California State Assembly

HOUSING AND COMMUNITY DEVELOPMENT

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MATT HANEY
CHAIR

AGENDA

Wednesday, June 18, 2025
9:30 a.m. -- State Capitol, Room 437

HEARD IN FILE ORDER

2.	SB 9	Arreguín	Accessory Dwelling Units: ordinances.
6.	SB 486	Cabaldon	Regional housing: public postsecondary education: changes in enrollment levels: California Environmental Quality Act.
7.	SB 543	McNerney	Accessory dwelling units and junior accessory dwelling units.
8.	SB 748	Richardson	Encampment Resolution Funding program: safe parking sites: reporting.

CONSENT

1.	HR 44	Ward	Homeless Service Providers.
3.	SB 233	Seyarto	Regional housing need: determination: consultation with councils of governments.
4.	SB 340	Laird	General plans: housing element: emergency shelter.
5.	SB 410	Grayson	Common interest developments: disclosures to prospective purchasers: exterior elevated elements inspection.

Date of Hearing: June 18, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
HR 44 (Ward) – As Introduced June 2, 2025

SUBJECT: Homeless Service Providers

SUMMARY: Recognizes and commends the invaluable service of homeless service providers and their commitment to the shared mission to end homelessness during the month of November 2025, which is Homelessness Awareness Month. Specifically, **this resolution** makes the following legislative findings:

1) Finds that more than 187,084 people are experiencing homelessness in California today, and our dedicated homeless service providers are working each day to help individuals and families end their episodes of homelessness;

2) Finds that our homeless service providers are dedicated workers from public and nonprofit organizations driven by a mission to serve people and help our most vulnerable communities;

3) Finds that the homelessness crisis is a function of California's housing crisis, and the most substantial challenge providers face is the severe lack of affordable housing;

4) Finds that the homeless services sector has coalesced around the Housing First model, a guiding principle pioneered by Dr. Sam Tsemberis in the City of New York during the 1990s, which is now a nationally recognized best practice for ending homelessness;

5) Finds that homeless service providers rely on their staff to implement an array of housing interventions, all tailored to the specific needs of the person;

6) Finds that providers deliver a range of supportive services directly to people experiencing homelessness who are unsheltered, including outreach, street medicine, food assistance, benefit enrollment, rapid rehousing, veteran programs, housing navigation, and many more;

7) Finds that providers across the state deliver services and basic needs at both congregant and noncongregant interim housing sites, as the stability of a short stay in a safe environment will enable participants to secure affordable housing;

8) Finds that permanent supportive housing, seen as the best housing intervention for many people experiencing homelessness, provides case management and supportive services from the comfort and safety of a person's own home;

9) Finds that during the height of the COVID-19 pandemic, providers were implementing innovative state programs, Project Roomkey and later Homekey, to keep our unhoused neighbors safe and healthy, proving that their staff members are essential workers;

10) Finds that California has increased investments to support workforce numbers; however, due to providers' strained operating budgets and our general increases in costs of living, many of

the dedicated staff of homeless service providers earn low wages and could be on the brink of homelessness themselves;

11) Finds that contracting difficulties, low pay, emotional trauma, and competition with private labor markets present major challenges for public and nonprofit service providers in hiring and retaining these essential staff;

12) Finds that the dismaying increase of people experiencing homelessness in recent years has led providers to shift focus and resources towards prevention programs, targeting specific at-risk populations, such as seniors, people of color, women, youth, and LGBTQ+ individuals;

13) Finds that the inherent diversity of the homeless service provider workforce and the increased goal of recruiting more individuals with lived expertise improves the efficacy of the state's homelessness response system, as staff are more representative of the unhoused population they serve;

14) Finds that homeless service providers help participants, many of whose lives have been upended by trauma, move past these difficult circumstances to find housing and stability; and

15) Finds that the state's urgent mission of ending the homelessness crisis would be impossible without the resilience, compassion, and dedication of everyday Californians, and this recognition should encourage further action to improve the economic well-being of individuals dedicated to aiding the unhoused

Arguments in Support: None on file.

Arguments in Opposition: None on file.

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

Date of Hearing: June 18, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 9 (Arreguín) – As Amended May 8, 2025

SENATE VOTE: 28-4

SUBJECT: Accessory Dwelling Units: ordinances

SUMMARY: Specifies that a local ordinance implementing Accessory Dwelling Unit (ADU) Law is null and void if the local agency adopting the ordinance fails to submit a copy of the ordinance to the Department of Housing and Community Development (HCD) as required by existing law.

EXISTING LAW:

1) Defines an ADU as an attached or detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. Specifies that ADUs must include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated on. (Government Code (GOV) 66313)

2) Requires a local agency to ministerially approve an application for a building permit within a residential or mixed-use zone to create one or more ADUs that meet all state and local requirements. (GOV 66317, 66320, & 66323)

3) Permits local agencies to adopt an ADU ordinance to provide for the creation of ADUs in accordance with ADU Law. (GOV 66314)

4) Specifies that an existing ADU ordinance shall provide an approval process that includes only ministerial provisions for the approval of accessory dwelling units and shall not include any discretionary processes, provisions, or requirements for those ADUs. If a local agency has an existing accessory dwelling unit ordinance that fails to meet the requirements of this article, that ordinance shall be null and void unless and until the agency adopts an ordinance that complies ADU Law. (GOV 66316)

5) Provides that ADU Law supersedes conflicting local ADU ordinances, but does not limit the authority of local agencies to adopt less restrictive requirements for the creation of ADUs. (GOV 66325)

6) Requires local agencies that adopt an ADU ordinance to submit a copy of the ordinance to HCD within 60 days of adoption, and authorizes HCD to issue written findings regarding whether the ordinance complies with ADU Law. (GOV 66326)

7) Requires local agencies to respond to a noncompliance finding from HCD regarding an ADU ordinance within 30 days. Specifically, local agencies must respond indicating that they will either:

    a) Amend the ordinance to comply with ADU law; or,

b) Adopt a resolution with written findings explaining why the agency believes the ordinance complies with ADU law. (GOV 66326)

8) Authorizes HCD to notify the Attorney General that a local agency is in violation of ADU Law. (GOV 66326)

FISCAL EFFECT: None.

COMMENTS:

Author's Statement: According to the author, "The legislature was clear when they required ministerial approval for ADU development and disallowed local governments from adding onerous requirements for development. ADU's now make up 1 in 5 new homes constructed in the state. Despite this, some local governments have enacted ordinances that run counter to state law. Additionally, when HCD provides guidance around enacted ordinances, some local governments have not been responsive to that state guidance.

SB 9 would remedy this situation by adding enforcement power to existing law. Local governments are already required to submit any ADU ordinance to HCD within 60 days after adoption and to respond to HCD guidance within 30 days. SB 9 would add to that requirement by stating that failure to notify or respond to HCD would result in the ordinance becoming null and void and would revert standards for ADU development to state law. This will ensure that state ADU law is implemented fairly and consistently across the state so that these affordable units can be built in our communities."

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]

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

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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

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]

ADUs as a Solution: Recently, there has been a national trend toward allowing more "gentle density," such as ADUs, duplexes, fourplexes, townhomes, and other moderately dense housing types that were common before zoning restrictions took hold. ADU Law was amended 26 times from 2016 to 2024, allowing ADUs by right on all residentially zoned parcels in California. These pieces of legislation established statewide standards for ADU setbacks, height limits, square footage, and other land use regulations, regardless of local zoning. ADUs are now required to be reviewed within 60 days by local governments through a streamlined, ministerial process. By permitting attached ADUs, detached ADUs, and junior ADUs (JADUs) on all residential lots, these and other laws have facilitated the construction of "missing middle" housing in exclusionary single-family zones and across all residential neighborhoods in the state.

Taken together, these reforms have created a fast, predictable, uniform, and enforceable approval process for ADUs statewide. As a result, ADUs have gone from representing less than 1% of new housing construction before 2017 to approximately 20% today, with more than 23,000 ADUs legally completed in 2023. [7] Their numbers are expected to continue growing as the ADU construction and financing industry matures, helping meet an estimated market potential of 1.8 million units in California. [8] Because ADUs are not dependent on state funding allocations, they are poised to remain a significant and growing part of the state's new housing stock.

ADU Ordinances. ADU Law allows local agencies to adopt ADU ordinances that are consistent with state ADU Law. Local ordinances may expand and elaborate upon provisions in ADU Law, but they cannot conflict with the requirements of ADU Law. If a local ADU ordinance conflicts with the requirements of state ADU Law, state ADU Law supersedes any conflicting requirements. Local governments making timely updates to local ADU ordinances to comply with changes to state ADU Law, as they are enacted, is imperative to ensuring that laws passed by the Legislature are implemented correctly at the local level.

Local governments that elect to adopt an ADU ordinance must submit the ordinance to HCD for review within 60 days of adoption. If HCD finds that a local agency's ordinance does not comply with ADU Law, the local agency has 30 days to respond to HCD's technical findings. ADU law requires that the local agency either: A) amend the ordinance to comply with ADU law, or, B) adopt a resolution explaining the reasons the local agency believes that the ordinance complies with ADU Law. HCD notes that of the technical assistance letters it has issued on ADU ordinances, eight jurisdictions failed to respond to its findings within the 30-day timeframe allotted in statute. While local agencies need time to update their ordinances, the law contemplates that this will be accomplished through timely consultation with HCD. Failure to oblige these timeframes frustrates the intent of the law and can lead to the enforcement of

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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] Per HCDs "APR Dashboard" https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/housing-element-implementation-and-apr-dashboard. Complete data for 2023 will be made available by June 30, 2024. This statistic relies on data pulled on May 28, 2024.
[8] Monkonnen et al, 2020, *One to Four: The Market Potential of Fourplexes in California's Single-Family Neighborhoods*, UCLA Working Paper Series: https://www.lewis.ucla.edu/research/market-potential-fourplexes/

unlawful ordinances. Under current law, HCD may notify the Attorney General if it believes a local agency's ADU ordinance is in violation of state ADU Law.

