner, to notify the homeowner in writing of the proposed changes and provide the homeowner with a copy of the documents upon which management relied.

5) Deletes a provision allowing a mobilehome space to remain subject to local rent control if the homeowner is unable to rent or lease the mobilehome because the owner or management of the park does not permit, or the rental agreement limits or prohibits, the assignment of the mobilehome or the subletting of the park space.

6) Deletes a provision allowing a mobilehome space to remain subject to local rent control if the legal owner has taken possession or ownership, or both, of the mobilehome from a registered owner through either a surrender of ownership interest by the registered owner or a foreclosure proceeding.

EXISTING LAW:

1) Permits local governments to restrict the amount by which residential rents may be increased, including the rent charged by a mobilehome park for occupancy by a mobilehome unit. (*Birkenfeld v. Berkeley* (1976) 17 Cal.3d 129, 165.)

2) Regulates, pursuant to the Mobilehome Residency Law (MRL), the rights, responsibilities, obligations, and relationships between mobilehome park management and park residents. (Civil Code (CIV) Section 798, *et seq*.)

3) Exempts mobilehomes from local rent control if the mobilehome is not the principal residence of the homeowner and the homeowner has not rented the mobilehome to another party. (CIV 798.21(a))

4) Deems a mobilehome to be its owner's principal residence unless a review of public records demonstrates that the homeowner receives a homeowner's tax exemption on another property in California or a review of public records reasonably demonstrates that the principal residence of the homeowner is out of state. (CIV 798.21(c))

5) Requires park management to provide a homeowner 90 days' notice before modifying the rent or other terms of tenancy for a mobilehome based on a determination that the mobilehome is exempt from local rent control under 3) above. Provides a homeowner 90 days to dispute the management's finding. (CIV 798.21(c)-(e))

6) Provides that the exemption from local rent control under 2) above does not apply under any of the following conditions:

    a) The homeowner is unable to rent or lease the mobilehome because the owner or management of the mobilehome park in which the mobilehome is located does not permit, or the rental agreement limits or prohibits, the assignment of the mobilehome or the subletting of the park space;

    b) The mobilehome is being actively held available for sale by the homeowner, or pursuant to a listing agreement with a real estate broker, as specified, or a mobilehome dealer, as specified. Requires a homeowner, real estate broker, or mobilehome dealer attempting to sell a mobilehome to actively market and advertise the mobilehome for sale in good faith to bona fide purchasers for value in order to remain exempt under this provision; or

    c) The legal owner has taken possession or ownership, or both, of the mobilehome from a registered owner through either a surrender of ownership interest by the registered owner or a foreclosure proceeding. (CIV 798.21(f))

FISCAL EFFECT: None.

COMMENTS:

Author's Statement: According to the author, "AB 768 is about fairness and ensuring that rent control benefits those who need those most— working families, seniors on fixed incomes, and individuals who rely on mobile homes as their primary residence. Across California, especially in high-cost coastal and resort communities, a growing number of rent-controlled mobile home spaces are being occupied by second or vacation homeowners who can afford to live elsewhere. This undermines the original intent of rent control: to provide affordable housing and housing stability for vulnerable populations.

By closing this loophole, AB 768 restores integrity to local rent control ordinances and ensures that affordable housing is not misused by individuals with the financial means to maintain multiple properties. This bill helps return rent-controlled units to the people they were designed to serve, supporting California's broader housing equity and affordability goals."

Background: More than one million people live in California's approximately 4,500 mobilehome parks. Mobilehomes are not truly mobile, in that it is often cost prohibitive to relocate them. The cost to move a mobilehome ranges from thousands to tens of thousands of dollars depending on the size of the home and the distance traveled. A mobilehome owner whose home is located in a mobilehome park does not own the land the unit sits on, and must pay "space rent" and fees for the land and any community spaces. The mobilehome context is different from other rental housing because of this split in ownership between the structure and the land underneath. That split means that mobilehome owners not only risk having to move if rent becomes unaffordable; they also risk losing a major asset – the mobilehome – which may be among the only assets they possess. Moreover, the in-place value of a mobilehome depends largely on the rental rate for the ground underneath it. The higher the rent for the space, the lower the sale value of the mobilehome. In that context, just a small percentage change in the rent may take on heightened significance.

The MRL extensively regulates the relationship between landlords and homeowners who occupy a mobilehome park. A limited number of provisions also apply to residents who rent, as opposed to own, their mobilehome. The MRL has two parts: Articles 1 through 8 apply to most mobilehome parks and Article 9 applies to resident-owned parks or parks which are established as a subdivision, cooperative or condominium. The provisions cover many issues, including, but not limited to: 1) the rental and lease contract terms and specific conditions of receipt and delivery of written leases, park rules and regulations, and other mandatory notices; 2) mandatory notice and amendment procedures for mobilehome park rules and regulations; 3) mandatory notice of fees and charges, and increases or changes in them; and 4) specified conditions governing mobilehome park evictions. A dispute that arises pursuant to the application of the MRL generally must be resolved in a civil court of competent jurisdiction.

Removing Mobilehomes from Local Rent Control: Over 100 jurisdictions in California have enacted some form of rent control applicable to mobilehome parks. Those rent control ordinances are a proper exercise of the local government's police power if their provisions are "reasonably calculated to eliminate excessive rents and at the same time provide landlords with a just and reasonable return on their property." (*Birkenfeld v. Berkeley* (1976) 17 Cal.3d 129, 165.) Although mobilehome parks are not subject to the Costa-Hawkins Rental Housing Act, which restricts the use of rent control in other residential properties, the MRL itself imposes limitations on the application of rent control to mobilehome parks, and some park rentals not owned by a homeowner are also subject to the Tenant Protection Act of 2019.

Under existing law, local rent control ordinances governing space rent increases only apply to mobilehomes that are the principal residence of the owner or mobilehomes that the owner has rented to another party. This bill would eliminate local rent control for mobilehome owners who rent out their mobilehomes to others, as well as for mobilehome owners who own more than one residence (mobilehome or otherwise), regardless of whether that mobilehome is claimed as their principal residence. This bill would also delete the existing presumption that a mobilehome is a person's principal residence if they are claiming the homeowner's tax exemption on that

mobilehome, and instead would provide that park management may claim the mobilehome is not the person's only or principal residence by a review of "state or county records."

Policy Considerations: This bill, like a handful of others before it, open up a policy debate around what individuals "deserve" the benefits of local rent control. The bill's author and sponsor discuss the likelihood or potential that people who own a mobilehome and another residence are using one of the properties as a second home or vacation home; however, the committee may wish to consider that the language in the bill may capture other scenarios not related to vacation homes. By modifying the existing exemption to specify that the mobilehome has to be the homeowner's only residence, rather than just their principal residence, the bill could create a situation where the homeowner's residence could be removed from local rent control if, for example, they inherited a home from a deceased parent or relative, or if they bought a mobilehome or other residential property intending to have a family member live there.

Similarly, should mobilehome owners who are themselves acting as landlords receive the benefits of rent control if their tenants do not? The committee may wish to consider whether removing rent control from these homes will lead to higher rent for their tenants, as it seems likely that any increase in space rent would ultimately end up being passed along to the tenants rather than borne by the owner.

This bill would also remove the existing presumption that a mobilehome is a person's principal residence if they are claiming the homeowner's tax exemption on that mobilehome, and instead would provide that park management may claim the mobilehome is not the person's only or principal residence based on a review of "state or county records." The committee may wish to consider there could be circumstances where a person might need to relocate temporarily, like moving in with a friend or relative for a few months or performing seasonal work in a different region or state.

Arguments in Support: According to the Western Manufactured Housing Communities Association (WMA), the bill's sponsor, "AB 768 encourages a policy that extends rent-control protection to just the people who need it. Rent-controlled mobilehomes should not be used by homeowners with a second home to profit from their rent-control protections – especially in cases where the 2nd or vacation home is used as a short-term or vacation rental on VRBO or Airbnb. AB 768 only affects those homeowners who use these mobilehomes as vacation or second homes, not their sole principal residence. Further, AB 768 maintains all existing laws that permit an owner of a mobilehome to challenge an assertion that the mobilehome is not the individual's primary residence. All AB 768 does is deny rent-control benefits to people who are wealthy enough to own two homes and who are not the ones rent-control was intended to benefit."

Arguments in Opposition: According to Bay Federal Credit Union, "Often, a homeowner will be forced to temporarily change where they reside, from their primary permanent residence to a temporary residence, for example, for the reasons of employment or to care for a sick relative or friend. Under Civil Code section 798.21's current rent control exemption, this would not cause a problem. However, under AB [768], they would lose local rent control on their primary residence, causing them to lose their mobilehome and their investment in it when they cannot afford to pay their new rent. Under AB 768, the only way to avoid this is to sell their primary residence-mobilehome, even when their circumstances will change again and require them to return to it. This will not only be devastating to these mobilehome owners; it makes it impossible

for Bay Federal and other lending institutions to ensure our mobilehome purchase loans are secure because any homeowner may, at some point, be required to temporarily relocate under the above, or similar, circumstances that are not within their control."

Related Legislation:

SB 722 (Moorlach) of 2017 would have altered the evidentiary requirements and procedures that determine whether or not state law exempts a mobilehome from local rent control, for leases entered into on or after January 1, 2019. This bill failed passage in the Senate Judiciary Committee.

AB 317 (Calderon), Chapter 337, Statutes of 2012: Required mobilehome leases to include a notice regarding exemptions from local rent control.

AB 481 (Ma) of 2009 was substantially similar to AB 285, below. This bill died pending a hearing in this committee.

AB 285 (Garcia) of 2007 would have broadened the evidentiary basis on which a mobilehome park could assert that a mobilehome is not the principal residence of the owner and therefore not covered by rent control. AB 285 would also have eliminated provisions keeping a mobilehome under local rent control when the owner leases the mobilehome to someone else. This bill died pending a hearing in this committee.

AB 1173 (Haynes), Chapter 132, Statutes of 2003: Added an exception to the default rule that a mobilehome shall be deemed the homeowner's principal residence by specifying that if a review of public records reasonably demonstrates that the homeowner's principal residence is out of state, the mobilehome is exempt from local rent control.

SB 1181 (Haynes), Chapter 392, Statutes of 1996: Exempted mobilehomes from local rent control if they are not the principal residence of the homeowner and the homeowner has not rented the mobilehome to another party.

Double-referred: This bill was also referred to the Assembly Committee on Judiciary where it will be heard should it pass out of this committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Western Manufactured Housing Communities Association (Sponsor)

Opposition

Bay Federal Credit Union
City of Watsonville

Analysis Prepared by: Nicole Restmeyer / H. & C.D. / (916) 319-2085

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 790 (Ávila Farías) – As Amended April 23, 2025

SUBJECT: Homelessness: single women with children

SUMMARY: Requires cities, counties, and continuums of care (CoCs) that receive state funding to address homelessness on or after January 1, 2024, to include single women with children within the vulnerable populations for whom specific system supports are developed to maintain homelessness services and housing delivery.

EXISTING LAW:

1) Requires cities, counties, and CoCs that receive state funding to address homelessness on or after January 1, 2024, to include families, people fleeing or attempting to flee domestic violence, and unaccompanied women within the vulnerable populations for whom specific system supports are developed to maintain homeless services and housing delivery. (Welfare and Institutions Code (WIC) Section 8264)

2) Requires cities, counties, and CoCs receiving state funding to address homelessness on or after January 1, 2024, to develop analyses and goals with victim service providers to address the specific needs of the population described in 1) above with data measures not included within the Homeless Management Information System, in accordance with federal policies and all of the following guidelines:

    a) Any local landscape analysis that assesses the current number of people experiencing homelessness and existing programs that address homelessness within the jurisdiction shall incorporate aggregate data from victim service providers, along with any other data sources;

    b) The analyses and goals shall ensure the responses to family homelessness include victim service providers, as these organizations consistently provide shelter and housing responses to survivors and their children;

    c) The analyses and goals shall address the nexus of homelessness and justice-involvement, particularly for women and survivors of domestic violence; and

    d) The analyses and goals shall disaggregate the number of beds provided by victim service providers in the city, county, or region served by a continuum of care. (WIC 8264)

3) Establishes the California Interagency Council on Homelessness (CA-ICH) with the purpose of coordinating the state's response to homelessness by utilizing Housing First practices. (WIC 8255)

4) Requires agencies and departments administering state programs created on or after July 1, 2017 to incorporate the core components of Housing First. (WIC 8255)

5) Defines "Housing First" to mean the evidence-based model that uses housing as a tool, rather than a reward, for recovery and that centers on providing or connecting homeless people to permanent housing as quickly as possible. Housing First providers offer services as needed and requested on a voluntary basis and that do not make housing contingent on participation in services. (WIC 8255)

6) Defines, among other things, the "core components of Housing First" to mean:

   a) Acceptance of referrals directly from shelters, street outreach, drop-in centers, and other parts of crisis response systems frequented by vulnerable people experiencing homelessness;

   b) Supportive services that emphasize engagement and problem-solving over therapeutic goals and service plans that are highly tenant-driven without predetermined goals;

   c) Participation in services or program compliance is not a condition of permanent housing tenancy;

   d) Tenants have a lease and all the rights and responsibilities of tenancy, as outlined in California's Civil, Health and Safety, and Government codes; and

   e) The use of alcohol or drugs in and of itself, without other lease violations, is not a reason for eviction. (WIC 8255)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "The two fastest-growing demographics for homelessness are senior citizens and families led by single mothers. California's single mothers face disproportionate housing cost burdens, and over 16,300 children are experiencing homelessness, often due to gaps in service delivery and prioritization. Addressing these issues will not only help vulnerable families but also reduce long-term state costs associated with emergency services, welfare, and intergenerational poverty. While many programs exist, none specifically prioritize single women with children—a group disproportionately at risk of homelessness or fleeing domestic violence. AB 790 builds upon previous legislative efforts by clarifying that state funds distributed to address homelessness for families includes single women with children."

CA-ICH*:* CA-ICH was created to oversee the state's response to homelessness and implementation of "Housing First" policies, guidelines, and regulations to reduce the prevalence and duration of homelessness in California. Housing First is an evidence-based model that focuses on the idea that homeless individuals should be provided shelter and stability before underlying issues can be successfully addressed. Housing First utilizes a tenant screening process that promotes accepting applicants regardless of their sobriety, use of substances or participation in services. CA-ICH also manages the state's Homelessness Information Data System (HDIS) which captures local data collected by CoCs through Homelessness Management Information Systems (HMIS) to help coordinate the state's response to homelessness. All 44

CoCs in the state have entered into contracts to provide their HMIS data to CA-ICH. HDIS is intended to give the state a more accurate picture of the local homelessness response system and inform the state's response to homelessness. AB 977 (Gabriel), Chapter 397, Statutes of 2021 required grantees of state homelessness programs to enter data to the local HMIS system to help coordinate the state's response to homelessness. The ultimate goal of HDIS is to match data on homelessness to programs impacting homeless recipients of state programs, such as the Medi-Cal program and CalWORKs. CA-ICH is required to set goals to prevent and end homelessness among youth, including integrating and coordinating efforts to prevent homelessness among youth in the child welfare system and juvenile justice system.

CA-ICH also developed a 5-year Action Plan For Preventing and Ending Homelessness in 2020 and just updated the plan for 2025-2027. Currently, according to HDIS data, for every five individuals who access homelessness services in California, only one is able to access permanent housing that year, leaving a gap of four people who continue to experience homelessness. Over the course of this Plan, calendar years 2025 through 2027, CA-ICH aims to reduce that gap in half, so that for every five people served, three people are placed in housing during the year. The Action Plan sets out goals intended to measure progress toward our north star of providing housing and services to everyone experiencing homelessness. The goals include:

- Increase the annual percentage of people who move into emergency shelter, transitional housing, or permanent housing after experiencing unsheltered homelessness, from 42% to at least 70%.

- Increase the annual percentage of people existing homelessness into permanent housing from 18% to at least 60%.

- Ensure that at least 95% of people who move into permanent housing do not experience homelessness within six months.

- Increase access to publicly-funded health and social safety net services for people at-risk of homelessness in order to address health and economic vulnerabilities.

- Permit more than 1.5 million homes, with no less than 710,000 of those meeting the needs of low- and very low-income households.

State Homelessness Funding: Beginning in 2018, in response to a growing unsheltered homelessness count, the state begin investing significantly in the local homelessness response system. One-time funding for the Homelessness Emergency Assistance Program (HEAP) which evolved into the Homelessness Housing, Assistance, and Prevention Program (HHAP) has provided $3.95 billion to cities with populations over 300,000, counties, and CoCs. HHAP is in its fifth round of funding and what began as a block grant program to local governments now has significant accountability attached to it. Applicants must submit monthly fiscal reports and regular reporting on metrics designed to move people experiencing homelessness into permanent housing. Applicants must develop regional plans that identify how multiple sources of funds can be used to support a best-practices framework to move homeless individuals and families into permanent housing. Local Action Plans required HHAP recipients to set outcome goals that prevent and reduce homelessness over a three-year period, informed by the findings from a local landscape analysis and the jurisdiction's base system performance measure from 2020 calendar

year data in the HDIS. The outcome goals included definite metrics, based on the US Department of Housing and Urban Development's system performance measures, to do the following:

- Reduce the number of persons experiencing homelessness;
- Reduce the number of persons who become homeless for the first time;
- Increase the number of people exiting homelessness into permanent housing;
- Reduce the length of time persons remain homeless;
- Reduce the number of persons who return to homelessness after exiting homelessness to permanent housing; and
- Increase successful placements from street outreach.

HELP Act: SB 914 (Rubio), Chapter 665, Statutes of 2022 required CoCs, cities, and counties that receive state funding to address homelessness to develop a strategy to address homelessness among unaccompanied women. CA-ICH was also required to set goals to reduce homelessness among unaccompanied women. Unaccompanied homeless women are not required to be tracked under current federal law; however, counties like Los Angeles and San Bernardino have recently done so. In 2020, there were over 13,500 unaccompanied women in Los Angeles, amounting to 65% of all unhoused women. Around half of this population reported domestic violence or intimate partner violence.[1] According to the state HDIS, 18% of homeless people reported experiencing domestic violence.[2] This is voluntary information given to providers that use HMIS, which often does not include domestic violence service providers, so it is probably an undercount. In 2019-20, California Office of Emergency Services' Domestic Violence (DV) Assistance Program served almost 19,000 individuals in their shelters, which accounted for over 600,000 nights, but there were still almost 28,000 unmet requests.[3] For domestic violence and intimate partner violence survivors who recently left abusers, the need for housing is one of the most significant concerns.

Confidentiality is of utmost importance to survivors and programs supporting them because survivors often have to worry about their abusers trying to find them. Because of this, the data collected is aggregated. However, this means that client-level data for domestic violence survivors is not incorporated into the federal HMIS. This is the primary system that the state uses to collect information for its HDIS, and HDIS helps CA-ICH plan for future homelessness interventions. Because domestic violence survivor data is not incorporated into the state HMIS, survivors may not be fully considered in the State's homelessness response.

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[1] Los Angeles Homeless Services Authority, "2020 Greater Los Angeles Homeless Count - Unaccompanied Women," (November 2020). https://clkrep.lacity.org/onlinedocs/2020/20-1425_rpt_cla_7-21-21.pdf Appendix to 7/21/21 CLA Report . Accessed April 2022

[2] California Interagency Council on Homelessness. "Homeless Data Integration System (HDIS)". (2021). https://bcsh.ca.gov/calich/hdis.html

[3] California Governor's Office of Emergency Services. "Joint Legislative Budget Committee Report". (April 2021). https://www.caloes.ca.gov/GrantsManagementSite/Documents/2021%20JLBC%20Report.pdf.

This bill adds single women with children to the vulnerable populations for whom specific system supports are developed to maintain homeless services and housing delivery. This will ensure that women with children are counted in HDIS and better inform the state's homelessness response system.

***Related Legislation*:**

SB 914 (Rubio) Chapter 665, Statutes of 2022: Required cities, counties, and CoCs that receive state funding on or after January 1, 2023 to take specific actions to address the needs of unaccompanied homeless women, and in particular domestic violence survivors, as specified.

Double-referred: This bill was also referred to the Assembly Committee on Human Services where it will be heard should it pass out of this committee.

REGISTERED SUPPORT / OPPOSITION:

Support

New Economics for Women (Sponsor)
California Catholic Conference
California Human Development
Center for Employment Training
Central Valley Opportunity Center
Climate Care Plumbing
Coalition for Responsible Community Development
Del Sol Group
Denco Family
First Day Foundation
Goodwill Southern California
Haven Neighborhood Services
La Comadre Network
Lalis Pizza
Macheen
MC Foods
Mission Economic Development Agency
San Diego for Every Child
Shaday Fashion
The YMCA of Metropolitan Los Angeles
Time for Change Foundation

Opposition

None on file.

Analysis Prepared by: Lisa Engel / H. & C.D. / (916) 319-2085

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 806 (Connolly) – As Introduced February 18, 2025

SUBJECT: Mobilehomes: cooling systems

SUMMARY: Prohibits management or ownership of mobilehome parks from restricting a homeowner's ability to install a cooling system in their mobilehome, and requires mobilehome parks to provide cooling for a common area when the external temperature exceeds specified heat illness standards. Specifically, **this bill**:

1) Declares any covenant, restriction, or condition contained in any rental agreement or other instrument affecting the tenancy of a homeowner or resident in a mobilehome park, or a subdivision, cooperative, or condominium or resident-owned mobilehome park, that effectively prohibits or restricts the installation or use of a cooling system in a mobilehome as void and unenforceable.

2) Prohibits ownership or management from prohibiting or restricting a homeowner or resident from installing a cooling system in their mobilehome. Prohibits management from doing any of the following:

    a) Charging any fee to a homeowner or resident in connection with the installation or use of a cooling system;

    b) Requiring a homeowner or resident to use a specific cooling system, type of cooling system, or cooling system contractor or product; or

    c) Claiming or receiving any rebate, credit, or commission in connection with a homeowner's or resident's installation or use of a cooling system.

3) Defines "cooling system" for purposes of the bill to include, but not be limited to, a portable air conditioning unit, a window air conditioning unit, a swamp cooler or any evaporative cooler, a cooling fan system, a heat pump, or any other technology that reasonably creates an internal temperature cooling benefit.

4) Requires a cooling system to meet applicable health and safety standards and requirements imposed by state and local permitting authorities.

5) Requires mobilehome parks and resident-owned parks that have a designated indoor common area or other common space to provide cooling for that common area when the external temperature exceeds the guidelines recommended by indoor heat illness prevention standards set forth by the Department of Industrial Relations (DIR).

6) Prohibits the tenancy of a homeowner or resident from being terminated for the installation or use of a cooling system as permitted under this bill.

7) Makes any entity that willfully violates this bill's provisions that apply to subdivisions, cooperatives, or condominiums for mobilehomes or resident-owned mobilehome parks liable to a homeowner, resident, or other party for actual damages occasioned thereby, and requires

the entity to pay a civil penalty to the homeowner, resident, or other party in an amount not to exceed $2,000.

8) Provides that in any action to enforce compliance with the provisions referenced in 7) above, the prevailing party shall be awarded reasonable attorney's fees.

EXISTING LAW:

1) Regulates, pursuant to the Mobilehome Residency Law (MRL), the rights, responsibilities, obligations, and relationships between mobilehome park management and park residents. (Civil Code (CIV) Section 798, et seq.)