This bill would specify that if a local government does not follow the statutory timeframes and protocols for ADU ordinance updates, including submitting the ordinance to HCD for review and responding to HCD's findings, any locally adopted ADU ordinance shall be null and void. As such, if the timeframes are not followed, the local government must review ADU proposals solely for compliance with state ADU Law, and not any additional local standards, unless and until the agency adopts an ordinance that complies with the provisions of state ADU Law. In doing so, it seeks to incentivize local governments to update their ordinances in a timely manner and submit their ordinances to HCD for proper review and approval. This could have the effect of increasing compliance with ADU Law and ensuring local ordinances are updated and implemented in a timely manner.

Arguments in Support: California YIMBY, the bill sponsor, writes in support: "SB 9 strengthens enforcement of state ADU laws by creating a clear accountability mechanism. If a local agency fails to submit its ADU ordinance within 60 days of adoption—or fails to respond to HCD's findings of noncompliance within 30 days—the ordinance becomes null and void. The city or county must then apply default state standards until a compliant ordinance is adopted."

Arguments in Opposition: None on file for current bill version.

Committee Amendments: The Committee may wish to consider the following amendments to increase clarity and ensure that this bill achieves its intended effect of requiring local governments to follow existing statutory ADU ordinance requirements:

1) Strike the current provisions of the bill from GOV 66316 and move them to GOV 66326, which regulates the process for local governments to update and submit their ADU ordinances to HCD.

2) Add language to the bill to clarify that local governments must resubmit subsequent ordinances to HCD and follow existing statutory adoption procedures:

   66326.

   (d) If a local agency fails to submit a copy of its ordinance to the department within 60 days of adoption pursuant to this section or fails to respond to the department's findings that the local ordinance does not comply with this article within 30 days pursuant to this section, that ordinance shall be null and void. The local agency shall thereafter apply the standards established in this article for the approval of accessory dwelling units, unless and until the agency adopts an ordinance that complies with this article, including, but not limited to, the submittal requirements of this section.

Related Legislation:

SB 543 (McNerney) of this legislative session makes numerous changes to bring Junior ADU (JADU) Law in conformance with ADU Law.

SB 1211 (Skinner), Chapter 296, Statues of 2024: furthered the trend towards gentle density by increasing the number of allowable detached ADUs on multifamily properties from 2 to up to 8, depending on the existing number of multifamily units on the site.

SB 477 (Senate Committee on Housing), Chapter 7, Statutes of 2024: Reorganized ADU and JADU law.

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 percent

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

AB 2406 (Thurmond), Chapter 755, Statutes of 2016: Established JADU law.

Double Referred: This bill was also referred to the Committee on Local Government, where it will be heard should it pass out of this Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

California YIMBY (Sponsor)
Abundant Housing LA
Apartment Association of Greater Los Angeles
Apartment Association of Orange County
Apartment Association, California Southern Cities
Berkeley Property Owner's Association
California Apartment Association
California Rental Housing Association
Casita Coalition
Circulate San Diego
East Bay Rental Housing Association
East Bay YIMBY
Fieldstead and Company, INC.
Grow the Richmond
Housing Action Coalition
How to ADU
Mountain View YIMBY
Napa-Solano for Everyone
Nor Cal Rental Property Association
North Valley Property Owners Association
Northern Neighbors

Peninsula for Everyone
Power CA Action
San Francisco YIMBY
Santa Barbara Rental Property Association
Santa Cruz YIMBY
Santa Rosa YIMBY
SLOCo YIMBY
South Bay YIMBY
Southern California Rental Housing Association
Spur
The Two Hundred
UnidosUS
Ventura County YIMBY
YIMBY Action
YIMBY Los Angeles

Opposition

City of Lake Forest *(prior bill version)*
Orange County Council of Governments *(prior bill version)*

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

Date of Hearing: June 18, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 233 (Seyarto) – As Amended March 3, 2025

SENATE VOTE: 35-0

SUBJECT: Regional housing need: determination: consultation with councils of governments

SUMMARY: Revises deadlines for the Department of Housing and Community Development (HCD) to meet and consult with each council of governments (COG) in the regional housing needs determination (RHND) process. Specifically, **this bill**:

1) Revises the deadline for HCD to meet and consult with each COG from at least 26 months prior to the scheduled housing element revision due date for the region, to the following:

   a) For the seventh revision of the housing element, the applicable of the following:

      i) At least 26 months prior to the scheduled revision for the Humboldt County Association of Governments, the Lake Area Planning Council, the Mendocino Council of Governments, and the San Luis Obispo Council of Governments; and

      ii) For all other COGs other than those in i) above, at least 38 months prior to the scheduled revision.

   b) For the eighth and subsequent revisions of the housing element, at least 38 months prior to the scheduled revision of the housing element for the region.

EXISTING LAW:

1) Provides that each community's fair share of housing be determined through the RHND/regional housing needs allocation (RHNA) process. Sets out the process as follows: (a) Department of Finance (DOF) and HCD develop 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 HCD, in consultation with each COG, to determine each region's RHND at least two years prior to the scheduled revision of the housing element, as provided, and requires the COG or HCD to adopt a final RHNA that allocates a share of the regional housing need to each city or county at least one year prior to the housing element due date for the region. (GOV 65584(b))

3) Requires HCD to meet and consult with each COG regarding the assumptions and methodology to be used in determining the region's housing needs at least 26 months prior to the housing element due date for the region. (GOV 65584.01(b)(1))

4) Requires each COG or delegate subregion to develop, in consultation with HCD, a proposed methodology for distributing the RHNA to local governments within the region or subregion at least two years prior to the housing element due date for the region. (GOV 65584.04(a))

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "California is currently in the midst of a crippling housing affordability crisis. According to the Legislative Analyst's Office, in December 2024 monthly payments for a mid-tier home and bottom-tier home had increased by 84% and 88% respectively since January 2020. That is more than 5 times the rate of inflation. Consequently, polling done in September 2024 showed 56% of Californians have considered leaving the state due to high cost of living. Clearly, this affordability crisis demands the Legislature's immediate attention and urgent action. Over the last several years, California has aggressively expanded housing production goals as well as various mandates on local governments to achieve them. However, these local jurisdictions have seen little added support in complying with the state's new housing aspirations. SB 233 recognizes the myriad of recent changes to housing element requirements and seeks to help local governments better plan to meet our state's housing goals by requiring the state to conduct regional need consultation 12 months earlier than current practice."

RHNA and Housing Elements: The RHNA process is used to determine how many new homes, and the affordability level of those homes, each local government must plan for in its housing element to cover the duration of the next planning cycle. The state is currently in the sixth housing element cycle. The RHND is assigned at the COG level, while RHNA is suballocated to subregions of the COG or directly to local governments. RHNA is currently assigned via six income categories: very low-income (0-50% of AMI), low-income (50-80% of AMI), moderate income (80-120% of AMI), and above moderate income (120% or more of AMI). Beginning with the seventh cycle, two new income categories will be incorporated for acutely low-income (0-15% of AMI) and extremely low-income (15-30% of AMI).

The cycle begins with HCD and DOF projecting new RHND numbers every five or eight years, depending on the region. DOF produces population projections and the COG also develops projections during its Regional Transportation Plan update. Then, 26 months before the housing element due date for the region, HCD must meet and consult with the COG and share the data assumptions and methodology that they will use to produce the RHND. The COG provides HCD with its own regional data on several criteria, including:

- Anticipated household growth associated with projected population increases;
- Household size data and trends in household size;
- The percentage of households that are overcrowded, as defined, and the overcrowding rate for a comparable housing market, as defined;
- The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures;
- The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs, as specified;
- Other characteristics of the composition of the projected population;
- The relationship between jobs and housing, including any imbalance between jobs and housing;
- The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market, as defined; and

- The loss of units during a declared state of emergency during the planning period immediately preceding the relevant housing element cycle that have yet to be rebuilt or replaced at the time of the data request.

HCD can take this information and use it to modify its own methodology, if it agrees with the data the COG produced, or can reject it if there are other factors or data that HCD feels are better or more accurate. Then, after a consultation with the COG, HCD makes written determinations on the data it is using for each of the factors bulleted above, and provides that information in writing to the COG. HCD uses that data to produce the final RHND, which must be distributed at least two years prior to the region's expected housing element due date. The COG must then take the RHND and create an allocation methodology that distributes the housing need equitably amongst all the local governments in its region. The RHNA methodology is statutorily obligated to further all of the following objectives:

1) Increase the housing supply and mix of housing types, tenure, and affordability in all cities and counties within the regional in an equitable manner, which must result in each jurisdiction receiving an allocation of units for low- and very low-income households;

2) Promote infill development, socioeconomic equity, the protection of environmental and agricultural resources, and achievement of regional climate change reduction targets;

3) Promote an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction;

4) Allocate a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category; and

5) Affirmatively further fair housing.

This bill would generally require HCD to complete its consultation with each COG before producing the region's RHND figures at least 38 months prior to the housing element due date, or one year earlier than required in current law. For the Humboldt County Association of Governments, the Lake Area Planning Council, the Mendocino Council of Governments, and the San Luis Obispo Council of Governments, the existing 26-month deadline prior to the housing element due date would remain the same, as their HCD consultations are due to be completed this year before the effective date of this bill.

Arguments in Support: According to the Southern California Association of Governments (SCAG), "Under current law, HCD is required to provide a regional determination to a COG at least 26 months before a housing element due date. As such, SB 233 would provide an additional 12 months for COGs to begin working on the Regional Housing Needs Allocation (RHNA) process. This bill would apply to all jurisdictions statewide for their 7th cycle RHNA with the exception of those who have already begun their 7th cycle, including the Humboldt County Association of Governments, the Lake Area Planning Council, the Mendocino Council of Governments, the San Luis Obispo Council of Governments, and the San Diego Association of Governments. It will then apply to all jurisdictions for the 8th and all subsequent cycles. SB 233 would ensure that there is more time available to coordinate with the concurrent Sustainable Communities Strategy, prepare the RHNA methodology, increase local engagement, and allow for additional time for the appeals process."

Arguments in Opposition: None on file.

Committee Amendments: Multiple bills this legislative session propose to modify timelines in the RHND/RHNA process. Previous bills heard in this committee, specifically AB 650 (Papan) and AB 1275 (Elhawary), were amended by this committee to harmonize the various timeline changes. This bill proposes to modify the COG consultation deadline for HCD in a similar, yet slightly different manner than AB 650 (Papan), with the main difference being the phasing of consultation deadlines for the COGs with housing element (and therefore consultation) deadlines at the beginning of the seventh cycle. Thus, the committee may wish to consider harmonizing the COG consultation portions of the bills as follows:

GOV 65584.01. (b) (2) The deadline for the department to meet and consult with each council of governments pursuant to paragraph (1) shall be as follows:

(A) For the fourth, fifth, and sixth revisions of the housing element, at least 26 months prior to the scheduled revision pursuant to Section 65588.

(B) For the seventh revision of the housing element, the applicable of the following:

(i) With respect to the following councils of governments, at least 26 months prior to the scheduled revision pursuant to Section 65588:

(I) The Humboldt County Association of Governments.

(II) The Lake Area Planning Council.

(III) The Mendocino Council of Governments.

(IV) The ~~San Luis Obispo Council of Governments~~ ***County of Nevada***.

(ii) With respect to the following councils of governments, at least 34 months prior to the scheduled revision pursuant to Section 65588:

(I) The San Luis Obispo Council of Governments.

(II) The Sacramento Area Council of Governments.

(***iii***) With respect to all councils of governments other than those specified in clause (i) ***and (ii)***, at least 38 months prior to the scheduled revision pursuant to Section 65588.

(C) For the eighth and subsequent revisions of the housing element, at least 38 months prior to the scheduled revision pursuant to Section 65588.

Related Legislation:

AB 650 (Papan) of the current legislative session would extend various timelines in the RHNA and housing element process, and would require HCD to provide specific analysis or text to local governments to remedy deficiencies in their draft housing elements. This bill passed the Assembly Floor on a vote of 79-0 and is pending before the Senate Housing Committee.

AB 1275 (Elhawary) of the current legislative session would require HCD to determine the existing and projected housing need for each region with COG three years prior to the region's housing element due date, instead of two years prior, among other changes. This bill passed the Assembly Floor on a vote of 71-0 and is pending before the Senate Housing Committee.

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

Association of California Cities - Orange County
California Apartment Association
City of Los Alamitos
Housing Action Coalition
New Livable California Dba Livable California
Orange County Council of Governments
San Diego Association of Governments
Southern California Association of Governments

Opposition

None on file.

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

Date of Hearing: June 18, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 340 (Laird) – As Amended March 17, 2025

SENATE VOTE: 39-0

SUBJECT: General plans: housing element: emergency shelter

SUMMARY: Revises the definition of interim interventions under "emergency shelter" in housing element law to include all services provided onsite at a shelter, including the addition or expansion of services that are consistent with any written, objective standards. Specifically, **this bill**:

1) Expands the definition of interim interventions under "emergency shelter" to include all services provided onsite, including the addition or expansion of services that are consistent with any written, objective standards, as specified.

2) Expands the definition of "emergency shelter" in a cross-referenced section of statute to include all supportive services.

EXISTING LAW:

1) 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 the regional housing need, among other things;

    b) A statement of the community's goals, quantified objectives, and policies relative to affirmatively furthering fair housing 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 the regional housing need for each income level that could not be accommodated on sites identified in the sites inventory without rezoning, among other things. (Government Code (GOV) Section 65583(a)-(c))

2) Requires the assessment under 1)a) above to include the identification of one or more zoning designations that allow residential uses, including mixed uses, where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit and that are suitable for residential uses. Requires the zoning designations to include sufficient sites with sufficient capacity to accommodate the jurisdiction's need for emergency shelter, as specified, except that each jurisdiction must identify a zoning designation that can accommodate at least one year-round emergency shelter. (GOV 65583(a)(4)(A))

3) Requires a local government, if it cannot identify a zoning designation under 2) above with sufficient emergency shelter capacity, to include a program to amend its zoning ordinance to meet specified emergency shelter requirements within one year of the adoption of the housing element. (GOV 65583(a)(4)(A))

4) Requires emergency shelters under 2) above to only be subject to the following written, objective standards:

   a) The maximum number of beds or persons permitted to be served nightly by the facility;

   b) Sufficient parking to accommodate all staff working in the emergency shelter, provided that the standards do not require more parking for emergency shelters than other residential or commercial uses within the same zone;

   c) The size and location of exterior and interior onsite waiting and client intake areas;

   d) The provision of onsite management;

   e) The proximity to other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart;

   f) The length of stay;

   g) Lighting; and

   h) Security during the hours that the emergency shelter is in operation. (GOV 65583(a)(4)(B))

5) Defines, for purposes of 2) above, "emergency shelter" to include other interim interventions, including, but not limited to, a navigation center, bridge housing, and respite or recuperative care. (GOV 65583(a)(4)(C))

6) Establishes that the permit processing, development, and management standards applied under 2) – 4) above and as provided are not discretionary acts within the meaning of the California Environmental Quality Act. (GOV 65583(a)(4)(D))

7) Defines, for purposes of the Emergency Housing and Assistance Program, "emergency shelter" to mean housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. (Health and Safety Code Section 50801(e))

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "Senate Bill 340 clarifies that by-right approval for emergency shelters in designated zones includes all services offered by the shelter and any future expansion of wraparound services. These services include essential offerings like meals, shower access, housing navigation, case management, outreach programs, and more.

Some emergency shelters located in emergency shelter overlay zones have nevertheless been required to have conditional use permits for wraparound services, or it's been argued that providing wraparound services disqualifies a shelter from being considered an 'emergency' shelter. By removing this ambiguity, Senate Bill 340 ensures that shelters can continue to meet the evolving needs of vulnerable communities without unnecessary delays and denials."

***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 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 court receivership.

Among other things, the housing element must demonstrate how the community plans to accommodate its share of its region's housing need. To do so, each community establishes an inventory of sites designated for new housing that is sufficient to accommodate its fair share, as well as sites that can accommodate emergency shelter and interim interventions for those experiencing homelessness in a community. 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.

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 and operation of desperately needed housing and shelter at all income levels. 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 and emergency shelter. 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.

Cities and counties enact zoning ordinances to implement their general plans. Zoning determines the type of housing that can be built. In addition, before building new housing, housing developers must obtain one or more permits from local planning departments and must also obtain approval from local planning commissions, city councils, or county board of supervisors. Some housing projects can be permitted by city or county planning staff ministerially or without further approval from elected officials. Projects reviewed ministerially, or by-right, require only an administrative review designed to ensure they are consistent with existing general plan and zoning rules, as well as meet standards for building quality, health, and safety. Most large

housing projects are not allowed ministerial review. Instead, these projects are vetted through both public hearings and administrative review. Most housing projects that require discretionary review and approval are subject to review under the California Environmental Quality Act, while projects permitted ministerially generally are not.

By-Right for Emergency Shelters in the Housing Element: SB 2 (Cedillo), Chapter 633, Statutes of 2007 required a local government, in its housing element, to accommodate its need for emergency shelters on sites by-right, or ministerially and without a conditional use permit, and requires cities and counties to treat transitional and supportive housing projects as a residential use of property. Local governments must treat supportive housing the same as other multifamily residential housing for zoning purposes, and may only apply the same restrictions as multifamily housing in the same zone to supportive housing. Prior to the enactment of SB 2 (Cedillo), statute was silent as to where these shelters might be located, and as a result, local governments often identified shelters in industrial areas far from services designed to move people experiencing homelessness from the streets and into permanent housing. Additionally, local governments were not required to identify zones with sufficient capacity to accommodate emergency shelters. As a result, some emergency shelter zones were not actually capable of accommodating a shelter on any of the identified sites.

SB 2 (Cedillo) clarified housing element law with regards to where by-right zones for emergency shelters may be identified. SB 2 made clear that a local government shall only subject a shelter to those development and management standards that apply to residential or commercial development within the same zone, except that a local government may apply specified objective standards listed in the statute. Additionally, SB 2 required local governments to identify by-right shelters in zones that allow residential uses, including mixed uses. Finally, SB 2 required that an emergency shelter zone must include vacant sites or sites that are adequate for a shelter.

Subsequent legislation, AB 2339 (Bloom), Chapter 654, Statutes of 2022, expanded the definition of emergency shelters in housing element law to include other interim interventions, including but not limited to a navigation center, bridge housing, and respite or recuperative care.

Strengthening By-Right Approval for Shelters: This bill further expands the emergency shelter definition in housing element law to include all onsite services, including addition or expansion of services. In addition, several state housing programs – including by-right zones for emergency shelters – reference a now-obsolete program that still exists in statute, the Emergency Housing and Assistance Program, or EHAP. EHAP statute defines "emergency shelter" as "housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person." This bill strikes the word "minimal" in front of "services."

Arguments in Support: According to the Public Interest Law Project, the bill's sponsor, "Since this law was originally passed, it has been amended several times to close loopholes and strengthen its provisions in response to continued reports of some jurisdictions blocking the siting of shelters. Unfortunately, despite these amendments, shelter providers continue to experience barriers that are contrary to the intent of the law. For example, some cities have required shelter providers to obtain a conditional use permit for services provided at a shelter even if the shelter is located or proposed in a by-right zone, or have argued that in offering wraparound services that the city deems are beyond 'minimal' a shelter does not qualify as an emergency shelter and thus is not eligible for by-right approval. Shelters, low-barrier navigation centers, and other forms of interim housing serve our most vulnerable residents and services are

an integral part of their function. These services, which may include things like housing navigation, case management, outreach, and access to basic needs like meals, showers, laundry, vocational counseling, and mail service, are critical to effectively serve people experiencing homelessness and put them on a path to securing stable, permanent housing and achieving self-sufficiency. SB 340 will further clarify the law by defining emergency shelters eligible for by-right approval in by-right zones to include services offered by the shelter, including any expansion of services, so long as the services are consistent with any written, objective standards adopted by the jurisdiction. It will also strike a perceived limitation that offered services be 'minimal' in order to be considered an emergency shelter protected by the statute."

Arguments in Opposition: None on file.

Related Legislation:

AB 2339 (Bloom), Chapter 654, Statutes of 2022: Made changes to housing element law with regard to where shelters may be zoned.