2) Requires that the rental agreement between a mobilehome owner and the mobilehome park be in writing and contain specified provisions, including the rules and the regulations of the park. (CIV 798.15)

3) Requires mobilehome owners, residents, and guests to comply with the rental agreement, and any reasonable rule or regulation of the park that is part of the agreement. (CIV 798.56)

4) Specifies that a mobilehome park may only evict a resident for: failing to comply with a local or state law or regulation on mobilehomes within a reasonable time after the homeowner receives notice of noncompliance; conduct of the resident that amounts to a substantial annoyance of other homeowners or residents; conviction for certain crimes; failure to comply with a reasonable rule of the park; or for nonpayment of rent, utilities, or other reasonable incidental services charged by the park. (CIV 798.56)

5) Regulates, pursuant to Article 9 of the MRL, the rights of a resident who has an ownership interest in a subdivision, cooperative, or condominium for mobilehomes, or a resident-owned mobilehome park in which their mobilehome is located or installed. Further regulates the relationship between the resident and the ownership or management of the subdivision, cooperative, or condominium for mobilehomes, or of a resident-owned mobilehome park. (CIV 799 and 799.1)

6) Establishes the Mobilehome Parks Act (MPA) to prescribe standards and requirements for construction, maintenance, occupancy, use, and design of mobilehomes and mobilehome parks to guarantee park residents maximum protection of their investment and a decent living environment. Provides the Department of Housing and Community Development (HCD) with authority over enforcement of the MPA, and requires HCD to inspect five percent of state mobilehome parks for violations annually. (Health and Safety Code Section 18400 *et seq.*)

FISCAL EFFECT: Unknown. This bill is keyed non-fiscal by the Legislative Counsel.

COMMENTS:

Author's Statement: According to the author, "AB 806 would allow mobilehome park residents to install cooling devices in their homes, and require cooling centers to be established within mobilehome parks. This legislation will assist vulnerable residents, including seniors, and ensure that mobilehome park residents are afforded an avenue to stay health and safe during heat events.

Mobilehome parks are a key source of housing in our communities, and residents deserve a safe avenue to buy, sell, and live comfortably."

Background: More than one million people live in California's approximately 4,500 mobilehome parks. Mobilehomes are not truly mobile, in that it is often cost prohibitive to relocate them. The cost to move a mobilehome ranges from thousands to tens of thousands of dollars depending on the size of the home and the distance traveled. A mobilehome owner whose home is located in a mobilehome park does not own the land the unit sits on, and must pay rent and fees for the land and any community spaces.

The MRL extensively regulates the relationship between landlords and homeowners who occupy a mobilehome park. A limited number of provisions also apply to residents who rent, as opposed to own, their mobilehome. The MRL has two parts: Articles 1 through 8 apply to most mobilehome parks and Article 9 applies to resident-owned parks or parks which are established as a subdivision, cooperative or condominium. The provisions cover many issues, including, but not limited to: 1) the rental and lease contract terms and specific conditions of receipt and delivery of written leases, park rules and regulations, and other mandatory notices; 2) mandatory notice and amendment procedures for mobilehome park rules and regulations; 3) mandatory notice of fees and charges, and increases or changes in them; and 4) specified conditions governing mobilehome park evictions. A dispute that arises pursuant to the application of the MRL generally must be resolved in a civil court of competent jurisdiction.

HCD oversees several areas of mobilehome law, including health and safety standards, registration and titling of mobilehomes and parks, and, through the Mobilehome Ombudsman, assists the public with questions or problems associated with various aspects of mobilehome law. The Mobilehome Ombudsman provides assistance by taking complaints and helping to resolve and coordinate the resolution of those complaints. However, the Ombudsman does not have enforcement authority for the MRL, and cannot arbitrate, mediate, negotiate, or provide legal advice on mobilehome park rent disputes, lease or rental agreements, but may provide general information on these issues. In 2018, the Mobilehome Residency Law Protection Program (MRLPP) was created to help mobilehome park residents better resolve issues and violations of the MRL. The program requires HCD to receive complaints from mobilehome park residents regarding violations of the MRL and refer complaints to a Legal Service Provider or appropriate enforcement agency.

HCD also inspects parks and mobilehomes for health and safety issues. HCD annually inspects 5% of parks for compliance with health and safety requirements under the MPA and Title 25. The program is funded through a $4 fee, of which the property owner may charge half ($2) to the homeowners. HCD also responds to health and safety complaints under the MPA.

Generally a mobilehome owner may not make improvements or alterations to their space or home without following the rules and regulations of the park, and all applicable local ordinances and state laws and regulations relating to the improvement or construction, including any that require obtaining a permit. If the park rules require it, a mobilehome owner may have to obtain prior written approval from the park management for any alterations or improvements.

Extreme Heat and Residential Indoor Temperature Challenges: While current housing law generally provides for the right to heat during times of extreme cold, it does not guarantee cooling during heat events. Heat exposure can cause a variety of health impacts including heat cramps, heat exhaustion, heat stroke, exacerbation of respiratory illnesses, and can even lead to

death. In fact, heat causes more reported deaths per year on average in the US than any other weather hazard.[1] A heat wave in 2006 led to 140 deaths as well as 16,000 more emergency room visits and 1,100 more hospitalizations as compared to similar time periods without a heat wave. The California Department of Public Health in 2023 reported 395 excess deaths in California during a 10-day heat wave in September 2022. Due to climate change, this extreme weather will become more common – the California Fourth Climate Change Assessment estimates that by 2050, urban heat-related deaths could double or triple due to rising temperatures. In addition, lower income communities are hotter than wealthier communities, and California metro areas have a larger temperature disparity between their poorest and wealthiest areas than any other state in the southwest.[2,3]

Recent Efforts to Create a Cooling Standard: In 2022, AB 2597 (Bloom) would have required HCD to develop, propose, and submit mandatory building standards for adequate residential cooling for both new and existing units. AB 2597 was parked by the author in the Senate Housing Committee, due to concerns about placing onerous requirements on housing providers, circumventing the state regulatory process for building code adoption, and placing significant challenges on the electric grid due to more air conditioners running during peak energy demand times and during hot weather in general.

Stemming from that conversation, legislation enacted as part of the budget agreement that year (AB 209, Committee on Budget) included a provision requiring HCD to provide recommendations to the Legislature by January 1, 2025 to help ensure that residential dwelling units can maintain a safe indoor temperature. As required by AB 209, HCD recently released its report, "Policy Recommendations: Recommended Maximum Safe Indoor Temperature." The report recommends that the state consider a general maximum safe indoor air temperature of 82 degrees Fahrenheit for residential dwelling units, to be implemented by methods including building standards for newly constructed residential dwelling units, and/or incentive programs for retrofitting existing residential dwelling units, manufactured homes, and mobilehomes.

This Bill: With the incidence of extreme heat events on the rise in California, the author and sponsors argue it is more important than ever to take steps to ensure our most vulnerable populations are better protected during the next extreme heat event. To make matters worse, the summer of 2024 was the hottest summer on record in North America in the past two thousand years. Increased heat events pose specific and significant threats to mobilehome park communities, because many elderly and lower-income Californians reside in mobilehome parks and are particularly vulnerable to health complications during extreme heat events.

Mobilehome park leases, like apartment leases, often contain limitations on the ability of residents to install cooling systems within their homes, sometimes even restricting less energy-intensive and cheaper options like evaporative "swamp" coolers or portable window AC units. This bill would declare any such restrictions in mobilehome park rental agreements or resident-owned park rules as void and unenforceable and would prohibit management or ownership in such parks from restricting the ability of a homeowner or resident to install a cooling system in their mobilehome. AB 806 also prohibits management from terminating the tenancy of a resident

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[1] https://oehha.ca.gov/media/epic/downloads/19humanhealth_14jan2019.pdf
[2] https://www.latimes.com/california/story/2021-10-28/extreme-heat-built-environment-equity
[3] Dialesandro, John; et al. *Dimension of thermal Inequity: Neighborhood Social Demographics and Urban Heat in the Southwestern U.S.* (Int. J. Environ. Res. Public Health, 2021). https://www.mdpi.com/1660-4601/18/3/941

for installing or using a cooling system that conforms to the requirements in the bill. This bill is modeled after legislation from 2024, SB 1190 (Laird), Chapter 162, that recently prohibited management or ownership in parks from restricting homeowners' ability to install solar panels on their homes. It is also similar to a recently passed law in Arizona, HB 2146, which prohibits park management from restricting a mobilehome resident from installing "reasonably necessary cooling methods to reduce energy costs and prevent heat-related illness and death, including temporary window-mounted ventilation or air conditioning, wall-mounted mini-split air conditioners, commercial window coverings, shutters, window film, shade awnings, skirting, or other commercial cooling methods."[4] Oregon also recently enacted SB 1536 which allows tenants to install and use portable cooling devices with some restrictions, as have a number of other local jurisdictions.[5]

This bill's definition of a "cooling system" includes a number of options, but specifies that any system must meet applicable health and safety standards and any state or local permitting requirements, in order to ensure residents do not install unpermitted or otherwise unsafe systems. This bill also prohibits management or ownership from charging a fee to a homeowner who is installing or using a cooling system, and from intercepting any rebate or credit for a system like an energy-efficient heat pump, which may be eligible for rebates from governmental or utility climate resilience programs.

Given not all park residents will have the financial means or desire to install a cooling system, the bill further requires mobilehome parks that have a designated indoor common area (like a clubhouse or recreation room) to provide cooling for that common area when the temperature exceeds the guidelines recommended by the DIR's indoor heat illness prevention standards, which are triggered when the temperature reaches 82 degrees indoors (similar to HCD's AB 209 study recommendation) and require an indoor area to be maintained at less than 82 degrees unless there is only incidental heat exposure, as provided in the regulations.[6]

Arguments in Support: According to Legal Aid of Sonoma County, the bill's sponsor, "Even with the knowledge that extreme heat events continue to increase throughout our state and with a clear understanding of the impact on our vulnerable community members, we continue to see mobilehome park residents reside in parks that explicitly prohibit the installation of cooling systems within the residents own home and do not provide alternative locations for residents to access cooler temperatures. AB 806 will take the necessary steps to help protect the health and safety of our mobilehome park residents by providing a commonsense solution to the extreme heat crisis. This bill will ensure that residents have access to reasonable temperatures within their homes and their parks when possible."

Arguments in Opposition: According to the Western Manufactured Housing Communities Association (WMA), "To summarize, WMA opposes AB 806 because the measure fails to consider the capacity of a park's electrical system to handle an increased electric load if everyone has and operates their home air conditioning systems on older master metered systems. AB 806 applies a DIR employee workplace standard to a non-workplace environment and imposes upon park management a requirement to purchase, install and operate air conditioning in a common area when it is unclear as to how this expense will be paid for, especially in rent-

[4] https://www.azleg.gov/legtext/56leg/2r/bills/hb2146p.htm
[5] https://olis.oregonlegislature.gov/liz/2022R1/Downloads/MeasureDocument/SB1536/A-Engrossed
[6] https://www.dir.ca.gov/OSHSB/documents/Indoor-Heat-4th-15-day.pdf

controlled jurisdictions. AB 806 will put further pressure on an electric grid because it will mandate increased usage during peak hours and require usage even when the facility is empty."

Committee Amendments: Staff recommends the bill be amended as follows:

1) The committee may wish to clarify that the bill also applies to replacing or upgrading a cooling system as well as the installation or use of a system, to cover instances where an existing system needs replacement or an increase in service or coverage.

2) Not all mobilehome parks have sufficient electrical capacity to safely permit residents to install cooling systems in their homes. This is of particular relevance to older and master-meter parks, where electrical service is limited. In addition, some parks might have a limited amount of power capacity that can safely accommodate some number of residents installing cooling systems, but not the entire park, or not for certain types of more intensive systems. The committee may wish to consider allowing management to limit the ability of a resident to install a cooling system if they demonstrate installation or use would violate building standards or require amperage to power the system that cannot be accommodated by the power service to the park.

3) The DIR heat illness guidance contains an indoor trigger temperature of 82 degrees. However, many areas of California regularly experience weather in the 70s and 80s which could lead to parks having to run cooling almost year-round, and even more so because many parks have asphalt pavement which causes temperatures in surrounding areas to increase significantly faster and by more degrees than areas without asphalt. The committee may wish to consider limiting the requirement for a park to provide cooling in an indoor common area to instances in which the National Weather Service has declared an Extreme Heat Warning in the area the park is located, meaning dangerous heat is happening or about to happen relative to the typical weather conditions in an area. The committee may also wish to consider clarifying which common area should be cooled when a park has multiple indoor common areas.

Section 1. CIV 798.44.2. (a) Any covenant, restriction, or condition contained in any rental agreement or other instrument affecting the tenancy of a homeowner or resident in a mobilehome park that effectively prohibits or restricts the installation***, upgrade,*** or use of a cooling system in a mobilehome is void and unenforceable.

(b) Management shall not prohibit or restrict a homeowner or resident from installing ***or upgrading*** a cooling system in their mobilehome***, unless the management demonstrates the installation or use of the system would violate state or local government building standards or require amperage to power the system that cannot be accommodated by the power service to the park***. Management shall not do any of the following:

(1) Charge any fee to a homeowner or resident in connection with the installation or use of a cooling system.

(2) Require a homeowner or resident to use a specific cooling system, type of cooling system, or cooling system contractor or product.

(3) Claim or receive any rebate, credit, or commission in connection with a homeowner's or resident's installation or use of a cooling system.

(4) Require residents to remove cooling systems or prevent replacements or upgrades to existing cooling systems.

(c) For purposes of this section, "cooling system" may include but is not limited to a portable air conditioning unit, a window air conditioning unit, a swamp cooler or any evaporative cooler, a cooling fan system, a heat pump, or any other technology that reasonably creates an internal temperature cooling benefit. A cooling system shall meet applicable health and safety standards and requirements imposed by state and local permitting authorities.

(d) For mobilehome parks that have a designated indoor common area or other ***indoor*** common space, ***and upon the declaration of an Extreme Heat Warning by the National Weather Service for the area in which the mobilehome park is located,*** the mobilehome park shall provide cooling ~~for that~~ ***to at least one indoor*** common area ~~when the external temperature exceeds the guidelines recommended by~~ ***or space for the duration of the Extreme Heat Warning. The indoor common space shall be cooled according to the*** indoor heat illness prevention standards set forth by the Department of Industrial Relations.

(1) If there is more than one indoor common area, the mobilehome park shall provide cooling in either:

(i) An indoor common area large enough to accommodate at least 50% of the resident population of the park based on the maximum occupancy load of the common area, or

(ii) The largest indoor, ADA-accessible common area then-available.

(e) The tenancy of a homeowner or resident shall not be terminated for the installation or use of a cooling system as permitted under this section.

Section 2. CIV 799.13. (a) Any covenant, restriction, or condition contained in any rental agreement or other instrument affecting the tenancy of a homeowner or resident in a subdivision, cooperative, or condominium for mobilehomes, or resident-owned mobilehome park that effectively prohibits or restricts the installation, ***upgrade,*** or use of a cooling system in a mobilehome is void and unenforceable.

(b) Ownership or management shall not prohibit or restrict a homeowner or resident from installing ***or upgrading*** a cooling system in their mobilehome***, unless the management demonstrates the installation or use of the system would violate state or local government building standards or require amperage to power the system that cannot be accommodated by the power service to the park***. Management shall not do any of the following:

(1) Charge any fee to a homeowner or resident in connection with the installation or use of a cooling system.

(2) Require a homeowner or resident to use a specific cooling system, type of cooling system, or cooling system contractor or product.

(3) Claim or receive any rebate, credit, or commission in connection with a homeowner's or resident's installation or use of a cooling system.

(4) Require residents to remove cooling systems or prevent replacements or upgrades to existing cooling systems.

(c) For purposes of this section, "cooling system" can include but is not limited to a portable air conditioning unit, a window air conditioning unit, a swamp cooler or any evaporative cooler, a cooling fan system, a heat pump, or any other technology that reasonably creates an internal temperature cooling benefit. A cooling system shall meet applicable health and safety standards and requirements imposed by state and local permitting authorities.

(d) For any subdivision, cooperative, or condominium for mobilehomes, or resident-owned mobilehome parks that have a designated indoor common area or other ***indoor*** common space, ***and upon the declaration of an Extreme Heat Warning by the National Weather Service for the area in which the mobilehome park is located,*** the subdivision, cooperative, or condominium for mobilehomes, or resident-owned mobilehome park shall provide cooling ~~for that~~ ***to at least one indoor*** common area ~~when the external temperature exceeds the guidelines recommended by~~ ***or space for the duration of the Extreme Heat Warning. The indoor common space shall be cooled according to the*** indoor heat illness prevention standards set forth by the Department of Industrial Relations.

(1) If there is more than one indoor common area, the mobilehome park shall provide cooling in either:

(i) An indoor common area large enough to accommodate at least 50% of the resident population of the park based on the maximum occupancy load of the common area, or

(ii) The largest indoor, ADA-accessible common area then-available.

(e) The tenancy of a homeowner or resident shall not be terminated for the installation or use of a cooling system as permitted under this section.

(f) Any entity that willfully violates this section shall be liable to the homeowner, resident, or other party for actual damages occasioned thereby, and shall pay a civil penalty to the homeowner, resident, or other party in an amount not to exceed two thousand dollars ($2,000).

(g) In any action to enforce compliance with this section, the prevailing party shall be awarded reasonable attorney's fees.

Related Legislation:

SB 655 (Stern) of the current legislative session would require HCD to develop, research, and propose for adoption building standards to achieve a maximum safe indoor air temperature of 82 degrees Fahrenheit for newly constructed residential dwelling units. This bill is currently pending a hearing in the Senate Housing Committee.

SB 1190 (Laird), Chapter 162, Statutes of 2024: Prohibits a mobilehome park from prohibiting or restricting the installation and use of solar energy systems on mobilehomes or their lots, with an exception for reasonable restrictions, as specified.

AB 209 (Committee on Budget), Chapter 251, Statutes of 2022: Required HCD to submit policy recommendations to the Legislature by January 1, 2025 to help ensure that residential dwelling units can maintain safe indoor temperature, as specified.

AB 2597 (Bloom) of 2022 would have required HCD to develop, propose, and submit to the CBSC mandatory standards for adequate residential cooling for both new and existing residential dwelling units. This bill died pending a hearing in the Senate Housing Committee.

***Double-referred**:* This bill was also referred to the Assembly Committee on Judiciary where it will be heard should it pass out of this committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Legal Aid of Sonoma County (Sponsor)
Building Decarbonization Coalition
California Rural Legal Assistance Foundation
Golden State Manufactured-home Owners League
Leadership Counsel Action
Movement Legal
Natural Resources Defense Council
Regional Asthma Management & Prevention
Sierra Club
Western Center on Law & Poverty
Individuals -45

Opposition

California Mobilehome Parkowners Alliance
Western Manufactured Housing Communities Association

Analysis Prepared by: Nicole Restmeyer / H. & C.D. / (916) 319-2085

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 818 (Ávila Farías) – As Amended April 24, 2025

SUBJECT: Permit Streamlining Act: local emergencies

SUMMARY: Requires a local agency to approve a permit for specified structures intended to be used by a person until the rebuilding or repairing of a property destroyed or damaged by a natural disaster is complete. Specifically, **this bill**:

1) Defines for purposes of the bill:

   a) "Affected property" means a residential real property that satisfies any of the following conditions:

      i) The property was destroyed by a natural disaster that resulted in a declared local emergency;

      ii) The property was declared a substandard building as a result of a natural disaster that resulted in a declared local emergency; or,

      iii) The property is effectively a substandard building as a result of a natural disaster that resulted in a declared local emergency.

   b) "Local emergency" means a condition of extreme peril to persons or property proclaimed as such by the governing body of the local agency affected, as specified; and

   c) "Disaster" means a fire, flood, storm, tidal wave, earthquake, terrorism, epidemic, or other similar public calamity that the Governor determines presents a threat to public safety.

2) Prohibits requirements for solar panel installations and associated energy storage systems, as specified, from being applied to a project for which an application for a permit necessary to rebuild or repair an affected property is submitted to, and approved by, a local agency.

3) Requires a utility provider to provide written notice of the next steps in the approval process for a connection request for the project within 30 days of receipt of the connection request, unless connection is infeasible due to the disaster.

4) Requires, after a parcel has been deemed safe for development by the state, a local agency, or the state and local agency after a disaster that resulted in a declared local emergency, a local agency to approve within 14 days an application for:

   a) A state-approved or federally approved modular home;

   b) A state-approved or federally approved prefabricated home;

   c) A detached structure that meets the applicable requirements to be an accessory dwelling unit (ADU) for the affected property; and

d) Any similar structure intended to be used by a person until the rebuilding or repairing of a property destroyed or damaged by a natural disaster is complete.

5) Requires a local agency to make the following information available to the public, including posting its internet website, by March 31, 2028 and updated every four years thereafter:

   a) A checklist that would result in a residential property being deemed a substandard building;

   b) A notice that a person may obtain a confidential third party code inspection to determine the existing condition or potential scope of building improvements before submitting an application for a permit to rebuild or repair an affected property; and

   c) A dashboard that track permitting timelines and agency performance.

6) Applies the bill to all cities, including charter cities.

EXISTING LAW:

1) Allows cities and counties to "make and enforce within its limits, all local, police, sanitary and other ordinances and regulations not in conflict with general laws." It is from this fundamental power (commonly called the police power) that cities and counties derive their authority to regulate behavior to preserve the health, safety, and welfare of the public, including land use authority. (California Constitution, Article XI, § 7)

2) Establishes the California Building Standards Commission (CBSC) within the Department of General Services, which requires CBSC to approve and adopt building standards and codify those standards in the California Building Standards Code. [Health and Safety Code (HSC) 18930]

3) Establishes the Permit Streamlining Act (PSA), which, among other things, establishes time limits within which state and local government agencies must either approve or disapprove permits to entitle a development. [Government Code (GOV) 65920 - 65964.5]

4) Establishes standards and requirements for local agencies to review non-discretionary post-entitlement phase permits, including time limits within which local agencies must either approve or disapprove these permits. (GOV 65913.3)

5) Requires a city or county to make a fee estimate tool that the public can use to calculate an estimate of fees and exactions for a proposed housing development project available on its internet website. (GOV 65940.2)

6) Requires public agencies to determine whether an application is complete within 30 days. If an application is deemed to be incomplete, the local agency is required to provide the applicant with an exhaustive list of items that were not complete. (GOV 65943)

7) Requires a local agency to contract with or employ a private entity or persons on a temporary basis to perform plan-checking functions upon the request of an applicant for specified structures where there is an "excessive delay" in checking the plans and specifications that are submitted as a part of the application. (HSC 17960.1 & 19837)

8) Generally defines, for a residential building permit, "excessive delay" to mean the building department or building division of a local agency has taken more than 30 days after submitting a complete application to complete the structural building safety plan check of the applicant's set of plans and specifications that are suitable for checking. "Residential building" means a one-to-four family detached structure not exceeding three stories in height. (HSC 17960.1)

9) Requires the Air Resources Board (ARB), pursuant to California Global Warming Solutions Act of 2006 [AB 32 (Núñez), Chapter 488, Statutes of 2006], to adopt a statewide greenhouse gas (GHG) emissions limit equivalent to 1990 levels by 2020 and adopt regulations to achieve maximum technologically feasible and cost-effective GHG emission reductions. AB 32 authorizes ARB to permit the use of market-based compliance mechanisms to comply with GHG reduction regulations once specified conditions are met. Requires ARB to approve a statewide GHG emissions limit equivalent to 85% below the 1990 level by 2045. (Health and Safety Code 38500-38599.11**)**

10) Requires the California Energy Commission (CEC) to establish energy efficiency standards for new residential and new nonresidential buildings. (Public Resources Code (PRC) 25402 *et seq*.)

11) Pursuant to the California Residential Building Code, specifies that any work, addition to, remodel, repair, renovation, or alteration of any building or structure may be defined as "new construction" when 50% or more of the exterior weight bearing walls are removed or demolished. (Part 2.5 of Title 24 of the California Code of Regulations)

12) Requires CEC to establish regulations to develop and implement a comprehensive program to achieve greater energy savings in California's existing residential and nonresidential building stock. The program is targeted at buildings that "fall significantly below" the current Title 24 energy efficiency standards. Requires the program to minimize the overall costs of establishing and implementing the energy efficiency program requirements. For residential buildings, specifies that the regulations ensure that the energy efficiency assessments, ratings, or improvements do not unreasonably or unnecessarily affect the home purchasing process or the ability of individuals to rent housing. (PRC 25943)

13) Requires CEC to establish annual targets for statewide energy efficiency savings and demand reduction that will achieve a cumulative doubling of statewide energy efficiency savings in electricity and natural gas final end uses by January 1, 2030. (PRC 25310)

14) Exempted, until January 1, 2023, residential construction intended to "repair, restore, or replace" a residential building that was damaged or destroyed as a result of a disaster in an area in which the Governor has declared a state of emergency before 2020 from the state's requirement for PV systems, if:

    a) The income of the owner of the residential building is at or below the median income for the county in which the building is located;

    b) The construction does not exceed the square footage of the property at the time it was damaged;

c) The new construction is located at the site of the home that was damaged; or,

15) The owner of the residential building did not have code upgrade insurance at the time the property was damaged. (PRC 25402.13)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "even when the last of the flames have been extinguished, for families who tragically lost their homes, the road to recovery and rebuilding may seem endless. As current law does not outline specific or streamlined permit processes for residential properties affected by natural disasters, communities rebuilding their pre-existing properties can face extensive regulatory, administrative and financial challenges.

AB 818 takes lessons learned from past response efforts and provides 'off the shelf' guidance to policy makers and homeowners to restore their communities. It outlines specific procedures for municipal staff to implement, with the help of the California Department of Housing & Community Development, to expedite permits and inspections, use fire-resistant and energy-efficient materials, and flexibility to rebuild previously unpermitted structures.

While we cannot give back what the homeowner has lost, we can help them rebuild a home that's even better and do it more expediently."

Palisades and Eaton Fires: On January 7, 2025, two devastating wildfires, the Palisades Fire and Eaton Fire, both ignited in Los Angeles County. The Palisades Fire began in the Santa Monica Mountains, rapidly spreading across over 23,000 acres and destroying over 6,800 structures, primarily in the Pacific Palisades community of the City of Los Angeles.[1] The Eaton Fire ignited in Eaton Canyon near Altadena, burning more than 14,000 acres, destroying over 9,400 structures.[2] Both fires were fully contained by January 31, 2025. Of the more than 16,000 homes and other structures destroyed, the vast majority were located in what is referred to as the wildland-urban interface, or WUI.[3] The WUI is where human development meets or mixes with the undeveloped natural environment or wildlands.[4]

Executive Orders: In response to the Palisades and Eaton fires, Governor Newsom issued four executive orders in January and February 2025 intended to help the Los Angeles region rebuild permanent housing quickly. Many of the actions in the executive orders are directly related to expediting the housing approvals process, and removing permitting barriers at the state and local levels. These include:

- Suspending the California Environmental Quality Act (CEQA) review and California Coastal Act permitting requirements for the reconstruction of damaged or destroyed properties for the following:

[1] https://www.latimes.com/california/live/la-fire-updates-floods-mud-rain-closures-laguna-eaton-palisades
[2] IBID.
[3] https://calmatters.org/environment/wildfires/2025/01/la-county-fires-wildland-urban-interface/
[4] IBID.

  - Primary structures that are in substantially the same location as, and do not exceed 110% of the footprint and height of, the original primary structures that existed immediately before the emergency;

  - Accessory structures that are in substantially the same location as, and do not exceed 100% of the footprint and height of, the original accessory structures that previously existed;

  - New accessory dwelling units (ADUs) on a residential property on which a primary residence was substantially destroyed, but only to the extent that such ADUs are built at least 10 feet from a canyon bluff or 25 feet from a coastal bluff; and,

  - Supportive infrastructure that is necessary to construct and install all of the above structures.

- Suspending the provisions of the California Coastal Act requiring coastal development permits for the establishment, repair, or operation of a mobilehome park or special occupancy park, as well as the replacement, installation, or repair of one or more mobilehomes, manufactured homes, or recreational vehicles on privately-owned land.

- Extending from one year to three years the time that a person has to start work on a building permit issued for a project to repair, restore, demolish, or replace a structure or facility in LA County that was substantially damaged or destroyed in the disasters.

- Extending all coastal development permits issued under the California Coastal Act for an additional 3 years for projects involving properties or facilities that were damaged or destroyed.

- Requiring HCD, the Office of Land Use and Climate Innovation, OES, and the Department of General Services (DGS) to provide the Governor with a report identifying other state permitting requirements that may unduly impede efforts to rebuild properties or facilities destroyed that should be considered for suspension, and to update that report every 60 days.

- Requiring HCD to coordinate with local governments to identify and recommend procedures, including but not limited to exploring the use of pre-approved plans and waivers of certain permitting requirements, to establish rapid permitting and approval processes to expedite the reconstruction or replacement of residential properties destroyed or damaged by fire.

- Prohibiting the Commission from taking any action that interferes with the executive order related to California Coastal Act permitting.

- Committing to collaborating with the Legislature to identify and propose statutory amendments that durably address barriers impeding rapid rebuilding efforts in the areas affected by this emergency.

This bill would codify additional measures intended to facilitate the rapid rebuilding not only after this disaster, but after any future disasters, such as fires, floods, storms, tidal waves, or earthquakes that the Governor determines presents a threat to public safety. Specifically, this bill focuses on the provision of temporary housing for those in the rebuilding process once their lots

have been deemed safe for development by the state and/or local government, as described below.

Housing Approvals Process after a Disaster: Rebuilding a home or temporary housing after a natural disaster is typically subject to the same local approval processes that govern all housing development in California, unless otherwise prohibited by state or local Executive Orders implemented after the disaster occurs. Cities and counties, under their police power, regulate land use through an entitlement process, confirming that projects conform to zoning, design standards, and other local regulations. Even in the wake of a disaster, property owners often face a complex permitting system, requiring approvals for rebuilding or installing temporary structures, such as modular homes or accessory dwelling units (ADUs). These approvals may involve ministerial permits, but in many cases, discretionary reviews and additional procedural steps, including environmental review under CEQA, can apply.

For disaster survivors seeking to rebuild, navigating these processes can add significant delays and uncertainty at a time when securing shelter is urgent. Even routine postentitlement permits for building, grading, or utility connections can become bottlenecks, compounding the hardship for displaced residents. The Department of Housing and Community Development (HCD) has identified lengthy permitting timelines as a critical constraint to housing production, noting that complex procedures can discourage even the most seasoned developers from pursuing housing projects. For those who just experienced loss in a natural disaster, navigating a complex and bureaucratic system can feel next to impossible. These bureaucratic hurdles can lead to prolonged displacement, forcing families to leave their communities while awaiting approvals. Despite prior legislative efforts to streamline housing approvals, there remain few mechanisms specifically designed to expedite rebuilding or temporary housing in disaster-stricken areas, leaving survivors vulnerable to the same regulatory delays that slow housing production more broadly.

This bill makes numerous changes to the approvals process for temporary housing structures intended to shelter residents while they rebuild or repair homes damaged by natural disasters. It requires local agencies to approve permits within 14 days for specific types of temporary housing, such as modular homes, prefabricated homes, or ADUs, once a parcel has been deemed safe for development following a declared local emergency. The bill applies to residential properties that have been destroyed, declared substandard, or effectively rendered uninhabitable due to disasters like fires, floods, earthquakes, or other major calamities.

To further support disaster recovery and control costs, this bill proposes changes to the rebuilding process for permanent structures that were damaged or destroyed. Specifically, this bill prohibits new solar panel or energy storage mandates from applying to rebuilding projects. Similar measures have been proposed in the past, most recently, AB 2787 (Patterson), of the prior legislative session, which made it to the Governor's desk and was ultimately vetoed. This bill would further require utility providers to respond within 30 days to connection requests, unless service is infeasible due to the disaster. It also directs local agencies to enhance transparency by publishing a substandard building checklist, offering notices about third-party inspections for rebuilds, and maintaining a dashboard tracking permitting timelines and agency performance. These transparency measures must be implemented by March 31, 2028, with updates required every four years thereafter. These provisions ensure timely access to housing and promote accountability in the rebuilding process across all jurisdictions, including charter cities.

Arguments in Support: YIMBY Action writes in support: "We support AB 818 because it will expedite building in the areas we need it most – where families and communities have recently lost homes. Particularly when we need to rebuild after a natural disaster, builders need predictable timelines and clear rules. AB 818 provides these, and would offer clarity in an otherwise chaotic environment."

Arguments in Opposition: None on file.

Related Legislation:

AB 239 (Harabedian) of this Legislative session would establish a State-Led County of Los Angeles Disaster Housing Task Force, with quarterly reporting requirements. That bill is pending in the Assembly Appropriations Committee.

AB 253 (Ward) of this Legislative session allows an applicant for specified residential building permits to contract with or employ a private professional provider to check plans and specifications if the county or city building department estimates a timeframe for this plan-checking function that exceeds 30 days, or does not complete this plan-checking function within 30 days. This bill includes an urgency clause. This bill pending hearing in the Senate Committee on Local Government.

AB 738 (Tangipa) of this Legislative session would require residential construction to repair, restore, or replace homes damaged or destroyed during a disaster to comply with the solar photovoltaic (PV) requirements that were in existence at the time the home was originally constructed. The bill is pending on the Assembly Floor.

AB 2787 (Patterson) of the prior Legislative session specified that residential construction to repair, restore, or replace homes damaged or destroyed during a disaster shall comply with the solar PV requirements that were in existence at the time the home was originally constructed. The bill was vetoed by the Governor with the following message:

> "*This bill would adopt an exemption, until January 1, 2028, from the California Building Energy Efficiency Standards (Standards) solar ready and battery storage system installation requirements for residential buildings damaged or destroyed as a result of a disaster.*
>
> *The solar ready requirement is an innovative and forward-leaning policy that requires new residential buildings to install a minimum amount of cost-effective solar photovoltaic capacity to reduce homeowner energy costs, improve energy resiliency and reduce greenhouse gas emissions.*
>
> *Extending this exemption would nullify these positive outcomes and instead would increase homeowner energy costs. This exemption also undermines the energy resiliency of homes, especially those in high-fire risk areas, and increases greenhouse gas emissions. Further, this exemption is overly broad and would not assist those disaster victims who are the most disadvantaged."*

AB 704 (Jim Patterson, 2023) was substantially similar to AB 2787. AB 704 was held in the Assembly Appropriations Committee.

AB 1078 (Patterson, 2022) would have extended the exemption established by AB 178 for one year, until January 1, 2024. This bill was vetoed by the Governor.

AB 178 (Dahle), Chapter 259, Statutes of 2019, exempted, until January 1, 2023, any residential construction intended to "repair, restore, or replace" a residential building that was damaged or destroyed as a result of a disaster in an area in which the Governor has declared a state of emergency, before January 1, 2020, from the state's recently adopted requirements for solar photovoltaic systems, if certain requirements are met.

Double-Referred: This bill was also referred to the Committee on Local Government, and passed on a vote of 10-0 on April 23, 2025.

REGISTERED SUPPORT / OPPOSITION:

Support

Abundant Housing LA
California Apartment Association
California Association of Realtors
California Business Properties Association
California YIMBY
Circulate San Diego
East Bay YIMBY
Grow the Richmond
Housing Action Coalition
Housing Trust Silicon Valley
Institute for Responsive Government Action
MidPen Housing
Mountain View YIMBY
Napa-Solano for Everyone
Northern Neighbors
Peninsula for Everyone
San Francisco YIMBY
Santa Cruz YIMBY
Santa Rosa YIMBY
South Bay YIMBY
Spur
Ventura County YIMBY
YIMBY Action
YIMBY LA
YIMBY SLO
Individuals - 11

Opposition

None on file for the current version of the bill.

Analysis Prepared by: Dori Ganetsos / H. & C.D. / (916) 319-2085

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 906 (Mark González) – As Amended April 21, 2025

SUBJECT: Planning and zoning: housing elements: affirmatively furthering fair housing

SUMMARY: Revises a number of components relating to the obligation for local governments to affirmatively further fair housing (AFFH) in housing elements. Specifically, **this bill**:

1) Requires a local government's housing element to ensure that the sites designated to accommodate the jurisdiction's share of the regional housing need (RHNA) at all income levels after any required rezoning will AFFH, and that the distribution of sites across the jurisdiction will AFFH, as specified.

2) Requires a local government, in instances where the sites identified under 1) above do not AFFH, as specified, to include a program in their housing element for rezoning of those sites, subject to specified deadlines.

3) Requires a local government to demonstrate that sites identified to accommodate its RHNA after any rezoning program will AFFH.

4) Recasts existing provisions requiring a local government's housing element program to include an assessment of fair housing in the jurisdiction with specified provisions. Adds the following requirements to the AFFH program:

    a) Requires the assessment to be completed and made publicly available at least one year prior to the adoption deadline of the next revision of the housing element;

    b) Requires the assessment to include an analysis of disparities in access to opportunity for members of protected classes, as defined, including but not limited to access to educational, employment, and transportation opportunities, and access to a healthy environment;

    c) Requires the assessment to include an analysis of disparities in availability and quality of amenities and services for members of protected classes, including infrastructure, parks, maintenance and sanitation services, health services, grocery stores, and financial institutions;

    d) Requires the assessment to include an examination of the disproportionate housing needs of members of protected classes, including but not limited to displacement risk, evictions, cost burden, overcrowding, substandard housing, homelessness, risk related to climate disasters, and expiring covenants resulting in the loss of affordable housing;

    e) Requires the analysis to be prepared after meaningful consultation with members of protected classes and organizations representing their interests, defines "meaningful consultation" to mean taking proactive steps to outreach to and engage with members of protected classes, especially those harmed by the impact of historical discrimination in the jurisdiction and surrounding region, and organizations representing their

interests, to solicit their participation and input throughout the development of the assessment;

f) Requires a jurisdiction to conduct outreach and engagement under 4) e) above through a variety of methods, in languages commonly spoken by community members, and in an accessible format for people with disabilities as needed;

g) Requires the jurisdiction to include in any drafts of the housing element and the final adopted housing element a description of its outreach under 4) f) above, a summary of comments received, and an explanation of how the comments were considered and incorporated or why they were rejected; and

h) Requires the summary of fair housing issues in the jurisdiction to be based on specified analysis.

5) Requires a jurisdiction, after completing the fair housing assessment and before the first draft revision of the housing element, to solicit public comments on the assessment and seek input on specified information.

6) Requires a jurisdiction to include both of the following in the first draft revision of the housing element available for public comment as specified:

a) The fair housing assessment under 4) above, including any revisions made in response to comments received under 5) above;

b) Based on the assessment and any input received pursuant to the meaningful consultation required, as specified, all of the following:

i) An identification of the jurisdiction's fair housing priorities and goals, giving highest priority to addressing those issues and factors identified under 4) h) above that have been identified as priorities by members of protected classes and organizations representing their interest, limit access for members of protected classes to live in higher-income areas, limit access to opportunity, contribute to lack of investment in historically disadvantaged neighborhoods, or cause displacement of protected classes;

ii) An identification of the neighborhoods most in need of investment and the type of investment required to meet the needs of members of protected classes without causing displacement of protected classes;

iii) Strategies and actions to implement the priorities and goals under i) above, including those that would make necessary investments in the areas identified under ii) above and those that would expand housing choice for members of protected classes. Requires jurisdictions to consider strategies that include but are not limited to, all of the following:

I) Strategies to enable members of protected classes to live in the neighborhood of their choice;

II) Strategies to encourage development of new affordable housing in both higher income neighborhoods and historically disinvested neighborhoods; and

III) Strategies to encourage community revitalization in historically disinvested neighborhoods, including preservation of existing affordable housing, infrastructure, and other investments that enhance opportunity, remediation of environmental justice issues, and policies that protect existing residents and community-serving small businesses from displacement.

iv) An assessment of the jurisdiction's fair housing enforcement and fair housing outreach capacity.

7) Modifies the existing requirement for the Department of Housing and Community Development (HCD) to develop a standardized reporting format for AFFH programs and actions by requiring the format to instead describe strategies and actions to be taken under 6) iii) above, requiring the format to address specified fair housing assessment components, and requiring the format to include a field for which fair housing priority a program is intended to address, the intended impacts, and how the strategies and actions will result in those impacts.

8) Limits the ability of a jurisdiction to include accessory dwelling units (ADUs) to count toward the requirement to identify adequate sites to accommodate the RHNA and to AFFH, by specifying that, in order to count ADUs developed in the prior housing element period toward the lower income category, the jurisdiction must provide proof of a recorded deed restriction requiring the continued affordability of the unit for at least 55 years for rental housing and 30 years for ownership housing for lower income households.

9) Requires a jurisdiction's inventory of land suitable for residential development to be used to identify sites that can be developed for housing within the planning period that are sufficient to provide for the jurisdiction's share of RHNA for all income levels and that are distributed throughout the community in a manner that will AFFH.

10) Requires a jurisdiction to ensure that sites identified in the inventory under 9) above are distributed throughout the jurisdiction in a manner that AFFH by reducing residential segregation, and requires this determination to be based on whether the sites identified to accommodate the lower income RHNA and sites identified to accommodate the total RHNA, taking into account the number of units specified to be accommodated on each site, are located in relatively higher income areas of the jurisdiction in a higher proportion than the proportion of land located in relatively higher income areas in the jurisdiction.

11) Requires HCD, no later than April 1, 2027, to develop and publish an online tool that must serve as the method for determining whether each jurisdiction's identification of sites adequate to accommodate its share of RHNA at all income levels that meets the requirement in 10) above.

12) Allows HCD to grant an adjustment to the requirement in 10) above if underlying data for the jurisdiction renders the tool unreliable.

13) Applies the provisions of this bill to all cities, including charter cities.

EXISTING LAW:

1) Provides that each community's fair share of housing be determined through the Regional Housing Needs Determination (RHND)/RHNA process. Sets out the process as follows: (a) Department of Finance and HCD develop determination estimates or RHNDs; (b) COGs allocate housing via RHNA within each region based on these determinations, and where a COG does not exist, HCD conducts the allocations; and (c) cities and counties incorporate these allocations into their housing elements. (Government Code (GOV) 65584 and 65584.01)

2) Requires each city and county to adopt a housing element, which must contain specified information, programs, and objectives, including:

    a) An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs, including a quantification of the locality's existing and projected housing needs for all income levels; an inventory of land suitable and available for residential development; an analysis of potential and actual governmental and nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels; and a demonstration of local efforts to remove constraints that hinder the locality from meeting its share of RHNA, among other things;

    b) A statement of the community's goals, quantified objectives, and policies relative to AFFH and to the maintenance, preservation, improvement, and development of housing; and

    c) A program that sets forth a schedule of actions during the planning period, and timelines for implementation, that the local government is undertaking to implement the policies and achieve the goals and objectives of the housing element, including actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the local government's share of RHNA for each income level that could not be accommodated on sites identified in the sites inventory without rezoning, among other things. (GOV 65583(a)-(c))

2) Requires the housing element to AFFH in accordance with specified law, and to include an assessment of fair housing in the jurisdiction that must include all of the following components:

    a) A summary of fair housing issues in the jurisdiction and an assessment of the jurisdiction's fair housing enforcement and fair housing capacity;

    b) An analysis of available federal, state, and local data and knowledge to identify integration and segregation patterns and trends, racially or ethnically concentrated areas of poverty and affluence, disparities in access to opportunity, and disproportionate housing needs, including displacement risk. Requires the analysis to identify and examine such patterns, trends, areas, disparities, and needs, both within the jurisdiction and comparing the jurisdiction to the region, based on race and other characteristics protected by the California Fair Employment and Housing Act;

c) An assessment of the contributing factors, including the local and regional historical origins and current policies and practices, for the fair housing issues identified, as specified;

d) An identification of the jurisdiction's fair housing priorities and goals, giving highest priority to those factors that limit or deny fair housing choice or access to opportunity, or negatively impact fair housing or civil rights compliance, and identifying the metrics and milestones for determining what fair housing results will be achieved;

e) Strategies and actions to implement those priorities and goals, which may include, but are not limited to, enhancing mobility strategies and encouraging development of new affordable housing in areas of opportunity, as well as place-based strategies to encourage community revitalization, including preservation of existing affordable housing and protecting existing residents from displacement. (GOV 65583(c)(10)(A))

3) Requires HCD to develop a standardized reporting format for programs and actions taken under 2) above, which must be utilized for the seventh and each subsequent revision of the housing element, must enable the reporting of specified fair housing assessment components, and, at a minimum, include all of the following fields:

a) Timelines for implementation;

b) Responsible party or parties;

c) Resources committed from the local budget to AFFH;

d) Action areas; and

e) Potential impacts of the program. (GOV 65583(c)(10)(D))

4) Permits HCD to allow a jurisdiction to identify adequate sites for purposes of meeting RHNA by identifying sites for ADUs based on the number of ADUs developed in the prior housing element planning period whether or not the units are permitted by right, the need for these units in the community, the resources or incentives available for their development, and any other relevant factors determined by HCD. (GOV 65583.1(a))

5) Requires a jurisdiction's inventory of land suitable for residential development, as specified, to be used to identify sites throughout the community, consistent with AFFH, that can be developed for housing within the planning period that are sufficient to provide for the jurisdiction's share of RHNA for all income levels. (GOV 65583.2(a))

6) Requires a local government to submit a draft housing element revision or amendment to HCD at least 90 days prior to adoption of a revision of its housing element, as specified, or at least 60 days prior to the adoption of a subsequent amendment to the housing element. (GOV 65585(b)(1)(A))

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "The obligation to affirmatively further fair housing (AFFH) is California's landmark law to expand fair housing choice for members of protected classes. AFFH requires all public agencies to take actions that reverse patterns of segregation, increase access to opportunity, and reduce housing disparities. AFFH requirements have been largely implemented through the housing element process, in which local jurisdictions must do a thorough analysis of fair housing issues, identify policy goals and commit to actions to achieve those goals, and identify potential housing sites to meet their share of the regional housing need in a way that reduces patterns of segregation and exclusion. This bill seeks to strengthen AFFH requirements in the housing element process based on lessons learned from the sixth housing element cycle, which was the first time jurisdictions implemented these provisions. Many jurisdictions concentrated the sites they identified for affordable housing in lower-income neighborhoods - thereby perpetuating patterns of segregation - so this bill requires that jurisdictions distribute a meaningful portion of their lower-income RHNA in higher-income neighborhoods. Additionally, analysis of fair housing issues and identification of policies to address them was not comprehensive or consistent across jurisdictions in the sixth cycle, particularly as it related to disinvestment and displacement, so this bill provides jurisdictions with a clear set of fair housing issues that they must analyze and set goals to address. Finally, some jurisdictions relied excessively on accessory dwelling units (ADUs) as an AFFH strategy in higher-income, exclusionary neighborhoods, so this bill ensures that jurisdictions can only count ADUs toward their lower-income RHNA goals if they can demonstrate past evidence of producing deed-restricted, affordable ADUs."