SB 2 (Cedillo), Chapter 633, Statutes of 2007: Required a local government, in its housing element, to accommodate its need for emergency shelters on sites by right, or ministerially and without a conditional use permit, and requires cities and counties to treat transitional and supportive housing projects as a residential use of property.

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

Public Interest Law Project (Sponsor)
California Housing Partnership
California Rural Legal Assistance Foundation
Housing California
National Alliance to End Homelessness

Opposition

None on file.

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

Date of Hearing: June 18, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 410 (Grayson) – As Amended May 8, 2025

SENATE VOTE: 34-0

SUBJECT: Common interest developments: disclosures to prospective purchasers: exterior elevated elements inspection

SUMMARY: Requires the owner of a separate interest to provide a copy of the report issued from the most recent inspection of exterior elevated elements in a common interest development (CID) to a prospective purchaser of the separate interest, as soon as practicable before the transfer of title or the execution of a real property sales contract, as specified.

EXISTING LAW:

1) Requires a transferor (seller) of single-family residential property to provide the transferee (buyer) with certain disclosures about the property by use of a statutorily prescribed Real Estate Transfer Disclosure Statement (TDS), describing whether the single-family residence has any significant defects or malfunctions in various components of the home. (Civil Code (CIV) Section 1102-1102.6)

2) Requires that delivery of the disclosures required be made by the seller to the buyer as soon as practicable before transfer of title, or in the case of a sale by a real property sales contract, lease with an option to purchase, or ground lease with improvements, as soon as practicable before the making or acceptance of an offer. If disclosure is delivered after the execution of an offer to purchase the property, the prospective buyer has three to five days (depending on the method of delivery) to terminate the offer. (CIV 1102.3)

3) Provides that if a seller willfully or negligently fails to provide specified disclosures in specified real estate transactions, they can be held liable for actual damages by the buyer. (CIV 1102.13)

4) Establishes the Davis-Stirling Act, providing rules and regulations governing the establishment and operation of residential CIDs and the rights and responsibilities of a CID's homeowner association (HOA) and its members. (CIV 4000 *et seq*.)

5) Requires an owner of a separate interest in a CID to provide a prospective buyer of the separate interest specified documents, as soon as practicable before the transfer of title or execution of a real property sales contract, including:

    a) A copy of all governing documents;

    b) A statement that a restriction limiting the occupancy, residency, or use of the separate interest is only enforceable to the extent permitted by law, if applicable;

    c) A copy of the most recent HOA annual budget and financial documents, a true statement of the amount of the HOA's current regular and special assessments and

fees, any assessments levied upon the owner's interest that are unpaid, and any monetary fines that are unpaid;

d) A copy or summary of any notice sent by the HOA to the owner for an alleged violation of the governing documents that remains unresolved;

e) A copy of the initial list of construction defects for the CID, unless the builder entered into a settlement agreement to resolve the defects;

f) Information regarding any settlement agreement with a builder to resolve construction defects;

g) Any change in the HOA's current regular and special assessments and fees that have been approved by the HOA but have yet to go into effect;

h) A statement describing any provision in the HOA's governing documents that prohibits the rental or leasing of separate interests in the HOA; and

i) A copy of the minutes of HOA board meetings over the previous 12 months, if requested. (CIV 4525)

6) Requires an HOA to provide an owner of a separate interest a copy of the documents specified in 5) above within 10 days of any request for these documents, including a written estimate of the fees that will be assessed for providing such documents. (CIV 4530)

7) Specifies that any person who willfully violates 5) or 6) above is liable to the purchaser of a separate interest for actual damages, and a civil penalty of up to $500. Specifies that, in any civil action to enforce those provisions, reasonable attorney's fees must be awarded to the prevailing party. (CIV 4540)

8) Provides that, unless otherwise provided in the declaration of a CID, the HOA is responsible for repairing, replacing, and maintaining the common area; the owners of each separate interest are responsible for repairing, replacing, and maintaining their separate interest; and the owner of each separate interest is responsible for maintaining the exclusive use common area appurtenant to that separate interest and the association is responsible for repairing and replacing the exclusive use common area. (CIV 4775)

9) Requires the board of directors of an HOA to cause to be conducted, at least once every three years, a reasonably competent and diligent visual inspection of the accessible areas of the major components that the association is obligated to repair, replace, restore, or maintain as part of a study of the reserve account requirements of the CID. (CIV 5550)

10) Requires an HOA board of a condominium project with buildings containing three or more multifamily units to cause a reasonably competent and diligent visual inspection to be conducted by a licensed structural engineer or architect of a random and statistically significant sample of the exterior elevated elements of the CID for which the HOA has maintenance or repair responsibility. (CIV 5551(b))

11) Requires the inspection to determine whether the exterior elevated elements are in a generally safe condition and performing in accordance with applicable standards. (CIV 5551(b)(2).)

12) Requires the first inspection to be completed by January 1, 2025, and then every nine years thereafter, in coordination with the reserve study inspection. (CIV 5551(i))

13) Requires the inspector, prior to conducting the first visual inspection under 10) above, to generate a random list of the locations of each type of exterior elevated element, which must include all exterior elevated elements for which the HOA has maintenance or repair responsibility. (CIV 5551(c))

14) Requires the inspector to issue a written report based on the inspection required in 10), above, containing the following information:

    a) The identification of the building components comprising the load-bearing components and associated waterproofing system;

    b) The current physical condition of the load-bearing components and associated waterproofing system, including whether the condition presents an immediate threat to the health and safety of the residents;

    c) The expected future performance and remaining useful life of the load-bearing components and associated waterproofing system; and

    d) Recommendations for any necessary repair or replacement of the load-bearing components and associated waterproofing system. (CIV 5551(e))

15) Requires the inspector to provide a copy of the report to the HOA immediately upon completion of the report, and to the local code enforcement agency within 15 days, if the inspector advises that an exterior elevated element poses an immediate threat to the safety of the occupants. Requires the HOA to take preventive measures immediately upon receiving the report, including preventing occupant access to the element until repairs have been inspected and approved by the local enforcement agency. (CIV 5551(g))

16) Defines, for the purposes of the provisions requiring inspections of CID elevated exterior elements in 10) above, the following terms:

    a) "Exterior elevated elements" to mean the load-bearing components together with their associated waterproofing system;

    b) "Load-bearing components" to mean components that extend beyond the exterior walls of the building to deliver structural loads to the building from decks, balconies, stairways, walkways, and their railings, that have a walking surface elevated more than six feet above ground level, that are designed for human occupancy or use, and that are supported by wood or wood-based products;

    c) "Statistically significant sample" to mean a sufficient number of units inspected to provide a 95% confidence that the results from the sample are reflective of the whole, with a margin of error of no more than five percent; and

d) "Visual inspection" to mean inspection through the least intrusive method necessary to inspect load-bearing components, including visual observation only or combined with the use of moisture meters, borescopes, or infrared technology. (CIV 5551(a))

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

COMMENTS:

Author's Statement: According to the author, "Due to state-mandated requirements on balcony inspections for Homeowner Associations (HOAs), many lenders require compliance with the State's inspection mandates as a condition of loan approval. In some cases, repairs to balconies not connected to a sale have also been placed as a prerequisite for loan approval. Some of these requirements have caused transactions to breakdown, as HOA managers have failed to provide necessary copies of balcony inspection reports, nor conduct required inspections. Further, State law is also unclear on whether HOAs are required to share inspection reports. SB 410 will provide clarity in State law by requiring that HOAs provide copies of balcony inspection reports in the suite of documents they are required to provide to homeowners during the purchase of HOA managed properties. This will ensure that buyers will have the necessary information in order to meet loan requirements, and increase transparency on the condition of balconies and other exterior elements."

CIDs and HOAs*:* CIDs are a type of housing with separate ownership of housing units that also share common areas and amenities. There are a variety of different types of CIDs, including condominium complexes, planned unit developments, and resident-owned mobilehome parks. In recent years CIDs have represented a growing share of California's housing stock. Data from 2019 indicates that there are an estimated 54,065 CIDs in the state that are made up of 5 million housing units, or about 35% of the state's total housing stock.

CIDs are regulated under the Davis-Stirling Act as well as the governing documents of the HOA, including the bylaws, declaration, and operating rules. CIDs can also have Covenants, Conditions, and Restrictions (CC&Rs) that are filed with the county and recorded at the time they are established. Owners in a CID are contractually obligated to abide by the CC&Rs and the governing documents of a CID, which specify rules such as parking policies, allowable modifications to homes, and rental restrictions. Additionally, HOAs are governed by a board of directors elected by the membership in elections that closely resemble California's vote-by-mail process. In addition, many associations use a managing agent to assist with finances, logistics, and other services provided to homeowners.

HOA boards have a number of duties and powers. The board determines the annual assessments that members must pay in order to cover communal expenses, including maintenance obligations. The board enforces the community rules and can propose as well as make changes to those rules. If members do not pay their assessments in full or on time, or if members violate the community rules, the board has the power to fine the members and, if necessary, the power to foreclose upon the offending member's property.

Balcony Collapses and Inspection Mandates: In 2015, a wooden balcony collapsed at the Library Gardens apartment complex in the City of Berkeley, near the University of California, Berkeley campus. The balcony collapse killed six young adults and injured seven others. Investigations later revealed that the balcony had decayed wooden joists caused by wood dry rot left untreated due to poor building maintenance.

Ultimately, the Contractor's State License Board revoked the license of Segue Construction, Inc., the general contractor responsible for building the apartment complex where the collapse occurred, as it was alleged that the contractor company "willfully departed from or disregarded building plans or specifications, and willfully departed from accepted trade standards for good and workmanlike construction."

As a result of that collapse, the Legislature passed SB 465 (Hill), Chapter 372, Statutes of 2016, which, in addition to requiring additional oversight for contractors, also required the California Building Standards Commission (CBSC) to establish a working group to study the failure of exterior elevated elements including balconies. The bill directed the CBSC to submit a report to the Legislature containing findings and possible recommendations for statutory or other changes to the California Building Standards Code. In 2017, the CBSC approved emergency regulations to accelerate the adoption of higher construction standards.