Federal AFFH Rule: Since its enactment in 1968, the federal Fair Housing Act has directed the Department of Housing and Urban Development (HUD), other federal agencies, and program participants to affirmatively further the Act's goals of promoting fair housing and equal opportunity. In 2015, the Obama Administration issued the AFFH Rule to clarify what it means to "affirmatively further fair housing." The Rule incorporated an "Assessment of Fair Housing" process into broader existing planning processes to help HUD grantees identify issues such as fair housing issues pertaining to patterns of integration and segregation; racially and ethnically concentrated areas of poverty; disparities in access to opportunity; and disproportionate housing needs. HUD grantees were required to submit their Assessments to HUD or potentially lose HUD funding.

On January 5, 2018, under President Trump, HUD largely suspended the obligation to submit an Assessment, effectively postponing implementation of the AFFH Rule until 2025. In July 2020, the 2015 AFFH Rule was repealed.

On January 26, 2021, President Biden issued a memorandum directing HUD to examine the effect of the previous Administration's actions against the AFFH Rule and the effect that it has had on HUD's statutory duty to both ensure compliance with the Fair Housing Act and to affirmatively further fair housing. The memo also ordered HUD to take the necessary steps to implement the Fair Housing Act's AFFH requirements and to prevent practices that have a disparate impact. On June 10, 2021, HUD published an interim final rule, which went into effect on July 31, 2021, to restore implementation of the AFFH Rule. Under the second Trump Administration, HUD recently moved to repeal the 2021 provisions once again.

AFFH in California*:* California's Fair Employment and Housing Act (FEHA) prohibits employment and housing discrimination based on the protected classes. FEHA further provides that it is a civil right to be able to pursue and maintain housing or employment without facing discrimination. If a dispute is not resolved, the Civil Rights Department may take legal action if evidence supports a finding of discrimination. In housing discrimination cases, an individual also has the right to file a lawsuit on their own behalf. While FEHA does not explicitly include an AFFH obligation, it does prohibit discrimination through public or private land use practices, decisions, and authorizations due to membership in a protected class. Discrimination includes restrictive covenants, zoning laws, details of use permits, and other actions authorized under the Planning and Zoning Law that make housing opportunities unavailable.

After the 2015 AFFH Rule was enacted, concerns arose about whether it would be preserved going forward. To address these concerns, in 2018 the Legislature passed and the Governor signed AB 686 (Santiago), Chapter 958, which established an AFFH framework at the state level. This framework remained in place when the Trump Administration repealed the AFFH Rule in 2020 and remains in place today pending re-repeal.

Adoption and Implementation of Housing Elements**:** All of the state's 539 cities and counties are required to appropriately plan for new housing through the housing element of each community's General Plan, which outlines a long-term plan for meeting the community's existing and projected housing needs. Cities and counties are required to update their housing elements every eight years in most of the high population parts of the state, and five years in areas with smaller populations. Localities must adopt a legally valid housing element by their statutory deadline for adoption. Failure to do so can result in certain escalating penalties, including an accelerated deadline for completing rezoning, exposure to the "builder's remedy," public or private lawsuits, financial penalties, potential loss of permitting authority, or even court receivership.

Among other things, the housing element must demonstrate how the community plans to accommodate its share of its region's RHNA. To do so, each community establishes an inventory of sites designated for new housing that is sufficient to accommodate its fair share. Where a community does not already contain the existing capacity to accommodate its fair share of housing, it must undertake a rezoning program to accommodate the housing planned for in the housing element. Depending on whether the jurisdiction met its statutory deadline for housing element adoption, it will have either one year (if it failed to meet the deadline) or three years (if it met the deadline) from its adoption deadline to complete that rezoning program.

It is critical that local jurisdictions adopt legally compliant housing elements on time in order to meet statewide housing goals and create the environment locally for the successful construction of desperately needed housing at all income levels. Unless communities plan for production and preservation of affordable housing, new housing will be slow to build. Adequate zoning, removal of regulatory barriers, protection of existing stock and targeting of resources are essential to obtaining a sufficient permanent supply of housing affordable to all economic segments of the community. Although not requiring the community to develop the housing, housing element law requires the community to plan for housing. Recognizing that local governments may lack adequate resources to house all those in need, the law nevertheless mandates that the community do all that it can and that it not engage in exclusionary and harmful practices.

Local governments have a statutory deadline to submit a housing element based on region. Ninety days before the deadline to adopt a housing element, localities must submit a draft to HCD. HCD is required to review the draft element within 90 days of receipt and provide written findings as to whether the draft amendment substantially complies with housing element law. If HCD finds that the draft element does not substantially comply with the law, the local agency may either make changes to the draft element to substantially comply with the law or adopt the element and make findings as to why it complies with the law despite the findings of the department. Following adoption of a housing element, a local agency submits it to HCD.

Housing Element AFFH Obligations: Among other things, the housing element must demonstrate how the community plans to accommodate its share of its region's housing needs and to AFFH. To do so, each community establishes an inventory of sites designated for new housing that is sufficient to accommodate its fair share, after performing an AFFH analysis of those sites. Where a community does not already contain the existing capacity to accommodate its fair share of housing, it must undertake a rezoning program to accommodate the housing planned for in the housing element. The requirement to AFFH also contains a mandate to perform an assessment of fair housing in the jurisdiction that has to include several components, including an identification of the jurisdiction's fair housing priorities and goals, metrics and milestones for determining what fair housing results will be achieved via the housing element, and strategies and actions to implement those priorities and goals. The goals may include items like enhancing mobility strategies, encouraging development of new affordable housing in opportunity areas, preserving existing affordable housing, protecting residents from displacement, and place-based strategies to encourage community revitalization.

According to the bill's author and sponsors, improvements to AFFH requirements in housing elements are timely and needed because the seventh housing element cycle already has begun in some rural areas and adoption deadlines for the first seventh cycle housing elements in more populous areas start in 2028, with development of those elements likely to begin in 2026. Passing legislation in 2025 would allow time for HCD to update its AFFH guidance and provide clarity to jurisdictions about AFFH requirements before they begin the housing element update process. Further, just as when AB 686 (Santiago) was introduced, fair housing laws generally and AFFH specifically are under attack at the federal level.

This bill proposes a number of changes to AFFH requirements, as follows:

- Requires that to meet the AFFH obligation, the housing element adequate sites inventory must distribute a meaningful share of lower-income and multifamily sites across the relatively higher-income parts of a jurisdiction, and requires HCD to create or identify a research-backed metric to assess whether this requirement is met;

- Provides that a rezoning program is required if the jurisdiction's adequate sites are not distributed in a way that will AFFH, even if the jurisdiction identifies enough total sites to accommodate its RHNA share at all income levels;

- Clarifies that jurisdictions must complete the fair housing analysis and assessment, with community input, early in the housing element process so that it meaningfully serves as the basis for developing goals, strategies, actions, and the adequate sites inventory;

- Requires jurisdictions to analyze a more specific minimum list of common fair housing

issues, including disinvestment, access to a healthy environment, and renter issues, and recasts those assessment provisions by moving them into a new code section; and

- Limits jurisdictions' ability to over-rely on ADUs as an AFFH strategy and to meet lower income RHNA obligations in a way that does not disincentivize ADU production by limiting the use of ADUs to count towards meeting lower income RHNA site requirements unless they are able to demonstrate ADUs in the prior planning period were deed-restricted at affordable levels for specified lengths of time.

Policy Considerations: Housing elements have become complex time- and resource-intensive planning documents and increasing the requirements for what must be included in these documents should be considered carefully in light of the strict timelines and requirements that govern their adoption. To that effect, this committee recently heard and passed two other bills – AB 650 (Papan) and AB 1275 (Elhawary) – that propose to change certain deadlines for developing the RHNA and housing elements and give various actors more time to prepare components of these documents. Committee amendments made to those bills harmonized the proposed timeline extensions in both. If bills relating to components of housing element law are to pass, it would be prudent to ensure that all bills operate on the same extended timelines to ensure successful implementation of the proposed policies. The author may wish to consider aligning this effort with these other housing element bills as these bills move forward.

Arguments in Support: According to the California Rural Legal Assistance Foundation, Housing California, Public Advocates, and Strategic Actions for a Just Economy, the bill's cosponsors, "Although there have been successes with AFFH planning in the sixth housing element cycle, which was the first time that jurisdictions implemented these provisions, there are also areas where the law needs further refinement to ensure that California can fulfill the promise of AFFH. For example, some jurisdictions have not created meaningful opportunities for affordable housing development in higher-income single-family neighborhoods. Additionally, analysis of fair housing issues was not comprehensive or consistent across jurisdictions, particularly as it related to displacement and disinvestment, leading to a lack of meaningful policies to address these issues despite a clear legal obligation to do so. Finally, some jurisdictions relied excessively on accessory dwelling units (ADUs) as an AFFH strategy or to meet their lower-income regional housing needs allocation (RHNA) goals. AB 906 will improve, strengthen, and clarify housing element requirements to better ensure that jurisdictions are developing housing plans that will increase fair housing choice and opportunity for members of protected classes."

Arguments in Opposition: According to the League of California Cities, "[AB 906] adds language to housing element law that allows the Department of Housing and Community Development to certify a housing element when the inventory of sites accommodates a local jurisdiction's RHNA even though those sites are not distributed throughout the community in a manner that affirmatively furthers fair housing. Your measure requires a local jurisdiction to identify sites in the housing element that accommodate its RHNA and additional sites (after the housing element is certified) that affirmatively further fair housing. With respect, Cal Cities suggests that this is neither fair nor efficient. Cal Cities supports the efforts to affirmatively further fair housing as required by law but is concerned that this measure requires sites beyond a local agency's RHNA. Instead of requiring more sites, Cal Cities would prefer that HCD determine whether the chosen sites affirmatively further fair housing as part of its inventory review, instead of requiring new sites beyond the RHNA."

Related Legislation:

AB 650 (Papan) of the current legislative session would extend various timelines in the RHND, RHNA, and housing element process, and require HCD to provide specific analysis or text to local governments to remedy deficiencies in their draft housing elements. This bill was recently heard in this committee and passed on a vote of 11-0.

AB 1275 (Elhawary) of the current legislative session would require HCD to determine each COG's RHND three years prior to each region's scheduled housing element revision and would make changes to how the transportation and job projections in a region's sustainable communities strategy must be incorporated into each COG's final RHNA plan. This bill was recently heard in this committee and passed on a vote of 11-0.

AB 1304 (Santiago), Chapter 357, Statutes of 2021: Reaffirmed that the state, local jurisdictions, and public agencies involved in housing-related matters have a mandatory duty to take meaningful affirmative steps to overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. The bill also provided additional details regarding what these entities must take into account when carrying out that duty to AFFH.

AB 686 (Santiago), Chapter 958, Statutes of 2018: Required state departments and agencies, cities, counties, public housing authorities, and other public entities to AFFH in all of their housing and community development-related activities. In addition, the bill required cities and counties to undertake an AFFH analysis and meet other related requirements as part of the development of their housing elements.

Double-referred: This bill was also referred to the Assembly Committee on Local Government, where it will be heard should it pass out of this committee.

REGISTERED SUPPORT / OPPOSITION:

Support

California Rural Legal Assistance Foundation (Co-Sponsor)
Housing California (Co-Sponsor)
Public Advocates (Co-Sponsor)
Strategic Actions for a Just Economy (Co-Sponsor)
ACCE Action
Alliance for Community Transit-Los Angeles (ACT-LA)
Association of Regional Center Agencies
California Housing Partnership
Communities for a Better Environment
Courage California
East Bay Housing Organizations
East Bay YIMBY
East Yard Communities for Environmental Justice
Grow the Richmond
Inner City Law Center
Leadership Council for Justice and Accountability
LeadingAge California

Legal Aid of Sonoma County
Long Beach Forward
Los Angeles Alliance for a New Economy (LAANE)
Mountain View YIMBY
Napa-Solano for Everyone
National Housing Law Project
Northern Neighbors
Peninsula for Everyone
PolicyLink
Public Counsel
Rise Economy
Santa Cruz YIMBY
Santa Rosa YIMBY
SF YIMBY
South Bay YIMBY
Ventura County YIMBY
YIMBY Action
YIMBY LA
YIMBY SLO

Support If Amended

South Pasadena Residents for Responsible Growth

Opposition

League of California Cities (oppose unless amended)

Analysis Prepared by: Nicole Restmeyer / H. & C.D. / (916) 319-2085

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 913 (Celeste Rodriguez) – As Introduced February 19, 2025

SUBJECT: Housing programs: financing

SUMMARY: Authorizes the Department of Housing and Community Development (HCD) to take specified actions to improve the fiscal integrity of an affordable housing development financed with department resources. Specifically, **this bill**:

1) Authorizes the transfer of excess reserves or excess operating income from one rental housing development, subject to a HCD regulatory agreement, to another rental housing development, subject to a department regulatory agreement, that is owned by the same sponsor or affiliate.

2) Waives payment of residual receipts or minimum annual loan payments required under a HCD regulatory agreement.

3) Includes the following definitions:

    a) "Excess operating income" means the annual net operating income in excess of the amount that is 1.15 times the sum total of required annual debt service payments, provided that the owner can demonstrate sufficient net operating income over a 15-year period; and

    b) "Excess reserves" means replacement reserves, operating reserves, or transition reserves no longer required by, or in excess of the minimum amount required by, the department regulatory agreement.

EXISTING LAW:

1) Allows HCD to approve an extension of a department loan, the reinstatement of a qualifying unpaid matured loan, the subordination of a department loan to new debt, or an investment of tax credit equity under various older HCD rental housing finance programs. (Health and Safety Code (HSC) Section 50560)

2) Allows HCD to approve an extension of a loan, the reinstatement of a qualifying unpaid matured loan, or the subordination of an HCD loan to new debt or an investment of tax credit equity if it determines that the project will have after rehabilitation of repairs, a potential remaining useful life equal to or greater than the term of the restructured loan. (HSC 50560)

3) Provides that HCD may subordinate its loan to refinance existing senior debt only as necessary for project feasibility and to reimburse borrower advances for predevelopment costs, recent capital improvements, and recent operating deficits. (HSC 50560)

4) Multi-family Housing Program (MHP) Regulations include the following prohibitions:

a) Prohibits the Sponsor from encumbering, pledging, or hypothecating the Rental Housing Development, or any interest therein or portion thereof, or allow any lien, charge, or assessment against the Rental Housing Development without the prior written approval of HCD. HCD will not permit refinancing of existing liens or additional financing secured by the Rental Housing Development except to the extent necessary to maintain or improve the Fiscal Integrity of the Project, to maintain Affordable Rents, or to decrease Rents and for no other purpose, including, but not limited to, cash payments to the Sponsor, repayment of general partner loans or of limited partner loans, or for limited partner buyouts. Notwithstanding the general provisions in UMR Section 8308(g), this special condition controls, in that no MHP reserve balance can fund a limited partner buyout or exit.

b) No loan may be paid off prior to maturity without the prior written consent of the Department in its sole discretion, which consent shall be subject to conditions deemed necessary to ensure compliance with the Program requirements. All of the loan documents, including the Regulatory Agreement and Deed of Trust, shall continue in full force and effect notwithstanding any prepayment, in whole or in part, or the loan. (California Code of Regulations (CCR), Title 25, Subchapter 4, MHP Regulations 7322 (d)-(e))

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "Housing is a basic need, and the lack of affordable housing is the largest contributor to homelessness. To keep up with the pace of housing needs, the California Department of Housing and Community Development (HCD) estimates that California must plan to develop 2.5 million homes over the next eight years. Affordable housing is important to lift families out of poverty and to provide stability.

With Assembly Bill 913, the Department of Housing and Community Development (HCD) may allow affordable housing developers the flexibility to utilize funds from one affordable housing project towards another project that is financially at-risk. This bill is timely as housing developers face rising costs of materials, construction and insurance coverage. This innovative housing finance approach will ensure that all developments in a portfolio are fiscally sound."

Affordable Housing Finance: The state finances affordable multifamily rental housing using a combination of loans, tax credits, and private activity bonds. Unlike market rate housing, affordable housing does not have the cash-flow from rents to support traditional financing. Affordable housing is provided to tenants whose household income is below the area median income (AMI). To qualify, very low-income tenants must make 60% or less of the AMI and lower-income tenants must make only 80% or less of AMI. Tenants in affordable housing are only required to pay 30% of their income toward rent, so the state provides enough long term subsidy to reduce the overall debt service on a development. HCD loans serve as the permanent financing that comes in once a development is complete to take out the predevelopment and construction loans a developer took on to construct the development. HCD loans are secured with a lien in first position on the property. Developments are also subject to a 55-year recorded regulatory agreement which runs with the project. If a developer pays off an HCD loan before the covenants expire, the regulatory agreement is not extinguished and the developer must

continue to provide the units at an affordability rent for the length of the regulatory agreement to lower-income tenants.

Challenges Facing Affordable Housing Developments: Due to several factors including the depletion of operating reserves resulting from the COVID-19 rent moratorium and unprecedented increases in insurance rates, affordable housing developments are facing financial challenges. Enterprise Community Partners recently conducted a survey of 130 affordable properties and found that on average the developments were experiencing insurance cost increases of 70%, with some providers reporting increases up to 500%. Because rents are capped, these properties have fewer options to cover these increases. In some cases, the situation is made worse because the project's operating reserves have not recovered from the rent moratoriums. Due to these financial pressures some properties are at risk of foreclosing or becoming market-rate developments, which would eliminate vital affordable housing units.

Purpose of This Bill: To address the fiscal integrity of housing developments financed by HCD, this bill would give the department authority to allow for the transfer of excess reserves or operating income from one rental housing development owned by the same developer. HCD could also waive any loans payment of residual receipts or minimum annual loan payments to ensure the financial integrity of developments. Previous bills, AB 2638 (Ward) (2024), AB 515 (Ward) (2023), and AB 578 (Berman) (2023) have attempted to address a similar issue. Those bills allowed for the early payoff of an HCD loan, if approved by HCD. Those funds could be used to develop a new project. The Administration has published Trailer Bill Language (TBL) to facilitate this process this budget cycle. This bill addresses a different issue in that it would allow for the transfer of excess reserves or operating income between developments with HCD financing, to alleviate financial challenges from increased insurance costs or loss of rental income, for example.

Arguments in Support: According to the sponsor, the California Housing Partnership, "Affordable housing properties, unlike market-rate developments, are contractually bound to keep rents affordable to their area-median income (AMI) for 55 years and cannot balance a severe increase in operational costs with rent increases. The extended rent moratorium that was enacted in 2020 forced many developments to dip into their operating reserves, a loss that many are still trying to recoup. This has only been compounded by skyrocketing insurance rates that could not have been budgeted for upon initial construction - with some developers reporting 500% increases in their quotes. Considering the narrow margins affordable housing developments generally already operate within, this presents a huge risk to fiscal solvency and stability. Without action, thousands of California's most vulnerable households are at risk. AB 913 helps create pathways to stabilize properties that are over-burdened by these costs."

Arguments in Opposition: None on file.

Related Legislation:

AB 2638 (Ward) of 2024 would have authorized HCD to approve the payoff of an HCD loan in whole or part, prior to the end of its term, and the extraction of equity from a development for purposes approved by HCD. This bill was held in Senate Appropriations Committee.

AB 515 (Ward) of 2023 would have allowed for the full or partial payoff of a loan prior to the end of its term and extraction of equity from a development and authorized HCD to waive

certain requirements in the regulatory agreement if a loan is paid off. Would have also capped developer fees. This bill was held in Senate Appropriations Committee.

AB 578 (Berman) of 2023 would have capped monitoring fees for developments funded with HCD loans. This bill was held in Senate Appropriations Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

California Housing Partnership (Sponsor)
Enterprise Community Partners (Sponsor)
California Coalition for Rural Housing
California Housing Consortium
City and County of San Francisco
City of Oakland Mayor Kevin Jenkins
East Bay Asian Local Development Corporation
East Bay Housing Organizations
Housing California
Little Tokyo Service Center
Resources for Community Development
Southern California Association of Nonprofit Housing
Supportive Housing Alliance
The John Stewart Company

Opposition

None on file.

Analysis Prepared by: Lisa Engel / H. & C.D. / (916) 319-2085

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 920 (Caloza) – As Amended April 24, 2025

SUBJECT: Permit Streamlining Act: housing development projects: centralized application portal

SUMMARY: Requires a city or county with a population of 150,000 or more to develop a centralized application portal (portal) for application tracking on its internet website for housing development projects by January 1, 2028. Specifically, **this bill**:

1) Specifies that the population of a county, for purposes of this bill, shall be determined based on the population of persons in the unincorporated areas of the county.

2) Provides a city or county with additional time to develop the portal, until January 1, 2030, if its legislative body does both of the following on or before January 1, 2028:

    a) Makes a written finding that making a centralized application portal available on its internet website on or before January 1, 2028, would require a substantial increase in permitting fees; and

    b) Initiates a procurement process to make a centralized application portal available on its internet website.

3) Clarifies that the portal is not required to include the status of any permit or inspection required by another local agency, a state agency, or a utility provider.

4) Defines the "centralized application portal" as a website or software that a city or county uses to collect information and materials provided by an applicant that are necessary for the city or county to consider a housing development project.

5) Defines a "housing development project" as a project containing any of the following:

    a) Residential units only;

    b) Mixed-use developments consisting of residential and nonresidential uses with at least two-thirds of the square footage designated for residential use; or

    c) Transitional housing or supportive housing.

EXISTING LAW:

1) Requires each public agency to compile one or more lists specifying in detail the information required from any applicant for a development project. (Government Code (GOV) 65940)

2) Requires a city, county, or special district with an internet website to make all of the following information available:

a) A current schedule of fees, exactions, and affordability requirements applicable to a proposed housing development project;

b) All zoning ordinances and development standards adopted, which shall specify the zoning, design, and development standards that apply to each parcel;

c) The current and five previous annual fee reports or the current and five previous annual financial reports; and

d) An archive of impact fee nexus studies, cost of service studies, or equivalent, conducted by that city, county, or special district on or after January 1, 2018. (GOV 65940.1)

3) Requires a local government that has an internet website to make a fee estimate tool available on it. (GOV 65940.2)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "A universal lack of permit tracking technologies is one of the root causes of permitting departments' operational challenges. Manual or semi-manual systems simply can't support the current volume of permit applications and do not have the ability to meet future population demands. Current development approval processes are slow, complex, and largely flawed. The process of acquiring a building or land use permit can take weeks, months, or even years and drive up costs for builders, and the issuing departments themselves can inflate home prices, too. In many cases, developers and landowners are not aware of the approvals required for a project (to no fault of their own), and because the end-to-end process involves so many stakeholders, and encompasses so many regulations, bylaws, codes, and policies, getting from permit application to a shovel in the ground is inherently complex."

Housing Approvals Process: Housing Approvals Process: Planning for, and approving, new housing developments is primarily a local responsibility. Under the California Constitution, cities and counties have broad authority, known as the police power, to regulate land use in the interest of public health, safety, and welfare. Local governments enforce this authority through an entitlement process, which includes both discretionary and ministerial approvals. Gaining "entitlement" is essentially a local government's confirmation that a housing project conforms to all applicable local zoning regulations and design standards. For discretionary projects, environmental review under CEQA is often required as part of the entitlement process. CEQA can influence project design, add mitigation requirements, or delay approval if significant environmental impacts are identified. Once a project receives entitlement, or approval, from the local planning department, it must obtain postentitlement permits, such as building, demolition, and grading permits. Postentitlement permits are related to the physical construction of the development proposal before construction can begin.

Navigating through the various stages of housing approval requires developers to invest time and resources early in the development process. A 2025 study found that California is the most expensive state for multifamily housing development, in part due to the long timeline it takes to

go from an application to an approved project.[1] This report found that longer production timelines are strongly associated with higher costs, and the time to bring a project to completion in California is more than 22 months longer than the average time required in Texas.[2]

HCD identifies lengthy permit processing timelines and procedures as a governmental constraint to housing development. In HCD's *San Francisco Housing Policy and Practice Review*, the department found that procedural complexities associated with housing entitlement and permitting are "not only a barrier to entry to new development professionals pursuing [housing] projects," but they may also cause developers to exit housing markets with complex permitting ecosystems and pursue developments in neighboring jurisdictions with less complex procedural requirements instead."[3] Bureaucratic hurdles and delays can result in project abandonment, further tightening the housing production pipeline.

Over the years, the state has enacted numerous laws to impose timelines on both the entitlement and postentitlement phases of housing development. Many streamlining statutes, which provide ministerial approval processes for specific types of housing developments, such as affordable housing, infill projects, or ADUs, include statutory entitlement deadlines to ensure local governments process applications within a reasonable timeframe. The Permit Streamlining Act (PSA), originally enacted in 1977, establishes statewide timeframes for reviewing and acting on entitlement applications, requiring local agencies to approve or deny projects within specified periods once an application is deemed complete. In recognition that delays often persist after entitlements are granted, the Legislature expanded these oversight efforts into the postentitlement permitting stage. Notably, AB 2234 (Robert Rivas), Chapter 651, Statutes of 2022, imposed statutory timeframes for reviewing and approving postentitlement permits for housing developments. Despite these legislative efforts, it still takes considerable time to secure full approval to build housing in California.

2023 Housing Development Approvals Timeline[4]

Development Type	Average Days: Submitted to Entitled	Average Days: Entitled to Permitted	Average Days: Submitted to Approved
Single Family (Detached)	160	151	311
Single Family (Attached)	221	93	314
Accessory Dwelling Unit (ADU)	112	222	334
Mobile Home	212	161	373
Two to Four Units	179	345	524
Five or More Units	323	377	700

[1] https://www.rand.org/pubs/research_reports/RRA3743-1.html
[2] https://www.rand.org/pubs/research_reports/RRA3743-1.html
[3] HCD San Francisco Policy & Practice Review, Page 13. Published October 2023. Accessed from: https://www.hcd.ca.gov/policy-and-research/plans-and-reports
[4] Based on self-reported Annual Progress Report (APR) data provided by local governments to HCD for housing developments approved the year 2023. These timelines includes time where the applicant was responsible for responding to feedback or any corrections identified by the local government, so they are not entirely representative of the length of time that a local government spent reviewing any given development. https://www.hcd.ca.gov/planning-and-community-development/housing-element-implementation-and-apr-dashboard

Centralized Application Portal: As mentioned above, obtaining approval to build housing in California requires navigating a series of approvals from local governments, often involving multiple departments and agencies. A typical project may need to secure entitlements, such as discretionary use permits, variances, or design review approvals, followed by postentitlement permits, including building, grading, demolition, and utility permits. Each of these approvals operates on its own timeline, often with separate review processes, conditions, and points of contact. For applicants, especially those unfamiliar with the local landscape, tracking the status of each individual permit or approval can become a significant challenge. Different departments may operate on uncoordinated schedules, with limited visibility into how one permit's approval or delay affects the overall project timeline.

This fragmented system makes it difficult for applicants to understand where their project stands at any given time, or who they should contact when questions about their applications arise, contributing to uncertainty, delays, and increased costs. It can also limits accountability for agencies managing the approvals process when it comes to complying with statutory timeframes. In an effort to increase transparency and visibility into the housing approvals process, some local governments have developed online application portals, which allow for applicants to track their applications, and in some cases, apply for their entitlement or permit application, online.

This bill proposes to expand access to centralized permitting portals by requiring cities and counties with populations of 150,000 or more to implement public-facing application portals for housing development projects. By January 1, 2028, these jurisdictions must make a centralized portal available on their websites, with an extension to 2030 allowed if local governments demonstrate that earlier implementation would require substantial fee increases and they have initiated procurement. These portals must allow applicants to track the status of their applications across various local departments, improving transparency and accountability in the permitting process. While the portals are limited to permits and inspections under the jurisdiction of the local agency, excluding state agencies or utility providers, they could represent a meaningful step toward modernizing and streamlining housing approvals. In larger jurisdictions, where backlogs and communication gaps are more prevalent, this approach can help applicants better manage timelines and reduce delays caused by opaque processes.

Arguments in Support: Abundant Housing LA writes in support: "AB 920 is a key component of the Fast Track Housing Production Package, which aims to fix the most common roadblocks to getting to "yes" on housing. By tackling inefficiencies at every stage of the approval process, from applications and CEQA compliance to entitlements, post-entitlement, and enforcement, this legislative package will help get housing built faster and at lower costs. One major barrier: many large cities lack a centralized and transparent system to manage the many steps in the entitlement and post-entitlement processes.

Without such a centralized system, builders find it challenging to track the status of their projects and manage the complex landscape of different agencies and requirements. Disjointed processes are particularly difficult to navigate for small builders (many of them minority- or women-owned), who cannot afford to hire expediters and land use consultants familiar with the particularities of each local jurisdiction."

Arguments in Opposition: None on file.

Related Legislation: AB 1294 (Haney) of this Legislative session requires the HCD to create a standardized housing entitlement application that all local governments must accept.

Double-Referred: This bill was also referred to the Committee on Local Government, and passed on a vote of 10-0 on April 23, 2025.

REGISTERED SUPPORT / OPPOSITION:

Support

Abundant Housing LA (Sponsor)
California Apartment Association
California Housing Consortium
California YIMBY
Circulate San Diego
Habitat for Humanity California
Institute for Responsive Government Action
LeadingAge California
South Pasadena Residents for Responsible Growth
SPUR
The Two Hundred

Opposition

None on file.

Analysis Prepared by: Dori Ganetsos / H. & C.D. / (916) 319-2085

Date of Hearing: April 30, 2024

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 1007 (Blanca Rubio) – As Amended March 24, 2025

SUBJECT: Land use: development project review

SUMMARY: Reduces the timeline for approval or disapproval by a "responsible agency" for residential and mixed-use development projects from 90 days to 45 days of either the lead agency's approval, or the date the agency receives a complete application, whichever is later.

EXISTING LAW:

1) Establishes the Permit Streamlining Act (PSA). (Government Code (GOV) Sections 65920-65964.5)

2) Establishes the California Environmental Quality Act (CEQA), which requires lead agencies to determine whether a project is exempt, prepare a Negative Declaration or Mitigated Negative Declaration for projects with no or mitigable impacts, or complete an Environmental Impact Report (EIR) for projects with significant environmental impacts. (Public Resources Code (PRC) 21000–21189)

3) Defines "lead agency" to mean the public agency which has the principal responsibility for carrying out or approving a project which may have a significant effect upon the environment. (PRC 21067)

4) Defines "responsible agency" to mean a public agency, other than the lead agency, which has responsibility for carrying out or approving a project. (PRC 21069)

5) Requires lead and local agencies to prepare and certify an EIR for projects that may have a significant effect on the environment, and allows appeals of CEQA determinations made by nonelected bodies to the elected decision-making body, if one exists. (PRC 21100, 21151)

6) Establishes statutory exemptions from CEQA for certain housing projects, including affordable infill housing, mixed-use or employment center projects in transit priority areas, and specific housing types in designated urban areas. (PRC 21155.4, 21159.20–21159.25, 21080.27)

7) Requires ministerial approval, and thus exempts from CEQA, certain residential projects such as those qualified under (Wiener) Chapter 366, Statutes of 2017 /SB 423 (Wiener) Chapter 778, Statutes of 2023, AB 2011 (Wicks) Chapter 647, Statutes of 2022, and projects including accessory dwelling units, farmworker housing, and permanent supportive housing. (GOV 65912.100, 66323; Health and Safety Code (HSC) 17021.8, 50675.1.5)

8) Requires a lead agency to approve or disapprove a project within the following timelines:

    a) 180 days from the date of certification of the environmental impact report (EIR) by the lead agency;

b) 90 days from the date of certification of the EIR if the development project is either all residential units or is a mixed-use development consisting of residential and nonresidential uses, as specified;

c) 60 days from the date of certification of the EIR by the lead agency for a development project that meets all of the following:

i) The development project is either all residential units or is a mixed-use development consisting of residential and nonresidential uses, as specified;

ii) At least 49% of units in the development project are affordable to very low or low income households, as specified; and

iii) The lead agency has received notice that the project has submitted or will submit an application for financial assistance from a public agency or a federal agency, as specified.

d) 60 days from the date of adoption by the lead agency of a Negative Declaration; or

e) 60 days from the determination by the lead agency that the project is exempt from CEQA. (GOV § 65950)

9) Prohibits a public agency to from disapproving an application for a development project in order to meet the time limits required in the PSA. Requires a local agency to specify the reason for a disapproval other than the failure to timely act in accordance with the time limits of the PSA. (GOV § 65952.2)

10) Requires a public agency other than the California Coastal Commission that is a responsible agency for a residential or mixed-use development project that has been approved by the lead agency to approve or disapprove the development project within whichever of the following periods of time is longer:

a) 90 days from the date on which the lead agency has approved the project; or

b) 90 days from the date on which the completed application for the development project has been received and accepted as complete by that responsible agency. (GOV 65952)

FISCAL EFFECT: None.

COMMENTS:

Author's Statement: According to the author, "AB 1007 takes aim at one of the biggest bottlenecks in the process—permit approvals. This bill cuts the time frame for responsible agencies to act on housing permit applications from 90 days to just 45.

At the heart of the permitting process is the 'shot clock'—the countdown regulatory agencies must adhere to once an application is deemed complete. While prior legislation expedited the shot clock for lead agencies specifically for housing projects, but did not correspondingly shorten the clock for responsible agencies to act on a complete application and delays in the permit process. These holdups—especially for permits issued by state and regional agencies—have remained a stubborn obstacle to getting much-needed housing built.

By aligning the shot clock across the board, AB 1007 aims to bring much-needed efficiency and predictability to the housing approval process, ensuring projects move forward faster and communities get the housing they desperately need."

Navigating the Housing Approvals Process: Planning for, and approving, new housing development is fundamentally a local responsibility. Under the California Constitution, cities and counties hold broad authority, known as the police power, to regulate land use in the interest of public health, safety, and welfare. Local governments exercise this authority through an entitlement process, which includes both discretionary and ministerial approvals. Gaining "entitlement" signals that a proposed housing project conforms to local zoning, land use policies, and design standards and, where applicable, complies with state environmental laws. Once a project receives entitlement, or approval, from the local planning department, it must obtain postentitlement permits, such as building, demolition, and grading permits. Postentitlement permits are related to the physical construction of the development proposal before construction can begin.

Navigating through the various stages of housing approval requires developers to invest time and resources early in the development process. A 2025 study found that California is the most expensive state for multifamily housing development, in part due to the long timeline it takes to go from an application to an approved project.[1] This report found that longer production timelines are strongly associated with higher costs, and the time to bring a project to completion in California is more than 22 months longer than the average time required in Texas.[2] To address this, the Legislature has enacted various laws to streamline, expedite, and standardize housing approvals, particularly for projects meeting objective standards. Despite the efforts to expedite local approvals for housing development proposals both at the entitlement and permitting stages, it still takes far too long to approve housing in California.

HCD identifies lengthy permit processing timelines and procedures as a governmental constraint to housing development. In HCD's *San Francisco Housing Policy and Practice Review*, the department found that procedural complexities associated with housing entitlement and permitting are "not only a barrier to entry to new development professionals pursuing [housing] projects," but they may also cause developers to exit housing markets with complex permitting ecosystems and pursue developments in neighboring jurisdictions with less complex procedural requirements instead.[3] For homeowners seeking to add gentle density to their property, bureaucratic hurdles and delays can result in project abandonment, further tightening the housing production pipeline.

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[1] https://www.rand.org/pubs/research_reports/RRA3743-1.html
[2] https://www.rand.org/pubs/research_reports/RRA3743-1.html
[3] HCD San Francisco Policy & Practice Review, Page 13. Published October 2023. Accessed from: https://www.hcd.ca.gov/policy-and-research/plans-and-reports

2023 Housing Development Approvals Timeline[4]

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Mobile Home	212	161	373
Two to Four Units	179	345	524
Five or More Units	323	377	700

The Role of CEQA: CEQA requires public agencies to identify, disclose, and, where feasible, mitigate the significant environmental impacts of proposed projects. The level of environmental review varies depending on a project's potential impacts or its eligibility for exemption under CEQA. Projects may qualify for a statutory or categorical exemption, or, if not exempt, may require a Negative Declaration, Mitigated Negative Declaration (MND), or a full Environmental Impact Report (EIR). While categorical exemptions typically apply to project types that are unlikely to have significant environmental impacts, statutory exemptions may apply even if a project could result in significant impacts, based on policy decisions made by the Legislature.

While CEQA is intended to promote transparency and environmental protection, it also introduces time, complexity, and litigation risk, particularly for multifamily or infill housing projects. Developers and local governments often face challenges navigating CEQA's technical requirements, including preparing lengthy documentation and coordinating among various departments and consultants. The law's broad standing provisions allow virtually any party to file a lawsuit challenging the adequacy of a CEQA analysis, which can lead to costly and time-consuming delays even for projects that comply with all applicable state and local requirements. Furthermore, the threat of CEQA litigation may deter developers from pursuing certain scopes of housing development altogether. As a result, CEQA can serve not only as a tool for environmental protection but also, at times, as an instrument for opposition to new housing.

CEQA Exemptions for Housing Developments*:* Certain housing developments may be exempt from CEQA review altogether, including projects that are:

- Ministerial (i.e., those that do not involve discretionary approvals);
- Covered by statutory exemptions enacted by the Legislature; or
- Eligible for categorical exemptions under CEQA Guidelines.

[4] Based on self-reported Annual Progress Report (APR) data provided by local governments to HCD for housing developments approved the year 2023. These timelines includes time where the applicant was responsible for responding to feedback or any corrections identified by the local government, so they are not entirely representative of the length of time that a local government spent reviewing any given development. https://www.hcd.ca.gov/planning-and-community-development/housing-element-implementation-and-apr-dashboard

These exemptions are intended to streamline the approval process for projects, typically those that are unlikely to result in significant environmental impacts, especially in urban areas. However, the criteria for these exemptions are often narrow and difficult to meet, particularly for larger or more complex projects. Projects must generally avoid sensitive environmental areas, such as wetlands or habitats for protected species, be located in areas with existing infrastructure, and often must meet strict density, affordability, and labor thresholds. Even when a project appears to meet exemption criteria, local agencies may err on the side of caution and opt to conduct a full environmental review out of concern for potential litigation. This dynamic can undermine the intended benefits of CEQA exemptions and prolong approval timelines even for low-impact housing developments. Developers and planners must therefore carefully assess whether an exemption is truly viable before relying on it in project planning.

The Permit Streamlining Act: Recognizing the challenges posed by extended approval timelines, the Legislature adopted the PSA to bring greater efficiency and predictability to the development review process. The PSA applies to all local governments, including charter cities, and is intended to protect applicants from unjustified delays. The PSA mandates a clear review process:

1) Within 30 calendar days of receiving an application, a local agency must determine whether it is complete;

2) If incomplete, the agency must provide a detailed list of deficiencies; and

3) If complete, the application is formally accepted and PSA timelines begin.

Once an application is accepted as complete, the PSA sets strict timelines for lead agencies to approve or disapprove a project. A lead agency is the public agency with principal responsibility for carrying out or approving a project. Most often, this is a city or county. The lead agency determines whether CEQA applies and prepares the relevant CEQA document. The applicable deadline depends on the type of environmental review. If an agency fails to act within these deadlines and has met required public notice procedures, the project may be *deemed approved*.

Triggering Event	Lead Agency Deadline for Approval
Certification of an EIR	180 days
Certification of an EIR for all-residential or primarily residential mixed-use projects	90 days
Certification of an EIR for certain affordable housing projects meeting specific criteria (49% affordability, public funding application, etc.)	60 days
Adoption of a Negative Declaration	60 days
Determination that project is CEQA-exempt	60 days

A responsible agency is any other public agency with discretionary approval over part of the project, such as issuing a permit or license. Examples include water boards, air districts, utility providers, or agencies overseeing habitat or coastal resources. Once the lead agency has certified or adopted the CEQA document, responsible agencies must approve or disapprove qualifying projects within the longer of 180 days from the lead agency's approval, or 180 days from the date the responsible agency accepts the application as complete.

For qualifying residential or primarily residential mixed-use projects, a shorter PSA timeline applies:

- 90 days from the lead agency's approval; or
- 90 days from receipt of a complete application.

This bill proposes to reduce this 90-day timeframe to 45 days for responsible agencies. At this stage, the lead agency has already completed the environmental review. Responsible agencies can impact the scope and contents of the environmental review by commenting on a CEQA document and providing consultation to the lead agency, when required. Once an environmental document is certified or adopted by the lead agency, the responsible agency may use the CEQA document to inform its decisions. The responsible agency's role is generally narrower, focused on technical permits or resource-specific concerns. A 45-day approval deadline, as proposed, would encourage efficiency and reduce unnecessary bureaucratic delay without compromising environmental integrity.

The Legislature has taken steps to expedite the approval of housing and increase certainty in the housing approvals process. However, the entitlement and environmental review process remains a key bottleneck. Reducing responsible agency timelines to 45 days, as proposed in this bill, would be a targeted, practical step toward streamlining this complex process. It would acknowledge that once CEQA has been completed and a project has cleared its most rigorous review, additional agencies should act quickly and decisively. This is particularly important for housing developers who must juggle financing deadlines, contractor schedules, and fluctuating market conditions. A 45-day window for responsible agency approvals could close a key timing gap in the current system, helping housing projects stay on track and move forward with certainty and efficiency.

Arguments in Support: The California Building Industry Association, "AB 1007 (Rubio) aims to reform a component of California's Permitting Streamlining Act (PSA) by reducing the time limit or "shot clock" for responsible agencies to act on permit applications for housing development projects from 90 days to 45 days. The shortened timeline allows builders to expedite vitally needed housing production. This approach is consistent with the Legislature's approval of two other applicable shot clock timeframe reductions for lead agencies since 2019."

Arguments in Opposition: None on file.

Double Referral: This bill was also referred to the Committee on Local Government, and passed on a vote of 10-0 on April 9, 2025.

REGISTERED SUPPORT / OPPOSITION:

Support

California Association of Realtors (Sponsor)
California Building Industry Association (Sponsor)
California Business Properties Association (Sponsor)
California Business Roundtable (Sponsor)
California Nevada Cement Association (Sponsor)
NAIOP of California (Sponsor)

Southern California Leadership Council (Sponsor)
California Apartment Association
California Council for Environmental & Economic Balance
Institute for Responsive Government Action
South Pasadena Residents for Responsible Growth

Opposition

None on file.

Analysis Prepared by: Dori Ganetsos / H. & C.D. / (916) 319-2085

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 1165 (Gipson) – As Amended March 24, 2025

SUBJECT: California Housing Justice Act of 2025

SUMMARY: Establishes the California Housing Justice Act of 2025. Specifically, **this bill**:

1) Establishes the California Housing Justice Fund in the General Fund (Fund) and requires the Legislature to invest an ongoing annual allocation in the Fund in an amount needed to solve homelessness and housing unaffordability.

2) Requires moneys in the Fund to be provided to the Department of Housing and Community Development (HCD) and expended to fund the following:

    a) Evidence-based practices for solving homelessness, including, but not limited to, rental subsidies for permanent housing, homeless services, and flexible housing subsidy pools;

    b) The development, acquisition, rehabilitation, and preservation of affordable and supportive housing that is affordable to acutely low, extremely low, very low, and lower income households, including necessary operating subsidies;

    c) Social housing and other alternative models to traditional affordable housing development;

    d) Tenant stability programs; and

    e) Other uses the finance plan identifies as necessary to solve homelessness and housing unaffordability.

3) Requires HCD in coordination with the California Interagency Council on Homelessness (CA-ICH) and other stakeholders to create the following no later than January 1, 2027:

    a) A finance plan to solve homelessness. This finance plan shall determine the funding necessary to create enough housing to meet the unmet housing needs of people experiencing homelessness, and the unmet housing needs of people expected to fall into homelessness based on the most recent statistics of rates of Californians falling into homelessness;

    b) A finance plan to solve the housing unaffordability crisis. This finance plan shall identify funding necessary to meet the affordable housing needs the department identified in the most recent regional housing needs assessment; and

    c) Statewide annual performance metrics through all of the following:

        d) Updating annually the "Statewide Action Plan for Preventing and Ending Homelessness in California," to include annual metrics to achieve goals established in the finance plan to solve homelessness, as specified; and

e) Identifying and regularly updating annual metrics to achieve goals established in the finance plan to solve the housing unaffordability crisis, as specified.

4) Requires the Business, Consumer Services, and Housing Agency to report to the Legislature, on or before October 1 of each year, beginning in 2027, on its progress in meeting the performance measures and benchmarks contained in the finance plans and annual performance metrics. The agency shall publish goals on its website and update progress toward the goals at least annually.

EXISTING LAW:

1) Article XVI of the California Constitution sets forth rules for calculating a minimum annual funding level for K–14 education.

2) Article XVI Section 20 of the California Constitution establishes the Budget Stabilization Account (BSA) and requires the following:

   a) Annual transfer of 1.5% of general fund revenues to the state BSA;

   b) Additional transfer of personal capital gains tax revenues exceeding 8% of general fund revenues to the BSA and, under certain conditions, a dedicated K–14 school reserve fund;

   c) Half of the BSA revenues must be used to repay state debts and unfunded liabilities;

   d) Allows limited use of funds in case of emergency or if there is a state budget deficit;

   e) Caps the BSA at 10% of general fund revenues, and directs remainder to infrastructure.

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author," California voters want to end homelessness and housing unaffordability and identify it as the top issue facing the state in survey after survey. So why, unlike public education, healthcare, behavioral health and transportation, do we fail to provide ongoing funding at scale to address the crisis? We would never expect our schools to educate our kids if they had to go up to Sacramento every year to make sure they had the money to keep their doors open–yet that's what we ask of our housing sector, leaving it instead to a private market that has failed to provide housing security for millions of Californians.