The following year, SB 721 (Hill), Chapter 445, Statutes of 2018, established a requirement to perform regular inspections of exterior elevated elements of certain multi-unit residential buildings. The bill required building owners to have those elements and other load-bearing components and waterproofing elements inspected at least every six years by certain licensed persons, to determine that the elements and their associated waterproofing elements are in a generally safe condition, adequate working order, and free from any hazardous conditions. It also required any identified repairs be made within a designated timeframe and provided penalties for building owners who do not complete the required repairs.

Notably, SB 721 specifically excluded CIDs from its provisions. In 2019, SB 326 (Hill), Chapter 207, Statutes of 2019, extended similar inspection requirements to CIDs. SB 326 requires HOA boards to arrange an inspection every nine years, as specified, of the CID's balconies over which the HOA has maintenance or repair responsibility. The inspector must provide a report for the board, which must be incorporated into the HOA's reserve study.

The deadline for the initial inspection under both SB 721 and SB 326 was January 1, 2025. However, recent legislation (AB 2579 (Quirk-Silva), Chapter 835, Statutes of 2024) generally extended this deadline for multifamily buildings to January 1, 2026 – but did not extend the deadline for CIDs.

California's Homeowner's Insurance Crisis: The devastating wildfires that have occurred in California in recent years have led many insurance companies to pull out of high-risk areas of the state or significantly raise premiums and deductibles. Many California homeowners are now being forced obtain fire insurance coverage from the California FAIR Plan. Obtaining homeowners insurance for a unit in a CID has become even more challenging than insuring a traditional single-family home. This is partly due to the Surfside condominium tower collapse in Florida in June 2021, which killed 98 people. A contributing factor to the collapse was alleged to be long-term degradation of reinforced concrete structural support in the basement-level parking garage under the pool deck, due to water penetration and corrosion of the reinforcing steel. (Although the problems were reported in 2018 and a remediation program was approved, the main structural work had not commenced.)

Recent reports indicate that it has become much more difficult to get government-backed mortgages (e.g., mortgages backed by Fannie Mae and Freddie Mac) on condominiums in many states – particularly Florida, California, Colorado, Hawaii, and Texas – due to the significant rise in the number of properties deemed since the Surfside event as failing to meet Fannie Mae and

Freddie Mac standards. In addition, it has been reported that some HOAs are combating soaring insurance rates by agreeing to pared-down policies that make individual CID units ineligible for government-backed loans.

As noted above, SB 326 (Hill) required each HOA board to have an initial inspection conducted by January 1, 2025 of the exterior elevated elements over which it has maintenance or repair responsibility. The author notes that many lenders, as well as Fannie Mae and Freddie Mac, are now requiring compliance with the inspection mandate as a condition of loan approval for a buyer of a CID unit. In some cases, repairs to unit balconies that are not connected to a sale have also been included as a prerequisite for loan approval. According to the sponsor of this bill, many transactions in CIDs have stalled because some HOAs have not provided inspection reports or conducted required inspections. To help increase transparency around inspections and help ensure that inspections are being performed as required, this bill adds copies of inspection reports to the documents an HOA is required to provide to homeowners and prospective buyers during the purchase of condo properties.

Arguments in Support: According to the California Association of Realtors, the bill's sponsor, "SB 410 (Grayson) simply requires homeowner's associations (HOA) to provide sellers a copy of balcony inspection reports in the suite of documents HOAs are required to provide to homeowners and buyers in connection with the purchase of a real property managed by the HOA. This measure is a follow-up to earlier legislation (SB 721 and SB 326) that mandated inspections of balconies, decks, and other elevated elements after a fatal collapse in Berkeley, California. Due to delays in inspections for apartment buildings, many transactions in common interest developments have stalled because some HOAs haven't provided inspection reports or conducted required inspections. SB 410 (Grayson) aims to clarify that these reports must be included, helping buyers meet loan requirements and ensuring transparency about the condition of exterior structures."

Arguments in Opposition: None on file.

Related Legislation:

AB 2579 (Quirk-Silva), Chapter 835, Statutes of 2024: Extended the deadline by one year, to January 1, 2026, for performing inspections of exterior elevated elements in non-CID buildings containing three or more multifamily dwelling units.

AB 2114 (Irwin), Chapter 100, Statutes of 2024: Added licensed civil engineers to the types of inspectors eligible to perform visual inspections of exterior elevated elements for which an HOA has maintenance or repair responsibility.

SB 326 (Hill), Chapter 207, Statutes of 2019: Established minimum inspection requirements for exterior elevated elements within HOAs.

SB 721 (Hill), Chapter 445, Statutes of 2018: Established minimum inspection requirements for the exterior elevated elements, including balconies and decks, of buildings with three or more multifamily dwelling units, as specified.

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

California Association of Realtors (Sponsor)

Opposition

None on file.

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

Date of Hearing: June 18, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 486 (Cabaldon) – As Amended April 28, 2025

SENATE VOTE: 39-0

SUBJECT: Regional housing: public postsecondary education: changes in enrollment levels: California Environmental Quality Act

SUMMARY: Requires Metropolitan Planning Organizations (MPOs) to consider postsecondary enrollment when they prepare their Sustainable Communities Strategy (SCS); requires the California State University (CSU), and requests the University of California (UC), to provide specified enrollment information to Councils of Government (COGs) to inform regional housing planning for the next Regional Housing Needs Allocation (RHNA) cycle; and narrows the scope of the environmental analysis that the CSU and UC must perform for projects if specified requirements are met. Specifically, **this bill**:

1) Makes a number of findings and declarations.

2) Requires MPOs to take into account changes in student enrollment at California Community Colleges (CCCs), CSUs, and UCs when they identify areas in the SCS to house the population of the region.

3) Amends the Regional Housing Needs Determination (RHND) and RHNA requirements specified in Housing Element Law as follows:

    a) Requires COGs to provide the Department of Housing and Community Development (HCD) data assumptions, if available, regarding changes in student enrollment levels at campuses of the CSU and UC during the RHND process; and,

    b) Adds the following items to the list of factors COGs must consider when they develop the RHNA plan:

        i) The distribution of public and private university students among jurisdictions within the COG; and,

        ii) For campuses of the CSU and the UC, the optimization of nonvehicle trip efficiency by students to the campus, including off-campus facilities.

4) Requires the Trustees of the CSU, and requests the Regents of the UC, six months prior to the development of a proposed RHNA Plan, to provide each COG a forecast of changes in enrollment levels at its campuses including off-campus facilities, within the region, based on factors including but not limited to:

    a) Cohort progression projections;

    b) Improvements in the percentage of California residents meeting university admission and transfer standards; and

c) Improvements in degree completion by noncohort students.

5) Requires the Trustees of the CSU to, and requests that the Regents of the UC, provide the forecast data specified in 3) above, to the Director of Finance, Director of HCD, and the Chairperson of the Joint Legislative Budget Committee.

6) Requires the Trustees of the CSU to, and requests that the Regents of the UC, provide trip and travel data to COGs upon request.

7) Exempts determinations made by the CCCs, the CSU and the UC pursuant to Housing Element Law from the California Environmental Quality Act.

8) Amends the California Environmental Quality Act (CEQA) to state that the UC and CSU are not required to conduct a "no project" alternatives analysis as part of an Environmental Impact Report (EIR), a supplemental EIR, or in any addendum for a project, master plan (MP) or Long Range Development Plan (LRDP) if:

   a) The project, MP, or LRDP is consistent with requirements in the Education Code to complete an EIR and the Public Resources Code that precludes enrollment growth at UC or CSU as being the basis for any lawsuit;

   b) The project, MP, or LRDP deemed by the applicable transportation planning agency as being "consistent" with its SCS or an alternate strategy approved by the California Air Resources Board (CARB); and

   c) The UC and CSU have provided the forecast of changes in enrollment levels required by this bill.

EXISTING LAW:

1) Requires CARB to set regional targets for greenhouse gas (GHG) reductions and requires MPOs to prepare an SCS as part of their regional transportation plans (RTP). The SCS demonstrates how the region will meet its GHG targets through land use, housing, and transportation strategies. If the SCS is unable to achieve GHG reductions established by CARB, the MPO is required to prepare an alternative planning strategy (APS) showing how the GHG targets will be achieved. (Government Code (GOV) 65080)

2) Establishes Housing Element Law, which requires HCD, in consultation with each COG, to prepare the Regional RHND for each region using population projections produced by the Department of Finance (DOF) and regional population forecasts used in preparing RTP updates. (GOV 65584.01)

3) Provides that each community's fair share of housing be determined through the RHND and the subsequent RHNA plan for the region. Establishes the RHND/RHNA process as follows:

   a) RHND: DOF and HCD develop regional housing needs estimates;

   b) RHNA Plan: COGs allocate housing units within each region based on the RHND in a manner that furthers key state housing goals. Where a COG does not exist, HCD conducts the allocations; and,

c) Housing Element Revisions: Cities and counties incorporate these allocations and update their housing elements. (GOV 65584.04)

4) Specifies that among the factors that must be considered when each COG develops its methodology are the housing needs generated by a UC, CSU, or private university campus in the area. (GOV 65584.01)

5) Establishes CEQA, which requires lead agencies with the principal responsibility for carrying out or approving a project that would have an impact on the physical environment to prepare a negative declaration (ND), mitigated negative declaration (MND), or EIR for the project, unless the project is exempt from CEQA. (Public Resources Code (PRC) §21000 et seq.) If a project may have a significant effect on the environment, the lead agency must prepare an EIR. (CEQA Guidelines 15064(a)(1), (f)(1)).

6) Defines "public higher education" as the CCC, the CSU system and each of its campuses, branches, and functions, and the UC system and each of its campuses, branches, and functions. (Education Code Section 66010).

7) Requires UC to develop long-range development plans (LRDP) and CSU to develop master plans (MP) to meet the needs of individual campuses. These plans are subject to the California Environmental Quality Act (CEQA) and require the preparation of an environmental impact report (EIR). (PRC 21080.09(b)).

8) States that student enrollment or changes in enrollment, by themselves, do not constitute a "project" under CEQA and thus do not trigger a review under CEQA. (PRC 21080.09(d)).