We must commit to ongoing funding at the level needed to meet this crisis. One-time, temporary investments will not deliver the infrastructure and sustainability to end homelessness or housing unaffordability. We cannot afford to keep staring down a cliff that gets bigger and bigger each year, or run harder every day to stay in place, especially as federal investments in housing face greater uncertainty than ever before. It's time to create ongoing funding at scale to allow California to mount a comprehensive response to homelessness that's grounded in evidence-based solutions.

More Californians are falling into homelessness than ever before, and we must act with urgency to pass measures that will create more housing affordable to people with the greatest need. AB 1165, the Housing Justice Act, gives us a strategic roadmap to end homelessness and California's housing affordability crisis. The Act also gives direction on ongoing funding and calls for accountability. And it calls for California to invest in what it takes to solve our homelessness and housing crisis. Simply put, it calls on our state to lead on housing the way we've led on climate and the environment, on technology, on medical research. We can no longer wait for the federal government to do the right thing or continue to expect local governments to carry all of the burden. AB 1165 is the right way to tackle this crisis in an upfront, accountable, and ongoing way."

Homelessness in California: Based on the 2024 point in time count, 187,000 people experiencing homelessness on any given night California. Many of those people – 78% or 143,900 – are unsheltered, meaning they are living outdoors and not in temporary shelters. Nearly half of all unsheltered people in the country were in California during the 2024 count. Fifty-seven percent of people experiencing homelessness in California spent most nights outdoors, 21% in a vehicle. Homelessness grew at a higher rate in the nation (18%) than in California (3%) from 2023 to 2024, driven by a 25% jump in sheltered homeless in the US compared to 9% in California. The homelessness crisis is driven by the lack of affordable rental housing for lower income people. In the current market, 2.2 million extremely low-income and very low-income renter households are competing for 664,000 affordable rental units. Of the six million renter households in the state, 1.7 million are paying more than 50% of their income toward rent. The National Low Income Housing Coalition estimates that the state needs an additional 1.5 million housing units affordable to very low-income Californians.

According to the Statewide Housing Plan released in 2022 by the Department of Housing and Community Development (HCD), the state needs 2.5 million new housing units to meet the demand. Specifically, for lower-income households, the state needs 1.2 million units for households who make 80% of the area median income or less. According to HCD, the state needs 180,000 units of housing built a year to keep up with demand – including about 80,000 units of housing affordable to lower-income households.

The High Cost of Housing: The high cost of housing is the cause of homelessness in California. A study by the National Low Income Housing Coalition found that West Virginia has 50 affordable and available rental homes for every 100 extremely-low-income households, more than double the number that California has. A family in West Virginia can afford a two-bedroom rental on less than $17 an hour – the second-lowest figure in the nation. In California a family would need more than $40 per hour to be able to afford an average two-bedroom rental.

The Legislature has passed major legislation in recent years to allow affordable housing to be built on almost any site in the state. However, the lack of housing overall and in particular the continued lack of sufficient affordable housing is a problem that is decades in the making. Millions of Californians, who are disproportionately lower income and people of color, must make hard decisions about paying for housing at the expense of food, health care, child care, and transportation—one in three households in the state doesn't earn enough money to meet their basic needs. Currently, according to state homelessness data, for every five individuals who access homelessness services in California, only one is housed each year, leaving four unhoused.

According to the California Housing Partnership, although the state has doubled production of new affordable rental homes in the past five years, the state only funded 15% of what is needed to meet its goals. Californian voters have ranked housing affordability and homelessness as the two most important issues for the state to address. Yet, affordable housing funding at both the state and federal has never been consistently or adequately funded to meet the need.

Federal Funding: In the 1930s, the federal government began funding affordable housing construction in response to the Great Depression. In 1934, Congress created the Federal Housing Administration to make homeownership more accessible for more households through low down payments and long-term mortgage products. In 1937, the U.S. Housing Act began to fund the construction of public housing for lower income households. The housing stock at this time was very low quality and public housing was a significant improvement for lower-income households; however, over time, the revenues brought in from resident rents could not sustain the cost of operating and maintaining public housing, and the housing deteriorated.

In 1965, Congress created the Department of Housing and Urban Development (HUD), the first cabinet level housing entity. In the 1960s, HUD began providing subsidies to public housing agencies (PHAs) that would help make up the difference between revenue from rents and the cost of adequately maintaining the housing. In the 1950s and 1960s, HUD also began providing low interest rates and subsidies to private entities to purchase and rehabilitate rental housing and offer it at affordable rates. In 1973, President Nixon imposed a moratorium on all HUD programs to fund the new construction of homeownership and rental housing. In 1974, the Housing and Community Development Act of 1974 significantly overhauled HUD housing programs and moved toward block grants that granted local jurisdictions more authority, creating the Section 8 rental assistance program and the Community Development Block Grant program.

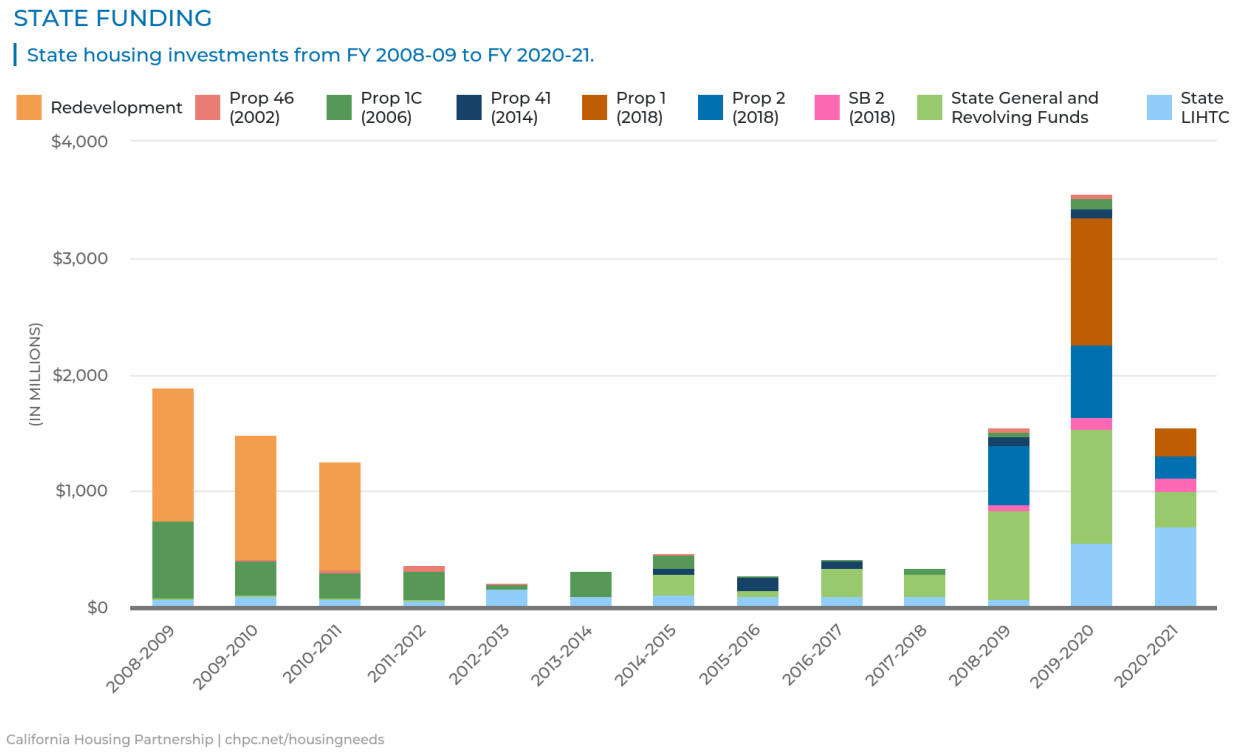
In the 1980s, the deinstitutionalization of persons with mental illness and the decline in supports for lower income households led to a sharp increase in homelessness. In response, Congress passed the McKinney-Vento Act of 1987 to provide social service programs at HUD to address homelessness.

In the 1980s and 1990s, private landlords began to opt-out of the Section 8 Housing Choice Voucher program, leading to a push to create more permanent affordable housing units. As a result, the Tax Reform Act of 1986 created the Low Income Housing Tax Credit, which provides tax credits to those investing in the development of affordable rental housing. That same Act codified the use of private activity bonds for housing finance, authorizing the use of such bonds for the development of housing for homeownership, as well as the development of multifamily rental housing.

Although the American Rescue Plan from 2021-22 provided one-time funding for emergency shelters and rental assistance in response to COVID, no significant federal investment has occurred in addressing the housing needs of lower income households in the last 30 years. The largest federal ongoing funding programs at this time are the Housing Choice Voucher Program ($3 billion a year) and the low-income housing tax credit program. Continued funding for the Housing Choice Voucher Program is in jeopardy based on the Trump Administration's early efforts to cut federal programs.

State Funding: Historically, the largest state investment in housing has been in homeownership. The state provides approximately $5 billion in subsidy each year to homeowners through the

mortgage interest deduction. The investment in affordable rental housing is far less and much less consistent. The chart below shows the investment the state has made from 2008-2021 and highlights the lack of consistent funding and the complexity of funding sources.



Voter-Approved Bonds*:* Over the past twenty years, the state has largely relied upon voter-approved bonds to fund the construction or rehabilitation of affordable rental housing, homeownership units and down payment assistance, and housing for special populations including veterans and special needs groups. The past several voter-approved bonds included:

- Proposition 1 of 2024: Authorized $6.4 billion in bonds to finance behavioral health treatment beds, supportive housing, community sites, and funding for housing veterans with behavioral health needs. The Department of Health Care Services (DHCS) will administer $4.4 billion of these funds for grants to public and private entities for behavioral health treatment and residential settings. $1.5 billion of the $4.4 billion will be awarded only to counties, cities, and tribal entities, with $30 million set aside for tribes. HCD will administer $1.972 billion for permanent supportive housing for individuals at risk of or experiencing homelessness and behavioral health challenges. Of that amount, $1.065 billion will be for veterans. The initiative also revised how counties use money collected by Proposition 63: the Mental Health Services Act of 2004, shifting 30% of funds to housing supports to help people experiencing homelessness find and maintain permanent housing. These funds are ongoing and if used correctly could provide an ongoing fund sources to support rental assistance and services for permanent supportive housing.

- Proposition 1 of 2018: The Veterans and Affordable Housing Act of 2018 authorized $4 billion in voter-approved bonds. One billion were revenue bonds to fund the CalVet homeownership program and $3 billion were to fund existing affordable housing programs

that fund the construction of affordable rental housing for farmworkers, special needs populations, and lower-income households and programs to create new homeownership options for lower-income households.

- Proposition 41: Veterans Housing and Homeless Prevention Bond Act of 2014 authorized $600 million in general obligation bonds to fund the acquisition, construction, rehabilitation, and preservation of multifamily supportive housing, affordable transitional housing, affordable rental housing, and related facilities for veterans and their families.

- Proposition 1C: Housing and Emergency Shelter Act of 2006 authorized $2.85 billion in voter-approved bonds to fund existing affordable housing programs that fund the construction of affordable rental housing for farmworkers, special needs populations, and lower-income households and programs to create new homeownership options for lower-income households.

- Proposition 46: Housing and Emergency Shelter Crisis Act of 2002 authorized $2.1 billion for existing affordable housing programs that fund the construction of affordable rental housing for farmworkers, special needs populations, and lower-income households and programs to create new homeownership options for lower-income households.

AB 736 (Wicks) which recently passed out of this committee on a vote of 10-1 would place a $10 billion bond on the spring 2026 ballot to fund various affordable housing programs.

***Permanent Funding*:** The state has a small number of ongoing funding sources for affordable housing, including the Building Homes and Jobs Act of 2017 and the state low-income housing tax credit.

The Building Homes and Jobs Act: In 2017, SB 2 (Atkins) established the Building Homes and Jobs Act, which for the first time, created an ongoing, dedicated revenue source for affordable housing. The Act imposes a $75 fee on real estate transaction documents, excluding commercial and residential real estate sales, to provide funding for affordable housing. The Act required that in the first year, funds collected from the recording fee be split between homelessness programs and to localities to update planning documents and zoning ordinances. In year two and beyond, 70% of the funds are distributed directly to locals and 30% to the state to be spent for the following purposes: farmworker housing, state incentive programs, and mixed income multifamily residential housing affordable to lower and moderate income housing. Revenues generated by SB 2 are heavily dependent on the number of homeowners that refinance their home loans. Historically the revenues collected from SB 2 have ranged from $250 million to $520 million a year.

State Low-Income Housing Tax Credits (LIHTC): The state LIHTC was statutorily created in 1987 and requires that approximately $70 million per year be available for the program. In 2019, AB 101 (Committee on Budget), Chapter 159 provided an additional $500 million in state LIHTCs. The $500 million is not statutorily required but has been included in each budget since 2019 as part of the base budget – meaning the Governor has included it in his January budget. The additional $500 million LIHTCs were coupled with tax-exempt bonds and the 4% federal credits, in part, to encourage developers to fully utilize any remaining federal tax-exempt bonds that were being left on the table. The Governor did not include $500 million for the LIHTC in his January 2025 proposed budget.

Affordable Housing and Sustainable Communities Program (AHSC): AHSC is funded through cap-and-trade revenues and is used for the infrastructure costs of affordable housing developments. It aims to promote dense, transit-oriented development and lower housing-related carbon emissions by funding developments that have a measurable reduction in greenhouse gas emissions because of proximity to transit. In January of 2022, the Strategic Growth Council announced $808 million in funding awards for 37 affordable housing projects across the state. Since the AHSC program launched it has invested over $2.4 billion across the state through 164 sustainable projects, creating over 15,000 affordable units and reducing almost 4.4 million tons of GHG emissions over the projects' operating lives.

***One-time General Funding*:** Although historically the General Fund has not been a significant source of funding for affordable housing, beginning in 2019, Governor Newsom and the Legislature have included significant one-time resources for affordable housing.

In 2019-20 through 2023-24, the Budget provided a total of about $12 billion for various one-time, discretionary housing initiatives. In Budget year 2021-22, the amount invested is significantly higher because of federal funds the state received through the American Rescue Plan in response to COVID. These totals may not reflect funding provided through other programs that serve people who are homeless or at risk of homelessness found in the human services programs.

The lack of permanent ongoing funding to construct affordable housing has contributed to the severe affordability crisis particularly for lower-income households and a growing number of people experiencing homelessness.

Purpose of This Bill: This bill would require HCD in consultation with CA-ICH to develop a finance plan to solve homelessness. This finance plan would determine the funding necessary to create enough housing to meet the unmet housing needs of people experiencing homelessness, and the unmet housing needs of people expected to fall into homelessness based on the most recent statistics of rates of Californians falling into homelessness. The plan would have metrics tied to outcomes to determine success. This bill establishes the California Housing Justice Fund (Fund) in the General Fund and requires the Legislature to invest an ongoing annual allocation in the Fund in an amount needed to solve homelessness and housing unaffordability. Since this bill does not include an appropriation, future action would need to be taken by the Legislature to appropriate money into the Fund.

Arguments in Support: According to a coalition of supporters "AB 1165 addresses this challenge by requiring the state to create the California Housing Justice Fund and make the investments needed at scale to solve this crisis. The bill would require the state to create financing plans for ongoing investments at the scale necessary to solve homelessness and the housing affordability crisis, an essential step in ensuring that funding to address housing insecurity and homelessness is reliable and sufficient. Taken together, these actions would ensure the state is finally tackling this challenge with appropriate urgency to provide security and stability to all of its residents. We hope you will join us in supporting this legislation."

Arguments in Opposition: The California Association of Realtors are opposed to this bill unless it is amended to prohibit the conversion of entry level market rate homeownership housing units (i.e., single family homes with ADUs, jr. ADUs, duplexes, triplexes and fourplexes) to rental housing.

Related Legislation:

AB 71 (L. Rivas) of 2021 would have conformed state law to the federal Global Intangible Low-Taxed Income (GILTI) provisions and taxed repatriated income to finance the Bring California Home Fund. Held on the Assembly Floor.

AB 1905 (Chiu) of 2020 would have eliminated the mortgage interest deduction on second homes and used the General Fund savings to finance immediate and long-term solutions to homelessness by moving homeless individuals and families into permanent housing. Estimated possible revenues of $300 million each year. Held by the author in this committee.

SB 2 (Atkins), Chapter 364, Statutes of 2017: Established a permanent funding source for affordable housing that ranges from $300 - $500 million a year and is dependent upon homeowners refinancing a home or making other changes to the ownership.

AB 71 (Chiu) of 2017 would have eliminated the mortgage interest deduction on second homes and used the general fund savings to increase the low income housing tax credit. Estimated possible revenues of $300 million each year. Held on the Assembly Floor.

REGISTERED SUPPORT / OPPOSITION:

Support

ACLU California Action (Co-Sponsor)
Abode Services
All Home
Alliance of Californians for Community Empowerment (ACCE)
Bring California Home
Buccola Family Homeless Advocacy Clinic
California Center for Movement Legal Services
California Housing Partnership
CalPACE
Compass Family Services
Congregations Organized for Prophetic Engagement (COPE)
Corporation for Supportive Housing
Destination: Home
Disability Rights California
Disability Rights Education & Defense Fund
Downtown Women's Center
East Bay Housing Organizations
Episcopal Community Services
Eviction Defense Collaborative
Evolve California
Homeless United for Friendship and Freedom
Housing and Economic Rights Advocates
Housing California
Housing Is a Human Right OC
Housing Now!

Human Impact Partners
Imperial Valley Equity and Justice Coalition
Inner City Law Center
John Burton Advocates for Youth
Justice in Aging
LA Progressive
Lawyers Committee for Civil Rights of the San Francisco Bay Area
Little Tokyo Service Center
My Friend's Place
National Alliance to End Homelessness
National Homelessness Law Center
NoHo Home Alliance
PATH
PolicyLink
PowerCA Action
Public Advocates
Reclaim Our Power Utility Justice Campaign
Resources for Community Development
Sacramento Homeless Union
Safe Place for Youth
San Diego Organizing Project
San Francisco Community Land Trust
South Tower Community Land Trust
SSG-HOPICS
Strategic Actions for a Just Economy
Supportive Housing Alliance
Sycamores
Tenants Together
The Bride's Chamber
The Center in Hollywood
Western Center on Law and Poverty
Western Regional Advocacy Project

Opposition

California Association of Realtors (oppose unless amended)

Analysis Prepared by: Lisa Engel / H. & C.D. / (916) 319-2085

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 1244 (Wicks) – As Amended April 23, 2025

SUBJECT: California Environmental Quality Act: transportation impact mitigation: Transit-Oriented Development Implementation Program

SUMMARY: Allows a development project that is required to mitigate transportation impacts to elect to contribute an amount, at a price per vehicle miles travelled (VMT) determined by the Office of Land Use and Climate Innovation (LCI), to the Transit Oriented Development (TOD) Implementation fund for allocation to a local infill housing development. Specifically, **this bill**:

1) Requires LCI to determine a price per VMT by July 1, 2026.

2) Requires LCI to update the price per VMT on or before July 1, 2029 and every three years thereafter, based on housing project costs and award, VMT mitigated, and other factors related to housing projects funded by the TOD Program or the Affordable Housing and Sustainable Communities (AHSC) Program.

3) Makes the money contributed to the TOD Fund available to the Department of Housing and Community Development (HCD), upon appropriation, to fund developments located within the same region as the project in the following order:

    a) To developments within the same city as the project or for projects in unincorporated areas to developments in the same county; and

    b) To developments in the same county.

4) Requires HCD, in determining the award for each project, to confirm the estimated reduction in VMT attributed to the award using the method used for the AHSC program.

5) Requires HCD to post on its website as part of the list of TOD program awards at the conclusion of each funding round all of the following information:

    a) The name, location, and number of units in each development funded;

    b) The total development cost and amount of funds awarded to each development, including but not limited to the amount of funds contributed as a result of VMT mitigation;

    c) The reduction in VMT estimated for each development and attributed to the award using the same method as used by the AHSC program; and

    d) The VMT obligations of each project that contributed funds to the award during the funding round.

EXISTING LAW:

1) Requires lead agencies with the principal responsibility for carrying out or approving a proposed discretionary project to prepare a negative declaration (ND), mitigated negative

declaration (MND), or environmental impact report (EIR) for this action, unless the project is exempt from the California Environmental Quality Act (CEQA). (Public Resources Code (PRC) 21000 *et seq.*)

2) Requires the Office of Planning and Research (OPR, now known as LCI) to prepare and develop proposed guidelines for the implementation of CEQA by public agencies. Requires the guidelines to include objectives and criteria for the orderly evaluation of projects and the preparation of EIRs and NDs. Also requires the guidelines to include criteria for public agencies to follow in determining whether a proposed project may have a significant effect on the environment. (PRC 21083)

3) Requires OPR to prepare proposed revisions to the CEQA Guidelines establishing criteria for determining the significance of transportation impacts within transit priority areas (TPAs). Requires the criteria to promote the reduction of greenhouse gas (GHG) emissions, the development of multimodal transportation networks, and a diversity of land uses. (PRC 21099)

4) Authorizes OPR to adopt CEQA Guidelines establishing alternative metrics to traffic "levels of service" (LOS) for transportation impacts outside of TPAs. Authorizes the alternative metrics to include the retention of LOS, where appropriate and as determined by OPR. Pursuant to this authority, OPR revised the CEQA Guidelines to identify VMT as the most appropriate metric to evaluate a project's transportation impacts and to apply VMT statewide. (PRC 21099)

5) Establishes the TOD Program, to be administered by HCD, to provide local assistance to developers for the purpose of developing higher density uses within close proximity to transit stations that will increase public transit ridership. The TOD Program provides gap financing for rental housing developments near transit that include affordable units as well as necessary infrastructure improvements. (Health and Safety Code 53560)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, ***"***Developers that are required to mitigate for VMT produced by their projects have an array of options available to them, including through affordable housing, which we desperately need more of in order to address California's housing crisis. However, mitigating VMT by developing affordable housing is not currently a widely used strategy and there is no process at the state level to collect and disburse VMT mitigation dollars for this purpose. That is exactly what AB 1244 would do by creating a statewide VMT mitigation fund to facilitate the creation of affordable housing. This bill would not remove any of the existing strategies available to developers—it would expand the options available to them and add another tool to their mitigation toolbox. AB 1244 would also facilitate the pooling of VMT mitigation dollars, which will enable larger and more effective mitigation strategies than is possible for individual projects, and could help to spur more affordable housing development in California."

SB 743 and VMT: CEQA requires cities counties and other public agencies to analyze transportation projects to determine if they have a significant impact on the environment.

Traditionally, transportation impacts were evaluated by examining whether the project was likely to cause automobile delay at intersections and congestion on nearby individual highway segments, and whether this delay would exceed a certain amount. This was known as Level of Service or LOS analysis.

SB 743 (Steinberg), Chapter 386, Statutes of 2013 updated CEQA Guidelines to change how lead agencies evaluate transportation impacts under CEQA, with the goal of better measuring the actual transportation-related environmental impacts of any given project. Starting on July 1, 2020, lead agencies were required to analyze based on VMT rather than LOS. VMT measures how much actual auto travel (additional miles driven) a proposed project would create on California roads. If the project adds excessive car travel onto roads, the project may cause a significant transportation impact. Projects are required to mitigate the impacts of VMT. Cities and counties had the option to adopt the VMT metric and many of the state's cities, which comprise nearly one-fifth of the state's population, have done so. VMT fees can be used toward GHG reduction activities including bus and transit passes, bicycle and pedestrian infrastructure, carpool and van pools, habitat conservation, and affordable housing.

Some Councils of Governments (COGs) have or are developing local TOD programs to invest in infill development. CalCOG hosted a webinar in the fall with a representative from the Western Riverside Council of Governments which is in the process of developing a program with local partners including the Housing Authority. According to materials provided at the webinar, in terms of VMT mitigation, affordable housing is comparable to transit passes/transit subsidies, it is cheaper to invest in affordable housing than bicycle infrastructure, and paying for the gap financing for one or two affordable housing projects can sufficiently mitigate an interchange project.[1] The Riverside Housing Authority has identified 15 affordable projects that have partial funding but need additional gap funding to move forward. VMT mitigation funds are a potential sources of funding for these projects.

This bill is intended to create an easier path for local jurisdictions that want to invest VMT fees into affordable housing but lack a local program. LCI would be required to develop a price per VMT by July of 2026. Fees collected on local projects would be deposited into a fund to be used for TOD in the city or county in which the fee was collected.

State TOD Program: Research demonstrates that transit-oriented affordable housing significantly reduces VMT. Lower income households drive 25% to 30% fewer miles when living within one-half mile of transit, and drive nearly 50% less when living within one-quarter mile of frequent transit. The TOD Program administered by HCD provides low-interest loans that are available as gap financing for rental housing developments near transit that include affordable units. Grants are also available to local governments and transit agencies for infrastructure improvements necessary for housing developments or to facilitate connections between these developments and the transit station. The program requires 15% of the units in a development to be affordable to lower income households and within one-half mile of transit.

Governor's Executive Order N-2-24: In July 2024, Governor Newsom issued Executive Order N-2-24 to accelerate and streamline infill development projects to transform undeveloped and underutilized properties statewide into livable and affordable housing for Californians. The order directs a number of state agencies to work together to address key roadblocks in the development

[1] wrcog-vmt-mitigation-program-affordable-housing-01072025.pdf

of infill housing. These agencies are directed to work together to comprehensively address the need to develop more housing by:

- Lowering costs and increasing flexibility by exploring updates to the state building standards codes and permitting processes to accelerate housing approvals and development;

- Creating more resources for local governments to build housing through infill development, by developing mechanisms to provide local governments and developers with a range of additional resources, including state and federal infrastructure dollars and other financing;

- Building more tools and opportunities by publishing resources and guidance, including through the states' existing Site Check website, to assist developers and other stakeholders in identifying opportunities to transform vacant sites into housing for Californians; and

- Aligning state housing and climate goals by creating tools to assess the environmental benefits of thriving urban cores and transportation centers, and working to better align housing and transportation investments across the state.

The Executive Order directed state agencies to take some key actions to leverage transportation funds to support infill development. Specifically, the California Department of Transportation (CalTrans), in consultation with CalSTA and LCI, is required to identify and implement opportunities to leverage transportation funds and projects to support the use of infill housing as an environmental mitigation approach by publishing guidance on the use of affordable infill housing as a mitigation strategy as part of its "Transportation Analysis under CEQA" guidance and track and report progress at the project level. The Executive Order also requires LCI to establish an interagency Task Force on Mitigation Banks, to include CalSTA, BCSH, CalTrans, HCD, and other state agencies as appropriate, for the purpose of developing a framework for a Statewide Mitigation Bank to provide flexibility in the use of infill housing as a mitigation strategy for transportation and housing projects with significant environmental impacts under CEQA. The California Air Resources Board, in partnership with BCSH and SGC, is directed to develop and propose metrics to assess the climate and environmental benefits of infill housing development, in order to help decision makers more accurately assess relative costs and benefits of infill development and adaptive reuse opportunities as remote work continues to be a part of the broader economy and travel patterns adjust.

Arguments in Support: According to one of the sponsors, the California Housing Partnership, "AB 1244 would make it easy for VMT-generating projects to mitigate their impacts with affordable housing. It would do so by allowing project sponsors to pay a per-mile fee into the fund for the Department of Housing and Community Development's (HCD) Transit-Oriented Development (TOD) Implementation Program. HCD would then use this existing program to award the funds to qualifying affordable housing developments in the same region, with a first priority for developments in the same city and a second priority for developments in the same county. Such a statewide approach provides efficiency, certainty, consistency, and a familiar process by which developers of affordable homes can access funding."

Arguments in Opposition: None on file.

Double Referred: This bill was also referred to the Committee on Natural Resources, where it passed with a vote of 14-0 on April 21, 2025.

REGISTERED SUPPORT / OPPOSITION:

Support

California Housing Partnership (Sponsor)
Housing California (Sponsor)
Active San Gabriel Valley
Brilliant Corners
California Walks
East Bay Housing Organizations
Enterprise Community Partners, INC.
Homes & Hope
Move LA
San Diego Housing Federation
Southern California Association of Nonprofit Housing
Streets for All
Transform
Wakeland Housing and Development Corporation

Opposition

None on file.

Analysis Prepared by: Lisa Engel / H. & C.D. / (916) 319-2085

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 1308 (Hoover) – As Amended April 24, 2025

SUBJECT: Residential building permits: fees: inspections

SUMMARY: Allows applicants for specified residential building projects to contract with or employ a private professional provider to inspect permitted work if the county or city building department estimates a timeframe for the inspection that exceeds 30 days, or does not complete the inspection within 30 days. Specifically, **this bill**:

1) Requires, upon receiving a notice of completion of the permitted work, the building department of every city or county to provide an applicant with an estimated timeframe in which inspection of the permitted work will be completed. If the estimated timeframe exceeds 30 days, the applicant may contract with or employ at the applicant's own expense a private professional provider to inspect the permitted work for compliance with the other requirements imposed pursuant to State Housing Law or by local ordinances adopted pursuant to State Housing Law.

2) Allows the applicant to contract with or employ at the applicant's own expense a private professional provider to inspect the permitted work for compliance with other requirements imposed pursuant to State Housing Law or by local ordinances adopted pursuant to State Housing Law, if the building department has not conducted an inspection of the permitted work within 30 days of receiving a notice of completion of the permitted work.

3) Provides that, if a private professional provider performs the inspection, all of the following shall apply:

    a) The private professional provider shall prepare an affidavit, under penalty of perjury, stating both of the following:

        i) If the permitted work complies with the other requirements imposed pursuant to State Housing Law or local ordinances adopted pursuant State Housing Law; and

        ii) The private professional provider performed the inspection.

    b) The applicant shall submit to the building department a report of the inspection. The report shall include all of the following:

        i) The affidavit described in a), above;

        ii) If the permitted work does not comply with the other requirements imposed pursuant to State Housing Law or local ordinances adopted pursuant to State Housing Law, the requirements for the permitted work to comply with the other requirements imposed pursuant to State Housing Law or the local ordinances adopted pursuant to State Housing Law; and

        iii) Additional information required by the building department.

c) Within 14 days of receiving the report described in b), above, the building department shall consider the report and based on the report shall do either of the following:

i) Issue a certificate of occupancy or equivalent final approval for the permitted work if the permitted work complies with the other requirements imposed pursuant to State Housing Law or local ordinances adopted pursuant to State Housing Law; or

ii) Notify the applicant in writing that the permitted work does not comply with the other requirements imposed pursuant to State Housing Law or local ordinances adopted pursuant to State Housing Law, if the permitted work does not comply with the other requirements imposed pursuant to State Housing Law or local ordinances adopted pursuant to State Housing Law. The notice shall specify the requirements for the permitted work to comply with the other requirements imposed pursuant to State Housing Law or local ordinances adopted pursuant to State Housing Law.

d) Requires, if the building department does not issue a certificate of occupancy or equivalent final approval for the permitted work or notify the applicant within 14 days pursuant to c), above, the permitted work to be deemed compliant with the other requirements imposed pursuant to State Housing Law or local ordinances adopted pursuant to State Housing Law, and the certificate of occupancy or equivalent final approval for the permitted work to be deemed approved.

4) Allows, if the building department notifies the applicant pursuant to c) ii), above, the applicant to do either of the following:

a) Resubmit a notice of completion of the permitted work to the building department to inspect the permitted work; or

b) Contract with or employ at the applicant's own expense a private professional provider to conduct the inspection. The inspection shall be subject to the timelines and requirements of 4), above.

5) Provides that the provisions in 1) through 4), above, shall only apply to both of the following:

a) A new residential construction that contains at least one unit, but no more than ten units, and has no floors used for human occupancy located more than 40 feet above ground level; and

b) A residential addition to, or remodel of, an existing building that contains one to ten dwelling units and has no floors used for human occupancy located more than 40 feet above ground level.

6) Provides the following definitions:

a) "Applicant" means a person who submits an application;

b) "Application" means an application for a residential building permit;

c) "Private professional provider" means any of the following who do not otherwise have a financial interest in the residential housing development project:

i) A professional engineer licensed pursuant to the Professional Engineers Act, as specified;

ii) An architect licensed pursuant to the Architects Practice Act, as specified;

iii) A construction inspector, as defined in the California Building Standards Law; or

iv) A building official, as defined in the California Building Standards Law.

7) Requires, if a governing body of any county or city, including a charter city, prescribes fees for a residential building permit as authorized by State Housing Law, the building department of the city or county to prepare a schedule of the fees for a residential building permit and post the schedule on the county's or city's internet website, and makes conforming changes.

8) Specifies that existing inspection fee reimbursement provisions, through which permittees can be reimbursed if they pay the inspection fees and the inspection does not occur within 60 days, do not apply to inspections conducted by a private professional provider, and clarifies that the reimbursement right is limited to situations where the local enforcement agency is responsible for conducting the inspection.

9) Makes other conforming and technical changes.

EXISTING LAW:

1) Allows cities and counties to "make and enforce within its limits, all local, police, sanitary and other ordinances and regulations not in conflict with general laws." It is from this fundamental power (commonly called the police power) that cities and counties derive their authority to regulate behavior to preserve the health, safety, and welfare of the public, including land use authority. (California Constitution, Article XI, Section 7)

2) Establishes State Housing Law to assure the availability of affordable housing and uniform statewide code enforcement to protect the health, safety, and general welfare of the public and occupants of housing and accessory buildings. (Health & Safety Code (HSC) 17910 - 17998.3)

3) Allows the governing body of any county or city, including a charter city, to prescribe fees for permits, certificates, or other forms or documents required or authorized by State Housing Law or rules and regulations adopted pursuant to State Housing Law, and prohibits these fees from exceeding the amount reasonably required to administer or process these permits, certificates, or other forms or documents, or to defray the costs of enforcement required by State Housing Law to be carried out by local enforcement agencies, as specified. (HSC 17951)

4) Requires, if the local enforcement agency fails to conduct an inspection of permitted work for which permit fees have been charged pursuant to 3), above, within 60 days of receiving notice of the completion of the permitted work, the permittee to be entitled to reimbursement of the permit fees. The local enforcement agency shall disclose in clear language on each permit or on a document that accompanies the permit that the permittee may be entitled to reimbursement of permit fees. (HSC 17951)

5) Allows the governing body of a local agency to authorize its enforcement agency to contract with or employ a private entity or persons on a temporary basis to perform plan-checking functions, as specified. (HSC 17960.1 & 19837)

6) Requires a local agency to contract with or employ a private entity or persons on a temporary basis to perform plan-checking functions upon the request of an applicant for specified structures where there is an "excessive delay" in checking the plans and specifications that are submitted as a part of the application. (HSC 17960.1 & 19837)

7) Generally defines, for a residential building permit, "excessive delay" to mean the building department or building division of a local agency has taken more than 30 days after submitting a complete application to complete the structural building safety plan check of the applicant's set of plans and specifications that are suitable for checking. "Residential building" means a one-to-four family detached structure not exceeding three stories in height. (HSC 17960.1)

8) Generally defines, for a nonresidential permit for a building other than a hotel or motel that is three stories or less, "excessive delay" to mean the building department or building division of the local agency has taken more than 50 days after submitting a complete application to complete the structural building safety plan check of the applicant's set of plans and specifications that are suitable for checking. (HSC 19837)

9) Establishes the California Building Standards Commission (CBSC) within the Department of General Services, which requires CBSC to approve and adopt building standards and codify those standards in the California Building Standards Code. (HSC 18930)

10) Establishes the Permit Streamlining Act (PSA), which, among other things, establishes time limits within which state and local government agencies must either approve or disapprove permits to entitle a development. [Government Code (GOV) 65920 - 65964.5]

11) Establishes standards and requirements for local agencies to review post-entitlement phase permits, including time limits within which local agencies must either approve or disapprove these permits. (GOV 65913.3)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "California faces a severe and worsening housing crisis, marked by a shortage of homes insufficient to meet the needs of all Californians. Delays in local government inspections for completed housing developments are listed as a significant roadblock in the housing production pipeline. Lengthy delays at this stage creates uncertainty for developers and increases costs for homeowners.

AB 1308 addresses this critical administrative hurdle by allowing applicants to use third-party professionals to inspect a completed work if the local building department takes more than 30 days to conduct the inspection. This flexibility will further streamline and enhance the efficiency of the inspection process for small residential projects and will ensure that local governments remain focused on housing delivery while giving applicants a pathway to avoid unnecessary delays."

California Housing Crisis: California's housing crisis is a half-century in the making. [1] After decades of underproduction, supply is far behind need and housing and rental costs are soaring. As a result, millions of Californians must make hard decisions about paying for housing at the expense of food, health care, child care, and transportation, directly impacting the quality of life in the state. [2] One in three households in the state doesn't earn enough money to meet their basic needs. [3] In 2024, over 187,000 Californians experienced homelessness on a given night.[4]

To meet this housing need, HCD determined that California must plan for more than 2.5 million new homes, and no less than one million of those homes must be affordable to lower-income households, in the 6th Regional Housing Needs Allocation (RHNA) cycle. By contrast, housing production in the past decade has been under 100,000 units per year – including less than 10,000 units of affordable housing per year.[5]

The state's housing crisis is not equally experienced by all Californians. Testimony by the UC Berkeley Terner Center to this Committee showed that the impacts of the housing crisis are significantly more severe for lower-income individuals, single-earner households, Black and Latino Californians, younger and older populations, and those who reside in, or aspire to live and work in, the state's highest-cost regions.[6]

Cost of Building Housing: It is expensive to build housing in California. The UC Berkeley Terner Center finds that challenging macroeconomic conditions, including inflation and high interest rates, affect the availability and cost of capital, resulting in rising costs for labor and materials.[7] Furthermore, workforce and supply shortages have exacerbated the already high price of construction in California, and economic uncertainty has made equity partners and lenders apprehensive about financing new housing development proposals.[8]

A 2025 study found that California is the most expensive state for multifamily housing development, in part due to the long timeline it takes to go from an application to an approved project.[9] This report found that longer production timelines are strongly associated with higher costs, and the time to bring a project to completion in California is more than 22 months longer than the average time required in Texas.[10] A separate analysis by the California Housing Partnership compares the cost of market-rate development prototypes developed by the Terner Center with the median cost of developing affordable rental homes. In the four regions analyzed, the study found that the cost of developing one unit of affordable housing ranged from approximately $480,000 to $713,000, while the cost of developing one unit of market rate

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[1] California Department of Housing and Community Development, *A Home for Every Californian*: 2022 Statewide Housing Plan. March 2022, https://storymaps.arcgis.com/stories/94729ab1648d43b1811c1698a748c136
[2] IBID.
[3] IBID.
[4] U.S. Department of Housing and Urban Development, Point in Time Counts. https://www.huduser.gov/portal/datasets/ahar/2023-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html
[5] https://www.hcd.ca.gov/policy-research/housing-challenges.shtml
[6] UC Berkeley Terner Center Testimony by Ben Metcalf, Managing Director, at the State Housing Production Legislation: Actions, Outcomes, and Opportunities Informational Hearing, February 12, 2025
[7] David Garcia, Ian Carlton, Lacy Patterson, and Jacob Strawn, *Making It Pencil: The Math Behind Housing Development (2023 Update)*, Terner Center for Housing Innovation, December 2023, https://ternercenter.berkeley.edu/research-and-policy/making-it-pencil-2023/
[8] IBID.
[9] https://www.rand.org/pubs/research_reports/RRA3743-1.html
[10] https://www.rand.org/pubs/research_reports/RRA3743-1.html

housing in the state ranged from approximately $508,000 to $637,000.[11] The increased cost for the affordable units can be attributed, in part, to the difficulty associated with assembling a capital stack for affordable housing development, the complex regulations that these affordable units must comply with, and the added cost of labor requirements tied to certain funding sources used by affordable housing developers.

Housing Approvals Process: Planning for, and approving, new housing developments is primarily a local responsibility. Under the California Constitution, cities and counties have broad authority, known as the police power, to regulate land use in the interest of public health, safety, and welfare. Local governments enforce this authority through an entitlement process, which includes both discretionary and ministerial approvals. Gaining "entitlement" is essentially a local government's confirmation that a housing project conforms to all applicable local zoning regulations and design standards. For discretionary projects, environmental review under CEQA is often required as part of the entitlement process. CEQA can influence project design, add mitigation requirements, or delay approval if significant environmental impacts are identified.

Once a project receives entitlement, or approval, from the local planning department, it must obtain postentitlement permits, such as building, demolition, and grading permits. Postentitlement permits are related to the physical construction of the development proposal before construction can begin. Once the permits are issued and the actual construction of the housing begins, the construction phase involves a separate layer of local government oversight through building inspections. These inspections ensure that the actual construction work complies with approved plans, building codes, and safety regulations. Local agency inspectors review critical aspects of construction such as structural components, electrical and plumbing systems, fire safety measures, energy efficiency, and accessibility requirements, at multiple stages of the project. Inspections occur throughout construction, from foundation and framing to final issuance of a certificate of occupancy, ensuring building safety and compliance with the approved set of plans at every step.

While developers in smaller jurisdictions generally cite fewer issues with inspection delays, those building in larger urban areas may face backlogs in scheduling and completing inspections, creating government-imposed uncertainty even after the permitting process is complete. The state does not systematically track inspection timeframes, as it does for entitlement and permitting approval timelines, but anecdotal evidence indicates that inspection-related delays can slow down construction timelines in high-demand regions where staffing shortages and project volumes are greatest. These bottlenecks in the construction oversight phase, even after entitlements and permits are secured, delay the delivery of new housing.

This bill seeks to address inspection-related delays for small- to mid-sized residential projects by establishing clear timelines and alternative pathways for final construction inspections. It applies to projects involving new construction, additions, or remodels of buildings with one to ten units and no floors above 40 feet. Upon receiving notice that construction work is complete, local building departments must provide an estimated inspection timeframe. If this estimate exceeds 30 days, or an inspection is not completed within that period, applicants may hire a private

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[11] Mark Stivers, *Affordable Housing Compares Favorably to Market-Rate Housing From a Cost Perspective*, California Housing Partnership, January 2024: https://chpc.net/affordable-housing-compares-favorably-to-market-rate-housing-from-a-cost-perspective/#:~:text=It%20turns%20out%20that%20costs,market%2Drate%20developments%20do%20not.

professional provider, such as a licensed engineer, architect, or certified inspector, to conduct the inspection at the applicant's own expense. The applicant must submit the private inspector's findings to the local agency, which then has 14 days to either issue a certificate of occupancy or the equivalent final approval for the permitted work, or identify necessary corrections. If the agency fails to respond within that timeframe, the project is deemed compliant, and the certificate of occupancy (or equivalent approval) is automatically considered approved. This framework creates an alternative pathway for applicants building housing jurisdictions with inspection backlogs, potentially alleviating unnecessary delays in construction, particularly in larger jurisdictions where such delays may be more common.

Arguments in Support. California YIMBY, sponsor of this bill, writes, "Local building departments are responsible for conducting inspections to ensure compliance with state building codes and local ordinances. However, these departments often experience fluctuating workloads and resource constraints, leading to inspection delays. Such delays can leave completed homes sitting vacant, preventing families from moving in. They also introduce uncertainty into the construction process, making it harder for developers to plan effectively.

AB 1308 will streamline the home building process by allowing builders to hire third-party inspectors if the local government cannot conduct the inspection within 30 days of the completion of construction. AB 1308 also requires the local government to review the third party report and provide final approval within 14 days, bringing new homes online faster."

Arguments in Opposition. None on file.

Related Legislation:

AB 253 (Ward) of this Legislative session allows an applicant for specified residential building permits to contract with or employ a private professional provider to check plans and specifications if the county or city building department estimates a timeframe for this plan-checking function that exceeds 30 days, or does not complete this plan-checking function within 30 days. AB 253 is pending in the Senate.

AB 2433 (Quirk-Silva) of 2024 would have required a local agency that has not completed plan-checking services within 30 business days of receiving a completed application for a building permit to complete plan-checking services and issue or deny a building permit within specified time frames, upon request by the applicant for the building permit. AB 2433 was held in Senate Local Government Committee.

AB 3012 (Grayson), Chapter 752, Statutes of 2024, required cities and counties to make available on their internet websites a fee estimate tool that the public can use to calculate an estimate of fees and exactions for a proposed housing development, and required the Department of Housing and Community Development to create a fee schedule template and a list of best practices, as specified.

AB 2234 (Robert Rivas), Chapter 651, Statutes of 2022, required local agencies to process non-discretionary permits within 30 days for small housing development projects and 60 days for large housing development projects.

Double-Referred: This bill was also referred to the Committee on Local Government, and passed on a vote of 10-0 on April 23, 2025.

REGISTERED SUPPORT / OPPOSITION:

Support

California YIMBY (Sponsor)
Abundant Housing LA
California Association of Realtors
Circulate San Diego
Elevate California
Fremont for Everyone
Housing Trust Silicon Valley
Redlands YIMBY
South Pasadena Residents for Responsible Growth
SPUR
The Two Hundred

Opposition

None on file.

Analysis Prepared by: Dori Ganetsos / H. & C.D. / (916) 319-2085

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 1529 (Committee on Housing and Community Development) – As Introduced March 25, 2025

SUBJECT: Housing omnibus

SUMMARY: Makes technical, non-substantive changes to housing law.

EXISTING LAW: Includes numerous provisions related to housing.

FISCAL EFFECT: Unknown.

COMMENTS: The Assembly Housing and Community Development Committee introduced this bill as an omnibus measure. Omnibus bills allow the Legislature to combine a number of minor, non-controversial, and technical changes to statutes in one bill. This allows for greater efficiency in the legislative process since it would otherwise be necessary to introduce each proposal as a standalone bill. Proposals can be submitted to the Committee for consideration in the omnibus by any organization or individual. Once proposals and relevant background information are submitted, all proposals are subsequently vetted by a stakeholder group that includes policy consultants from the majority and minority parties from both houses of the Legislature. If concerns are raised about a proposal that cannot be addressed by the sponsor that submitted the proposal, then it is not eligible for inclusion in the omnibus. All provisions of this bill have been reviewed by stakeholder group and there is no known opposition to the bill.