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement. According to the author, "the State of California has made a promise to its young people: Graduate in the top third of your class and you are guaranteed admission to a CSU campus. Graduate in the top eighth, and you qualify for UC admission. Yet qualified California residents are currently being denied admission to their university of choice due to lack of sufficient space to house them.

Today, campuses seeking to expand often face court challenges to their population growth under the California Environmental Quality Act (CEQA). At the same time, regional planning processes generally don't incorporate detailed population growth projections from the public universities, nor do local governments plan alongside the campuses to sustainably accommodate campus growth.

This bill recognizes that growth of the university student population is not a decision made by individual university campuses. It is a statewide decision based on a demographic reality. SB 486 removes the requirement for the California State University (CSU) and the University of California (UC) to conduct a "no project" alternative analysis in an EIR for a project or long-range development plan that is consistent with the Sustainable Communities Strategy. It also requires the university systems to participate in the development of regional sustainable communities strategies and associated housing and transportation plans."

Background on RHNA, Housing Elements, and RTP/SCS Alignment*:* California requires every city and county to adopt a general plan that includes a housing element, which must demonstrate how the jurisdiction will accommodate its share of the region's housing needs. These housing needs are determined through the RHNA process, which is designed to ensure that all jurisdictions plan for a fair share of the state's housing demand, across income levels and household types. The RHNA process begins with HCD, in consultation with the DOF, issuing a RHND to each region. COGs then develop a methodology for allocating that need to local governments within the region.

State law establishes a range of statutory objectives that must guide this allocation, including promoting infill development, affirmatively furthering fair housing, improving the balance between jobs and housing, and reducing greenhouse gas emissions. Each jurisdiction must then adopt a housing element that accommodates its RHNA share through zoning, land use policies, local programs, and other strategies. Local housing elements are subject to HCD review for compliance with these statutory requirements and must be updated approximately every eight years.

MPOs are responsible for preparing an RTP with a 20+ year planning horizon. Under SB 375 (Steinberg, Chapter 728, Statutes of 2008), the RTP must include a Sustainable Communities Strategy (SCS), which aligns land use, housing, and transportation planning in a way that supports regional greenhouse gas reduction targets established by the California Air Resources Board (CARB). The SCS must identify areas within the region that can accommodate both future population growth and the RHNA allocation, while also promoting a more sustainable development pattern.

While the law requires consistency between the RHNA and the SCS, achieving that alignment in practice has been challenging. One reason is that the RHND must account not only for population growth, but also for existing unmet housing need, including cost burden, overcrowding, and homelessness. RTPs, by contrast, are often based on demographic projections and may not incorporate these broader measures of housing demand. As a result, regions may under plan for the full scope of housing need in their transportation and land use strategies.

Higher Education Growth and Regional Planning Gaps: Public university enrollment is a growing driver of housing demand in California, particularly in communities that host CSU and UC campuses. State policy has expanded access to public higher education, and enrollment growth is expected to continue, yet many campuses face long-standing housing shortages. These shortages have ripple effects in surrounding communities, where students, faculty, and staff compete for limited and increasingly expensive off-campus housing. At the same time, regional and local housing planning processes have not consistently or comprehensively accounted for this dynamic.

Under existing law, councils of governments (COGs) must consider "the housing needs generated by the presence of a private university or a campus of the CSU or the UC within any member jurisdiction" when developing the methodology for distributing the RHND under Housing Element Law. However, this language is permissive, and implementation is uneven across regions. For example, in the 6th RHNA cycle, the Sacramento Area Council of Governments (SACOG) incorporated the anticipated growth of Sacramento State and UC Davis into its land use forecast for the RTP/SCS and engaged directly with campus and local officials to discuss student housing needs in the preparation of its RHNA. SLOCOG included Cal Poly

staff in its RHNA working group and considered new dorm beds in the group quarters adjustment to the RHND, but did not make additional adjustments in its RHNA methodology. ABAG reported mixed results in collecting data on university-related housing demand, with some jurisdictions obtaining estimates from local institutions and others unable to access reliable information. These examples illustrate the variation in how regional agencies approach higher education enrollment in housing and transportation planning, which SB 486 seeks to standardize. Moreover, data on student housing demand is often limited or inconsistent, and there is currently no requirement that CSU or UC provide enrollment projections to inform the RHND or RHNA process.

This bill aims to strengthen coordination between state-supported university systems and regional planning agencies by requiring the CSU, and requesting the UC, to provide enrollment forecasts and travel data to COGs. These forecasts must include both on-campus and off-campus facilities, and reflect improvements in transfer pathways, graduation rates, and eligibility. The bill also requires MPOs to incorporate enrollment trends at public colleges and universities when preparing their SCS. These changes are intended to ensure that regional housing and transportation planning more accurately reflect future growth patterns and state higher education policy.

Student Housing and RHNA: Although state law directs COGs to consider university-related housing needs in developing the RHNA, HCD's current RHNA methodology does not count beds in student dorms toward a jurisdiction's RHNA obligations, except in rare circumstances where those beds are built and operated like traditional multifamily units that are available to the public at large. As a result, cities hosting public universities are required to zone for housing to meet the full RHNA allocation, even if the campus is planning to construct thousands of beds in residence halls. This disconnect may create disincentives for campus-led housing development and puts additional pressure on local housing markets.

By improving data sharing and requiring regional agencies to explicitly plan for student enrollment growth, SB 486 provides a clearer framework for addressing this planning gap. It does not change the rules for how student housing is counted toward RHNA, but it may support more informed decisions by HCD, COGs, and local governments about how best to meet regional housing needs in university communities.

"No Project" Analysis and CEQA Streamlining: Under existing CEQA regulations, changes in student enrollment themselves are not considered a "project." However, courts have ruled that if enrollment growth results in physical impacts, such as increased demand for housing or transportation infrastructure, a campus may be required to conduct supplemental environmental review if those impacts were not disclosed in its most recent LRDP or campus MP. In some cases, this has led to legal challenges that delay or prevent campus construction projects, even when they are consistent with broader campus growth plans.

As part of an EIR, lead agencies are often required under CEQA to evaluate a "no project" alternative, i.e., what would happen if the proposed project did not go forward. This analysis is meant to provide a baseline for comparison but can require significant time and resources to develop, especially in the context of complex, long-range campus plans.

This bill addresses this issue by exempting UCs and CSUs from the requirement to conduct a "no project" alternative analysis as part of an EIR, supplemental EIR, or addendum for a project, master plan, or LRDP provided that three conditions are met:

1) The campus development complies with existing Education Code and CEQA requirements, including those that recognize the limits of litigation over enrollment-based impacts;

2) The project is consistent with the region's SCS or alternative planning strategy, as determined by the relevant transportation planning agency; and

3) The university has submitted the enrollment forecasts required by this bill.

The "no project" alternative can be among the most time-consuming components of CEQA analysis, and its removal in these circumstances is intended to streamline environmental review for campus-related housing and academic facilities. It also recognizes that enrollment growth is driven by statewide policy and demographic trends, not by discretionary decisions of individual campuses. By limiting redundant or speculative analysis, this bill seeks to reduce litigation risk and accelerate the delivery of campus facilities in alignment with regional planning goals.

Arguments in Support: Power CA Action writes in support: "This bill requires the Regents of the University of California and the Trustees of the California State University system to provide comprehensive, sophisticated enrollment forecasts to regional councils of government and metropolitan planning organizations to be incorporated into regional transportation plans, sustainable communities strategies, and, by extension, regional housing needs allocations. In exchange, enrollment growth would no longer be analyzed as a local population impact under CEQA when a university plan or project is consistent with the regional plan."

Arguments in Opposition: None on file.

Related Legislation:

SB 233 (Seyarto, 2025) requires HCD, beginning in the 7th housing element cycle, to meet and consult with COGs regarding the RHND for that COG 38 months rather than 26 months prior to the due date for housing element revisions.

SB 7 (Blakespear, Chapter 283, Statutes of 2024) made a number of technical changes to the RHND process conducted by the HCD and the RHNA process conducted by HCD or COGs.

AB 1307 (Wicks, Chapter 160, Statutes of 2023) specified that public higher education institutions do not have to consider alternative locations for a project when preparing EIR) for a residential or mixed-use housing projects if certain conditions are met, and specifies that noise from residents does not constitute a significant environmental effect under CEQA.

SB 118 (Budget and Fiscal Review, Chapter 10, Statutes of 2021) provided that enrollment or changes in enrollment, by themselves, do not constitute a project for purposes of CEQA.

SB 375 (Steinberg, Chapter 728, Statutes of 2008) aimed to coordinate transportation and land use planning to help achieve the state's climate action goals by requiring ARB to set regional targets for GHG emissions reductions from passenger vehicle use.

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

REGISTERED SUPPORT / OPPOSITION:

Support

Power CA Action

Opposition

None on file.

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

Date of Hearing: June 18, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 543 (McNerney) – As Amended April 23, 2025

SENATE VOTE: 39-0

SUBJECT: Accessory dwelling units and junior accessory dwelling units

SUMMARY: Makes numerous organizational, technical, and clarifying changes to Accessory Dwelling Unit (ADU) Law and Junior ADU (JADU) Law. Specifically, **this bill**:

1) Makes the following organizational changes to ADU and JADU Law:

    a) Removes references to JADUs from statutes in "Article 2. ADU Approvals" that specifically govern the creation of ADUs;

    b) Recasts provisions in "Article 2. ADU Approvals" that have JADU references removed, as new statutes specific to JADU approvals in "Article 3. JADU Approvals;"

    c) Renumbers statutes located in "Article 2. ADU Approvals" that contain provisions that are applicable to ADUs and JADUs and recasts those statutes in "Article 1. General Provisions;" and

    d) Adds references to JADUs, in "Article 1. General Provisions."

1) Makes the following clarifying changes:

    a) Specifies that statutory references to the allowed square footage of an ADU or JADU are referring to square footage of "interior livable space;"

    b) Specifies that the obligation of a local agency to ministerially approve an application for a building permit for an ADU or JADU applies to any combination of ADU or JADU, as specified;

    c) Specifies that an ADU or JADU that contains less than 500 square feet of interior livable space constitutes "other residential construction" for the purposes of Section 17620 of the Education Code, clarifying that these developments are not subject to school impact fees; and

    d) Specifies that ADUs and JADU approval are subject to postentitlement permitting time limits governing local government reviews and approval of housing development permits.