This bill makes non-controversial changes to sections of law relating to housing and community development. Specifically, this bill includes the following provisions:

1) Makes technical changes to the Preservation Notice Law by clarifying that the Notice of Opportunity to Submit an Offer of Purchase (NOSOP) must be provided prior to or concurrently with the 12-month notice to tenants of a possible conversion. Current law is unclear whether the NOSOP is to be provided with the 12-month or 6-month notice to tenants.

2) Amends Government Code Section 66323 to clarify that certain provisions apply to both Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs).

3) Corrects a cross reference in AB 1893 (Wicks), Chapter 268, Statutes of 2024. The allowable density under AB 1893 for builder's remedy projects includes a 35 du/acre bump for projects in a "very low vehicle travel area, as defined in subdivision (h)." This definition is no longer in subdivision (h). The proposed language corrects the cross reference to "subdivision (b) of section 65589.5.1."

4) Clarifies language from AB 2240 (Arambula), Chapter 523, Statutes of 2024 to make clear that rather than re-reviewing all state property, the Department of Housing and Community Development and the coordinating agencies will use the existing list of state sites previously identified as candidates for affordable housing development under Executive Order N-06-19 and AB 2233 (Quirk-Silva), Chapter 438, Statutes of 2022.

***Arguments in Support*:** The California Housing Partnership writes in support, "AB 1529 includes technical cleanup to the Preservation Notice Law, an important policy to help preserve existing affordable housing that is at-risk of converting to market-rate housing as restrictions expire. This bill will ensure that the law works as intended and as effectively as possible."

***Arguments in Opposition*:** None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

California Housing Partnership

Opposition

Analysis Prepared by: Lisa Engel / H. & C.D. / (916) 319-2085

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
ACA 4 (Jackson) – As Introduced January 24, 2025

SUBJECT: Homelessness and affordable housing

SUMMARY Adds an amendment to the Constitution requiring that at least 5% of General Fund revenues each year for the next ten years be placed in the Housing Opportunities for Everyone (HOPE) Fund to support the creation of affordable housing, fund housing and services to prevent and end homelessness, and support homeownership opportunities for low- and moderate-income households. Specifically, **this bill**:

1) Establishes the HOPE Act and the HOPE Fund account within the General Fund.

2) Requires the State Controller, for each fiscal year beginning in 2025-26 through September 30, 2035, no later than October 1 of each fiscal year to transfer from the General Fund to the HOPE Account a sum equal to five percent of the estimated amount of General Fund revenues for that fiscal year.

3) Requires the annual estimation of General Fund revenues deposited in the HOPE Fund to occur after all other General Fund obligations incurred by the state, on or before the date upon which the measure that adds this section becomes effective have been met, including, but not limited to, the state's funding obligation to the public school system and public institutions of higher education pursuant to Section 8 of Article XVI.

4) Authorizes the Legislature to appropriate funds in the HOPE account to the Business, Consumer Services, and Housing Agency (BCSH) to only fund the following:

    a) Housing and services to prevent and end homelessness;

    b) Development, acquisition, rehabilitation, and preservation of rental housing that is affordable to extremely low-, very low-, and low-income households, including necessary operating subsidies; and

    c) Affordable homeownership opportunities for low- and moderate-income households, including, but not limited to, down payment assistance and development of new units.

5) Requires BCSH to develop a 10-year investment strategy, with input from stakeholders, that demonstrates how moneys in the HOPE Account will be used to produce affordable housing and end homelessness through specific performance measures and benchmarks.

6) Requires BCSH, on or before October 1 of each year, and until October 1, 2035, to annually report to the Legislature on its progress in meeting the performance measures and benchmarks contained in the investment strategy.

7) Provides that if the Governor declares a budget emergency, as defined, the Legislature may pass a bill to suspend or reduce amounts deposited in the HOPE Fund.

EXISTING LAW:

1) Article XVI of the California Constitution sets forth rules for calculating a minimum annual funding level for K–14 education.

2) Article XVI Section 20 of the California Constitution establishes the Budget Stabilization Account (BSA) and requires the following:

   a) Annual transfer of 1.5% of general fund revenues to the state BSA;

   b) Additional transfer of personal capital gains tax revenues exceeding 8% of General Fund revenues to BSA and, under certain conditions, a dedicated K–14 school reserve fund;

   c) Half of the BSA revenues must be used to repay state debts and unfunded liabilities;

   d) Allows limited use of funds in case of emergency or if there is a state budget deficit; and

   e) Caps the BSA at 10% of general fund revenues, directs the remainder to infrastructure.

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, ""Homelessness and the affordable housing crisis are two of the most pressing issues facing Californians today. ACA 4 seeks to tackle these challenges by creating the Housing Opportunities for Everyone (HOPE) Account. This account would direct at least 5% of California's General Fund revenues each year toward homelessness prevention and the development of affordable housing. It is vital that California uses every tool available to ensure we are fulfilling our commitment to providing housing for all residents. This funding mechanism would create stability in the housing market, as the state could forecast housing needs on a yearly basis. To ensure accountability, the Business, Consumer Services, and Housing Agency would need to develop a 10-year investment strategy demonstrating how the funds in this account would be allocated. ACA 4 is a critical step in creating a California where everyone has a place to call home."

HOPE Act: The HOPE Act would require that five percent of General Fund revenues, each year for the next ten years, be used to build and rehabilitate affordable rental housing for lower-income households, housing and services to prevent and end homelessness, and affordable homeownership opportunities for low- and moderate-income households. BCSH would be required to develop a 10 year investment strategy to show how the funds will be spent via measurable outcomes related to increasing affordable housing and ending homelessness. Each year, BSCH would report outcomes to the Legislature in October to inform the next year's budget discussion. The Legislature would appropriate funds from the HOPE Account each year as part of the budget process.

Homelessness in California: Based on the 2024 point in time count, 187,000 people experiencing homelessness on any given night California. Many of those people – 78% or 143,900 – are unsheltered, meaning they are living outdoors and not in temporary shelters. Nearly half of all unsheltered people in the country were in California during the 2024 count. Fifty-seven percent of people experiencing homelessness in California spent most nights

outdoors, 21% in a vehicle. Homelessness grew at a higher rate in the nation (18%) than in California (3%) from 2023 to 2024, driven by a 25% jump in sheltered homeless in the US compared to 9% in California. The homelessness crisis is driven by the lack of affordable rental housing for lower income people. In the current market, 2.2 million extremely low-income and very low-income renter households are competing for 664,000 affordable rental units. Of the six million renter households in the state, 1.7 million are paying more than 50% of their income toward rent. The National Low Income Housing Coalition estimates that the state needs an additional 1.5 million housing units affordable to very low-income Californians.

According to the Statewide Housing Plan released in 2022 by the Department of Housing and Community Development (HCD), the state needs 2.5 million new housing units to meet the demand. Specifically, for lower-income households, the state needs 1.2 million units for households who make 80% of the area median income or less. According to HCD, the state needs 180,000 units of housing built a year to keep up with demand – including about 80,000 units of housing affordable to lower-income households.

The High Cost of Housing: The high cost of housing is the cause of homelessness in California. A study by the National Low Income Housing Coalition found that West Virginia has 50 affordable and available rental homes for every 100 extremely-low-income households, more than double the number that California has. A family in West Virginia can afford a two-bedroom rental on less than $17 an hour – the second-lowest figure in the nation. In California a family would need more than $40 per hour to be able to afford an average two-bedroom rental.

The Legislature has passed major legislation in recent years to allow affordable housing to be built on almost any site in the state. However, the lack of housing overall and in particular the continued lack of sufficient affordable housing is a problem that is decades in the making. Millions of Californians, who are disproportionately lower income and people of color, must make hard decisions about paying for housing at the expense of food, health care, child care, and transportation—one in three households in the state doesn't earn enough money to meet their basic needs**.** Currently, according to state homelessness data, for every five individuals who access homelessness services in California, only one is housed each year, leaving four unhoused.

According to the California Housing Partnership, although the state has doubled production of new affordable rental homes in the past five years, the state only funded 15% of what is needed to meet its goals. Californian voters have ranked housing affordability and homelessness as the two most important issues for the state to address. Yet, affordable housing funding at both the state and federal has never been consistently or adequately funded to meet the need.

Federal Funding: In the 1930s, the federal government began funding affordable housing construction in response to the Great Depression. In 1934, Congress created the Federal Housing Administration to make homeownership more accessible for more households through low down payments and long-term mortgage products. In 1937, the U.S. Housing Act began to fund the construction of public housing for lower income households. The housing stock at this time was very low quality and public housing was a significant improvement for lower-income households; however, over time, the revenues brought in from resident rents could not sustain the cost of operating and maintaining public housing, and the housing deteriorated.

In 1965, Congress created the Department of Housing and Urban Development (HUD), the first cabinet level housing entity. In the 1960s, HUD began providing subsidies to public housing

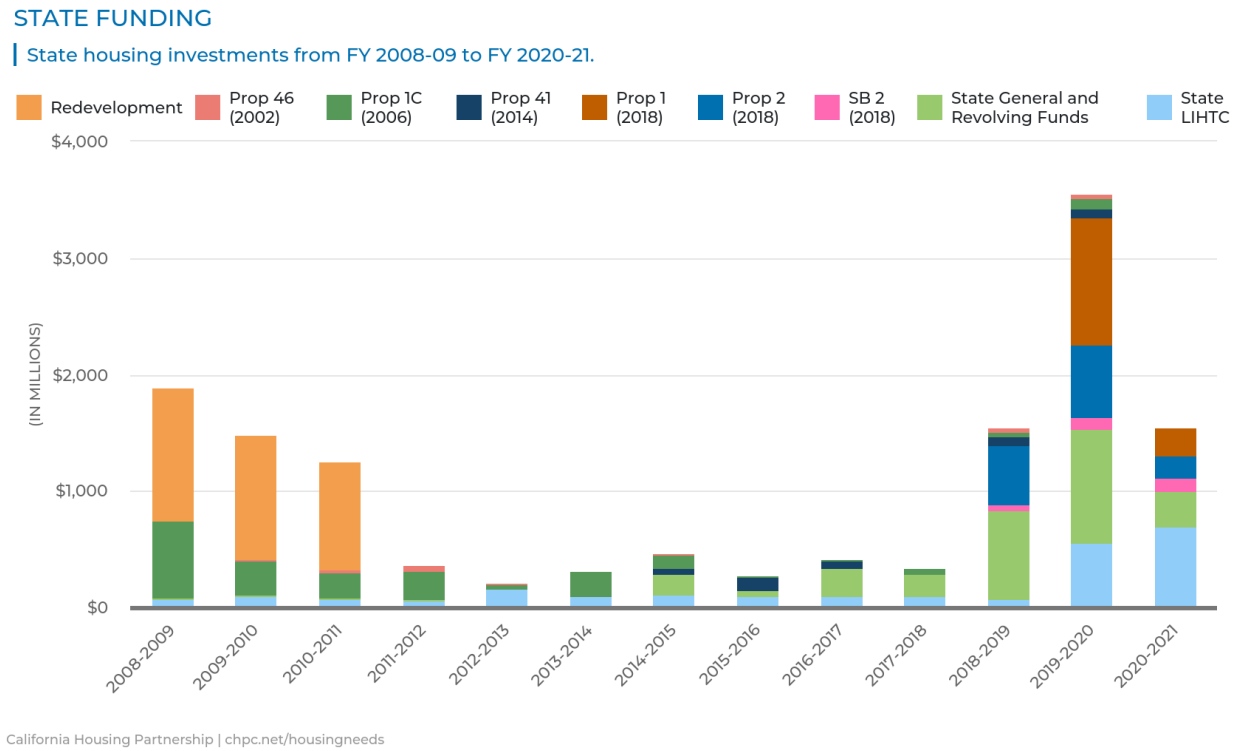
agencies (PHAs) that would help make up the difference between revenue from rents and the cost of adequately maintaining the housing. In the 1950s and 1960s, HUD also began providing low interest rates and subsidies to private entities to purchase and rehabilitate rental housing and offer it at affordable rates. In 1973, President Nixon imposed a moratorium on all HUD programs to fund the new construction of homeownership and rental housing. In 1974, the Housing and Community Development Act of 1974 significantly overhauled HUD housing programs and moved toward block grants that granted local jurisdictions more authority, creating the Section 8 rental assistance program and the Community Development Block Grant program.

In the 1980s, the deinstitutionalization of persons with mental illness and the decline in supports for lower income households led to a sharp increase in homelessness. In response, Congress passed the McKinney-Vento Act of 1987 to provide social service programs at HUD to address homelessness.

In the 1980s and 1990s, private landlords began to opt-out of the Section 8 Housing Choice Voucher program, leading to a push to create more permanent affordable housing units. As a result, the Tax Reform Act of 1986 created the Low Income Housing Tax Credit, which provides tax credits to those investing in the development of affordable rental housing. That same Act codified the use of private activity bonds for housing finance, authorizing the use of such bonds for the development of housing for homeownership, as well as the development of multifamily rental housing.

Although the American Rescue Plan from 2021-22 provided one-time funding for emergency shelters and rental assistance in response to COVID, no significant federal investment has occurred in addressing the housing needs of lower income households in the last 30 years. The largest federal ongoing funding programs at this time are the Housing Choice Voucher Program ($3 billion a year) and the low-income housing tax credit program. Continued funding for the Housing Choice Voucher Program is in jeopardy based on the Trump Administration’s early efforts to cut federal programs.

State funding: Historically, the largest state investment in housing has been in homeownership. The state provides approximately $5 billion in subsidy each year to homeowners through the mortgage interest deduction. The investment in affordable rental housing is far less and much less consistent. The chart below shows the investment the state has made over the last thirteen years and highlights the lack of consistent funding and the complexity of funding sources.



Voter-Approved Bonds*:* Over the past twenty years, the state has largely relied upon voter-approved bonds to fund the construction or rehabilitation of affordable rental housing, homeownership units and down payment assistance, and housing for special populations including veterans and special needs groups. The past several voter-approved bonds included:

- Proposition 1 of 2024: Authorized $6.4 billion in bonds to finance behavioral health treatment beds, supportive housing, community sites, and funding for housing veterans with behavioral health needs. The Department of Health Care Services (DHCS) will administer $4.4 billion of these funds for grants to public and private entities for behavioral health treatment and residential settings. $1.5 billion of the $4.4 billion will be awarded only to counties, cities, and tribal entities, with $30 million set aside for tribes. HCD will administer $1.972 billion for permanent supportive housing for individuals at risk of or experiencing homelessness and behavioral health challenges. Of that amount, $1.065 billion will be for veterans. The initiative also revised how counties use money collected by Proposition 63: the Mental Health Services Act of 2004, shifting 30% of funds to housing supports to help people experiencing homelessness find and maintain permanent housing. These funds are ongoing and if used correctly could provide an ongoing fund sources to support rental assistance and services for permanent supportive housing.

- Proposition 1 of 2018: The Veterans and Affordable Housing Act of 2018 authorized $4 billion in voter-approved bonds. One billion were revenue bonds to fund the CalVet homeownership program and $3 billion were to fund existing affordable housing programs that fund the construction of affordable rental housing for farmworkers, special needs populations, and lower-income households and programs to create new homeownership options for lower-income households.

- Proposition 41: Veterans Housing and Homeless Prevention Bond Act of 2014 authorized $600 million in general obligation bonds to fund the acquisition, construction, rehabilitation, and preservation of multifamily supportive housing, affordable transitional housing, affordable rental housing, and related facilities for veterans and their families.

- Proposition 1C: Housing and Emergency Shelter Act of 2006 authorized $2.85 billion in voter-approved bonds to fund existing affordable housing programs that fund the construction of affordable rental housing for farmworkers, special needs populations, and lower-income households and programs to create new homeownership options for lower-income households.

- Proposition 46: Housing and Emergency Shelter Crisis Act of 2002 authorized $2.1 billion for existing affordable housing programs that fund the construction of affordable rental housing for farmworkers, special needs populations, and lower-income households and programs to create new homeownership options for lower-income households.

AB 736 (Wicks) which recently passed out of this committee on a vote of 10-1 would place a $10 billion bond on the spring 2026 ballot to fund various affordable housing programs.

***Permanent Funding*:** The state has a small number of ongoing funding sources for affordable housing, including the Building Homes and Jobs Act of 2017 and the state low-income housing tax credit.

The Building Homes and Jobs Act: In 2017, SB 2 (Atkins) established the Building Homes and Jobs Act, which for the first time, created an ongoing, dedicated revenue source for affordable housing. The Act imposes a $75 fee on real estate transaction documents, excluding commercial and residential real estate sales, to provide funding for affordable housing. The Act required that in the first year, funds collected from the recording fee be split between homelessness programs and to localities to update planning documents and zoning ordinances. In year two and beyond, 70% of the funds are distributed directly to locals and 30% to the state to be spent for the following purposes: farmworker housing, state incentive programs, and mixed income multifamily residential housing affordable to lower and moderate income housing. Revenues generated by SB 2 are heavily dependent on the number of homeowners that refinance their home loans. Historically the revenues collected from SB 2 have ranged from $250 million to $520 million a year.

State Low-Income Housing Tax Credits (LIHTC): The state LIHTC was statutorily created in 1987 and requires that approximately $70 million per year be available for the program. In 2019, AB 101 (Committee on Budget), Chapter 159 provided an additional $500 million in state LIHTCs. The $500 million is not statutorily required but has been included in each budget since 2019 as part of the base budget – meaning the Governor has included it in his January budget. The additional $500 million LIHTCs were coupled with tax-exempt bonds and the 4% federal credits, in part, to encourage developers to fully utilize any remaining federal tax-exempt bonds that were being left on the table. The Governor did not include $500 million for the LIHTC in his January 2025 proposed budget.

Affordable Housing and Sustainable Communities Program (AHSC): AHSC is funded through cap-and-trade revenues and is used for the infrastructure costs of affordable housing developments. It aims to promote dense, transit-oriented development and lower housing-related carbon emissions by funding developments that have a measurable reduction in greenhouse gas

emissions because of proximity to transit. In January of 2022, the Strategic Growth Council announced $808 million in funding awards for 37 affordable housing projects across the state. Since the AHSC program launched it has invested over $2.4 billion across the state through 164 sustainable projects, creating over 15,000 affordable units and reducing almost 4.4 million tons of GHG emissions over the projects' operating lives.

***One-time General Funding*:** Although historically the General Fund has not been a significant source of funding for affordable housing, beginning in 2019, Governor Newsom and the Legislature have included significant one-time resources for affordable housing.

In 2019-20 through 2023-24, the Budget provided a total of about $12 billion for various one-time, discretionary housing initiatives. In Budget year 2021-22, the amount invested is significantly higher because of federal funds the state received through the American Rescue Plan in response to COVID. These totals may not reflect funding provided through other programs that serve people who are homeless or at risk of homelessness found in the human services programs.

The lack of permanent ongoing funding to construct affordable housing has contributed to the severe affordability crisis particularly for lower-income households and a growing number of people experiencing homelessness.

Existing constitutional limits on state revenues: The California Constitution includes several limits on general fund spending.

Proposition 98: In 1988, Proposition 98 enacted Section 8 of Article XVI of the California Constitution setting forth rules for calculating a minimum annual funding level for K–14 education. The state commonly refers to this level as the minimum guarantee and requires the state to set aside approximately 40 percent of general fund revenues to K-14 education. Proposition 98 has been criticized for its complexity and some question if the amount of funding for K-14 education provides clear evidence that school funding is higher today or school funding decisions are less political today than they would have been absent the formulas.

Proposition 2 Budget Stabilization Account (Rainy Day Fund): In 2014, Proposition 2 enacted Article XVI Section 20 of the California Constitution and made two major constitutional changes to state budgeting. First, it created new rules for minimum annual deposits into the Budget Stabilization Account (BSA), the state's rainy-day fund. Second, Proposition 2 created new requirements that the state spend a minimum amount each year, until 2030, to pay down specified debts. Proposition 2 has two avenues for making reserve deposits and paying debt. First, it requires the state to set aside 1.5 percent of total General Fund revenues (we referred as the "base amount"). Second, it requires the state to put aside a portion of capital gains revenues that exceed a specified threshold (this is "excess capital gains"). The state combines these two amounts and then allocates half of the total to pay down debts and the other half to build the rainy-day reserve. Under Proposition 2, the state must continue to deposit funds into the BSA until it reaches a threshold balance of 10 percent of General Fund tax revenue. Once the BSA reaches this threshold, required deposits that would bring the fund above 10 percent of General Fund taxes instead must be spent on infrastructure. (Once at the 10 percent threshold, the Legislature can continue to make optional deposits into the BSA at its discretion.)

The Legislature can suspend a BSA deposit or make a withdrawal from the mandatory share of the BSA if the Governor declares a budget emergency. The Governor may call a budget emergency in two cases: (1) if estimated resources in the current or upcoming fiscal year are insufficient to keep spending at the level of the highest of the prior three budgets, adjusted for inflation and population, or (2) in response to a natural or man-made disaster.

Arguments in Support: According to Resources for Community Development, "As a provider of affordable homes, we know the essential role affordable housing plays in every California community — providing shelter, support, and community to the state's most vulnerable residents. California currently has a gap of 1.3 million homes affordable to lower-income households and over 339,000 people in California experienced homelessness in 2024. The Governor and Legislature have demonstrated their commitment to addressing this crisis by using past budget surpluses to fund one-time investments. ACA 4 will build on these efforts and provide a permanent, ongoing funding source."

Arguments in Opposition: The California Association of Realtors (C.A.R.) opposes this ACA, unless it is amended to prohibit the conversion of single-family homes to deed restricted corporate owned rental housing; require 25% of HOPE Act funds to be dedicated to CalHFA's Dream for All equity sharing downpayment assistance program; and, to include C.A.R. as a stakeholder in in the oversight and management of HOPE Act funds.

***Related Legislation*:**

AB 736 (Wicks) of the current legislative session would place a $10 bond on the June 2026 ballot to fund various affordable housing programs. This bill is pending a hearing in the Assembly Appropriations Committee.

AB 1165 (Gipson) of the current legislative session would establish the California Housing Justice Fund in the General Fund (Fund) and requires the Legislature to invest an ongoing annual allocation in the Fund in an amount needed to solve homelessness and housing unaffordability. This bill is pending a hearing in this committee.

AB 71 (L. Rivas) of 2021 would have conformed state law to the federal Global Intangible Low-Taxed Income (GILTI) provisions and taxed repatriated income to finance the Bring California Home Fund. Held on the Assembly Floor.

AB 1905 (Chiu) of 2020 would have eliminated the mortgage interest deduction on second homes and used the General Fund savings to finance immediate and long-term solutions to homelessness by moving homeless individuals and families into permanent housing. Estimated possible revenues of $300 million each year. Held by the author in this committee.

SB 2 (Atkins), Chapter 364, Statutes of 2017: Established a permanent funding source for affordable housing that ranges from $300 - $500 million a year and is dependent upon homeowners refinancing a home or making other changes to the ownership.

AB 71 (Chiu) of 2017 would have eliminated the mortgage interest deduction on second homes and used the general fund savings to increase the low income housing tax credit. Estimated possible revenues of $300 million each year. Held on the Assembly Floor.

REGISTERED SUPPORT / OPPOSITION:

Support

Agee Global Solutions, LLC (UNREG)
Inland Equity Partnership
Resources for Community Development
Individuals - 1

Opposition

California Association of Realtors (oppose unless amended)

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