EXISTING LAW:

1) Governs the creation of ADUs and JADUs and related local ordinances. Four articles in Planning and Zoning Law comprise ADU and JADU law and govern the creation of ADUs and JADUs and related local ordinances, specifically:

a) "Article 1. General Provisions": Establishes definitions and provisions that are applicable to ADUs and JADUs; (Government Code (GOV) Section 66311)

b) "Article 2. ADU Approvals". Governs the creation of ADUs and related local ordinances; (GOV 66314-66332)

c) "Article 3. JADU Approvals". Governs the creation of JADUs and related local ordinances; and (GOV 66333-66339)

d) "Article 4. ADU Sales". Governs the ability of a property owner to sell an ADUs separately from the primary residence on the property. (GOV 66340-66342)

2) Establishes standards and requirements for local agencies to review non-discretionary postentitlement phase permits, including time limits under which local agencies must either approve or disapprove them. (GOV 65913.3)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "Over the past decade, the Legislature has passed numerous laws designed to increase the supply and affordability of housing. However, many such laws contain vague and unclear provisions, causing conflict and confusion over fee levels, permitting timelines, and other aspects of the homebuilding process. Many of the most frequently misinterpreted laws pertain the construction of low-cost housing, specifically accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs). The Department of Housing and Community Development (HCD) reports that over fifty local governments have incorrectly applied state laws for ADUs and JADUs. SB 543 is a clean-up bill that clarifies existing state laws for ADUs and JADUs to align with interpretations and guidance issued by HCD. The legislation also codifies specific HCD guidance pertaining to the 90-day permitting rule for all housing types. The amendments made by this bill would not constitute a change in, but are declaratory of, existing law."

ADUs and JADUs: ADUs and JADUs are both secondary housing units that the Legislature has allowed to be built on virtually any single-family lot in the state, but they differ in size, configuration, and regulatory requirements. ADUs can be up to 1,200 square feet and may be detached, attached, or converted from existing space, such as a garage or basement. In contrast, JADUs are limited to 500 square feet and must be created within an existing or proposed single-family home, often by converting a bedroom. ADUs must include a full kitchen with a sink, cooking appliances, and counter space, while JADUs only require an efficiency kitchen, which includes a sink, a cooking appliance, and a food prep area. Additionally, ADUs must have a separate bathroom, whereas JADUs can share a bathroom with the main home or have their own.

ADU and JADU Laws have evolved over the years to lower barriers to development, resulting in a surge of ADUs and JADUs built in California. By permitting attached ADUs, detached ADUs, and JADUs on all residential lots, ADU and JADU Laws have facilitated the construction of "missing middle" housing in exclusionary single-family zones and across all residential neighborhoods in the state. As a result, ADUs have gone from representing less than 1% of new

housing construction before 2017 to approximately 20% today, with more than 23,000 ADUs legally completed in 2023.[1] Their numbers are expected to continue growing as the ADU construction and financing industry matures, helping meet an estimated market potential of 1.8 million units in California.[2] Because ADUs are not dependent on state funding allocations, they are poised to remain a significant and growing part of the state's new housing stock.

ADU and JADU Law Reorganization: In 2024, SB 477 (Committee on Housing) , Chapter 7, Statutes of 2024 reorganized ADU and JADU Law into a single chapter with distinct articles governing ADUs and JADUs. Prior to the enactment of SB 477, ADU Law was spread across five sections of the Government Code. ADU Law was amended 26 times from 2016 to 2024, making the law difficult to navigate. Across the five code sections governing ADU Law, statute inconsistently referenced ADUs and JADUs. JADUs are implicitly considered a type of ADU, but inconsistent references to JADUs, specifically, made it difficult to verify which aspects of the Law pertained to ADUs, which aspects pertained to JADUs, and which pertained to both. In 2024, ADU Law was moved into a new chapter with distinct articles establishing standards unique to ADUs, standards unique to JADUs, and standards that apply to both. However, several references to JADUs remain strewn throughout the new sections specific to ADUs, and some provisions of statute meant to cover both ADUs and JADUs only reference ADUs.

This bill clarifies and recasts aspects of ADU and JADU Law to specify which statutory provisions apply to both ADUs and JADUs, and which provisions apply uniquely to each

Floor Area Standards Clarification: ADU Law provides that impact fees cannot be assessed on ADUs that are less than 750 square feet in size. This definition should be interpreted in a manner consistent with the California Building Code, which defines floor area as specific to the interior perimeter of the exterior walls, or the livable space in the ADU. However, several jurisdictions have adopted local ordinances interpreting the 750 square foot limitation as applying to the entire footprint of the ADU, rather than the livable area. In doing so, local governments have adopted standards and interpretations that differ from the original intent of the law, which may limit the size of ADUs or increase the cost of building one.

This bill specifies that the 750 square foot limitation should be measured against the livable space contained in the ADU, rather than the entire ADU footprint. In doing so, it will increase consistency in local interpretation of ADU Law and will ensure that impact fees are assessed correctly for ADU developments.

Postentitlement Phase Review Processes: AB 2234 (Rivas), Chapter 651, Statutes of 2022, established procedures and timelines for the review of nondiscretionary postentitlement phase permits. This bill clarifies that those requirements also apply to applications to build ADUs and JADUs. Specifically, a permitting agency must notify an ADU applicant within 15 business days whether the application is complete. If the application is incomplete, the agency must provide a list of missing items with instructions for correction. Upon resubmittal, the agency may not

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[1] Per HCDs "APR Dashboard" https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/housing-element-implementation-and-apr-dashboard. Complete data for 2023 will be made available by June 30, 2024. This statistic relies on data pulled on May 28, 2024.
[2] Monkonnen et al, 2020, *One to Four: The Market Potential of Fourplexes in California's Single-Family Neighborhoods*, UCLA Working Paper Series: https://www.lewis.ucla.edu/research/market-potential-fourplexes/

request new items and must again respond within 15 business days. If the agency fails to act within either timeframe, the application is deemed complete by default.

AB 2243 also established a process through which applicants can appeal decisions made by the permitting agency, which are not currently included in this bill. The Committee may wish to consider amendments to include that appeals process in the relevant sections of ADU and JADU Law.

Arguments in Support: The Casita Coalition, the bill sponsor, writes in support: "Some of the new state housing laws, including those on ADUs and JADUs, contain provisions that have led to confusion and conflicts among some cities and counties. HCD has circulated interpretations of these provisions in an eff ort to ensure the statutes are applied consistently across municipalities. Yet some local agencies have rejected these interpretations in favor of their own, resulting in conflicts over fee levels, permitting timelines, and other aspects of the homebuilding process. According to HCD, over 50 local governments have incorrectly applied state laws for ADUs and JADUs.

SB 543 cleans up existing state laws governing ADUs and JADUs to eliminate confusion and conflicts at the local level."

Arguments in Opposition: Livable California writes an oppose unless amended letter: "Livable California must oppose SB 543 (McNerney) unless amended. This law would revise the requirements applicable to approval of an Accessory Dwelling Unit (ADU) or Junior Accessory Dwelling Unit (JADU) to require the local agency to determine if any application is complete and notify the applicant within fifteen (15) business days. If such notification is not provided, the application is to be deemed complete and subject to ministerial approval. LC believes the rigid fifteen day deadline is unduly oppressive. Public agencies can be understaffed and overworked. The bill should recognize this, and provide that if the agency timely notifies the applicant of the need for more time, and provides a reasonable explanation for the delay, the review period be extended by an additional fifteen days."

Committee Amendments:

The Committee may wish to consider the following amendments:

1) Add the following appeals language, currently contained in GOV 65913.3 as it pertains to the processing of postentitlement phase permits for housing development projects, to ADU (GOV 66317) and JADU (GOV 6635) Law, respectively:

   (1) If a permit application is determined to be incomplete under paragraph (2) of subdivision (a) or denied under paragraph (3) of subdivision (a) the permitting agency shall provide a process for the applicant to appeal that decision in writing to the governing body of the agency or, if there is no governing body, to the director of the agency, as provided by that agency. A city or county shall provide that the right of appeal is to the governing body or, at their option, the planning commission, or both.

   (2)A permitting agency on the appeal shall provide a final written determination by not later than 60 business days after receipt of the applicant's written appeal. The fact that an appeal is permitted to both the planning commission and to the governing body does not extend the 60-business-day period.

2) Add language to GOV 66335, pertaining to the processing of JADU permits, to mirror the existing statutory requirements of ADU permit processing:

(d) No local ordinance, policy, or regulation, other than a junior accessory dwelling unit ordinance consistent with this article shall be the basis for the delay or denial of a building permit or a use permit under this section.

3) Add language to GOV 66333.5, regarding the adoption and HCD review of JADU ordinances, to clarify that local governments must resubmit subsequent ordinances to HCD and follow existing statutory adoption procedures. This would align JADU Law with a proposal currently contained for ADU Law in SB 9 (Arreguín) of this Legislative Session.

(d) If a local agency fails to submit a copy of its ordinance to the department within 60 days of adoption pursuant to this section or fails to respond to the department's findings that the local ordinance does not comply with this article within 30 days pursuant to this section, that ordinance shall be null and void. The local agency shall thereafter apply the standards established in this article for the approval of junior accessory dwelling units, unless and until the agency adopts an ordinance that complies with this article, including, but not limited to, the submittal requirements of this section.

Related Legislation:

SB 9 (Arreguín) of this current Legislative Session proposes to make the change proposed in Committee Amendment #3 to ADU ordinance processing.

SB 477 (Committee on Housing), Chapter 7, Statutes of 2024, reorganized sections of housing law relating to ADUs and JADUs into a single chapter and updated cross references to new sections of law.

AB 2234 (Rivas), Chapter 651, Statutes of 2022, established the same timeframes as proposed in this bill for the review of postentitlement permits conducted by local governments.

AB 2299 (Bloom), Chapter 735, Statutes of 2016, and SB 1069 (Wieckowski), Chapter 720, Statutes of 2016, collectively, these bills substantially amended GOV 65852.150, which provides legislative intent re ADUs, and GOV 65852.2, which provided requirements and authorizations for entitlement of ADUs.

AB 2406 (Thurmond), Chapter 755, Statutes of 2016, established JADU Law.

Double Referred: This bill was also referred to the Committee on Local Government, where it will be heard should it pass out of this Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Casita Coalition (Sponsor)
California YIMBY
UnisdosUS

Opposition

Livable California (oppose unless amended)

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

Date of Hearing: June 18, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 748 (Richardson) – As Amended May 1, 2025

SENATE VOTE: 38-0

SUBJECT: Encampment Resolution Funding program: safe parking sites: reporting

SUMMARY: Authorizes the use of Encampment Resolution Funding (ERF) Program to assist local jurisdictions that are urban communities within a county with operating safe parking sites while locating interim or permanent housing. Specifically, **this bill**:

1) Allows funding to be used for the acquisition of sites for safe parking, operation of the site, services to the safe parking site, and increasing safe parking site hours.

2) Requires California Interagency Council on Homelessness (Cal-ICH) to submit quarterly reports on the distribution of funds for the purposes of ERF to the chairs of the committees of the Senate Committee on Budget and Fiscal Review, the Assembly Committee on Budget, the Senate Committee on Housing, the Assembly Committee on Housing and Community Development, and the Senate and Assembly Committees on Human Services starting April 1, 2026. Sunsets this requirement on April 1, 2030.

EXISTING LAW:

1) Establishes the ERF Program, under the Department of Housing and Community Development (HCD), which provides competitive grants to local jurisdictions to support homeless encampment resolution and rehousing efforts. (Health and Safety Code (HSC) Section 50251)

2) States that the goal of the ERF Program is to increase collaboration between Cal-ICH, local jurisdictions, and Continuums of Care (CoCs) in order to:

    a) Assist local jurisdictions in ensuring the safety and wellness of people experiencing homelessness in encampments;

    b) Provide grants to resolve critical encampment concerns and transition individuals into safe and stable housing; and

    c) Encourage addressing encampment concerns with data-informed, coordinated efforts. (HSC 50251)

3) Requires the Cal-ICH to approve grant applications based on specified criteria, including the applicant's ability to carry out the proposal and the applicant's ability to develop a detailed service delivery plan, including a description of how individuals will be served with permanent housing solutions. (HSC 50251)

4) Requires Cal-ICH to report to the chairs of the relevant fiscal and policy committees in both houses on the outcomes, learnings, and best practice models identified through the ERF program.

5) Requires each grant recipient to submit a final report on the use of funds no later than April 1 of the year following the expiration of the encumbrance period of funds. (HSC 50254)

6) Defines "recreational vehicle" to mean a park trailer and a motor home, travel trailer, truck camper, or camping trailer, with or without motive power, designed for human habitation for recreational, emergency, or other occupancy, that meets all of the following criteria:

    a) It contains less than 320 square feet of internal living room area, excluding built-in equipment, including, but not limited to, wardrobe, closets, cabinets, kitchen units or fixtures, and bath or toilet rooms;

    b) It contains 400 square feet or less of gross area measured at maximum horizontal projections;

    c) It is built on a single chassis; and

    d) It is either self-propelled, truck-mounted, or permanently towable on the highway without a permit. (HSC 18010)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author: "SB 748 is designed to assist local jurisdictions with acquiring additional locations for temporary housing and safe parking sites as well as extend the hours of safe parking sites through the expanded use of the Encampment Resolution Funding program."

The High Cost of Housing: The high cost of housing is the cause of homelessness in California. Other states with higher rates of overdose but lower costs of housing report much lower rates of homelessness. West Virginia leads in overdose deaths per capita, but has one of the lowest homelessness rates in the country. 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 to earn more than $40 per hour to be able to afford an average two-bedroom rental.

California needs an additional 2.5 million units of housing to meet the state's need, including 643,352 for very low-income households and 394,910 for lower income households. Since 2018, California has permitted 890,000 units of new housing, with 126,000 of those being low- and very low-income units. 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 HDIS data, for every five individuals who access homelessness services in California, only one is housed each year, leaving four unhoused.

California Statewide Study of People Experiencing Homelessness (CASPEH): The University of California, San Francisco Benioff Housing and Homelessness Institute conducted the CASPEH, the largest representative study of homelessness since the mid-1990s and the first large-scale representative study to use mixed methods (surveys and in-depth interviews). They administered questionnaires to nearly 3,200 participants and conducted in-depth interviews with 365 participants. Their report provides evidence to help shape the state's policy response to homelessness. The median age of participants was 47 (range 18-89). Participants who report a Black (26%) or Native American or Indigenous identity (12%) were overrepresented compared to the overall California population. Thirty-five percent of participants identified as Latino/x The report found that people experiencing homelessness in California are Californians. Nine out of ten participants lost their last housing in California; 75% of participants lived in the same county as their last housing.

The median monthly household income in the six months prior to homelessness across all CASPEH participants was $960. Almost all participants met the criteria to be considered "extremely low-income" or making less than 30% of the Area Median Income. Participants' inability to afford housing was both the underlying cause of homelessness and the primary barrier to their returning to housing. Evidence and interviews with people who are experiencing homelessness show that a small amount of shallow subsidy could keep people from falling into homelessness. This finding was true throughout California, not only in the high-cost coastal regions.

Twenty percent of participants who reported current regular substance use indicated that they wanted treatment, but were unable to receive it. Evidence shows that substance use treatment is most effective among those who choose to engage with it. A higher proportion of individuals who used substances regularly live in unsheltered environments. There is a need for increased access for those who want it, particularly those in unsheltered settings. Promising models for low-barrier, outreach-focused services (including medication treatment) should be expanded.

Safe Parking Sites: According to the United States Interagency Council on Homelessness, there has been a significant increase in cars and RVs being used for temporary housing during the housing crisis. People choose to live in their cars when they have no other option for permanent shelters, and temporary or congregate living shelters are not an option due to feeling safer in a vehicle, keeping a family together, or staying with a pet. It may also be easier to hold on to belongings when living in a vehicle. In areas where multiple people congregate to park their RVs and live in them, cities have raised concerns about sanitation and abandoned vehicles that are difficult to move because a special tow truck is needed. Also, due to the size, some safe parking sites do not allow RVs. As a way to address the growing use of cars and RVs for housing, safe parking sites, including ones specific to RVs, are being established across the state. Safe parking sites can, but may not necessarily, include services like sanitation (*e.g.*, portable or indoor toilets, handwashing, showering, changing stations), food, child care/tutoring, documentation services, counseling, financial help for housing or vehicle issues, or both, and housing placement services.

ERF: ERF was created in response to the growing number of encampments. ERF funds efforts that resolve critical encampment concerns, and transition individuals into interim shelter with

clear pathways to permanent housing or directly into permanent housing, using data informed, non-punitive, low-barrier, person-centered, Housing First, and coordinated approaches. HCD administers ERF as a competitive grant program for CoCs, cities, and counties to fund actionable, person-centered local proposals that resolve the experience of unsheltered homelessness for people residing in encampments. Applicants utilizing ERF must demonstrate how they intend to use the funds to connect all of the individuals living in an encampment to services, supports, and housing, and also demonstrate how they will coordinate with local partners to transition those living in encampments into permanent housing solutions. Funds must be used to transition people to interim housing with a clear path to permanent housing or directly to permanent housing.

This bill would specify that local jurisdictions and CoCs can use ERF to support safe parking sits that move people living in RVs and vehicles into interim and permanent housing. The bill also adds additional reporting requirements on the use of ERF to allow the Legislature to evaluate the program and its impact on homelessness.

Arguments in support: Several cities are in support of this bill because it explicitly allows the use of ERF for safe parking sites and to move people living in RVs temporarily into permanent housing.

Arguments in opposition: None on file.

Committee amendments: The following amendments make changes to the findings of the bill and remove the limitation on using ERF funding in urban communities within a county.

SECTION 1.

The Legislature finds and declares all of the following:

(a) In January 2024, the United States Department of Housing and Urban Development (HUD) reported 187,084 people experiencing homelessness, and a significant portion of these individuals are living in recreational vehicles (RV).

(b) Further startling statistics are:

(1) Two-thirds of ~~***reported***~~ ***people experiencing homelessness*** ~~***homeless***~~ *(124,537) in the state, the highest in the country, sleep outside.*

(2) Twenty-five percent, that is one in four, of the ***people experiencing homelessness*** ~~***homeless homeless***~~ *in America, are homeless here in California.*

(3) Forty-four percent, on average, that are homeless are "chronically homeless," meaning individuals may have a long medical or mental disability and are homeless for more than one year.

(c) Homelessness may be defined as an individual or family who lacks a "fixed, regular, and adequate" nighttime permanent residence. ~~***A man, woman, or child that sleeps on the street, in front of a store, or in an RV for more than 14 days is considered to be experiencing homelessness.***~~

(d) According to long-standing law, Section 18010 of the Health and Safety Code, an RV means a motor home, travel trailer, truck camper, or camping trailer, with or without motive power, designed for human habitation for recreational, emergency, or other occupancy.

(e) In California, RVs are intended for temporary recreational or emergency occupancy, not for long-term living or habitation on private property outside of designated areas like RV parks, campgrounds, or mobilehome parks.

(f) RVs are designed for leisure travel, camping, and temporary living, not as permanent residences.

SEC. 2.

Section 50251 of the Health and Safety Code is amended to read:

50251.

(a) The Encampment Resolution Funding program is hereby established to, upon appropriation by the Legislature, increase collaboration between the council, local jurisdictions, and continuums of care for the following purposes:

(1) Assist local jurisdictions in ensuring the safety and wellness of people experiencing homelessness in encampments.

(2) Provide encampment resolution grants to local jurisdictions and continuums of care to resolve critical encampment concerns and transition individuals into safe and stable housing.

(3) Encourage a data-informed, coordinated approach to address encampment concerns.

(4) Assist local jurisdictions ~~**that are urban communities within a county**~~ with operating safe parking sites while locating interim or permanent housing **for people experiencing homelessness living in vehicles or recreational vehicles.** This includes the acquisition of sites for safe parking, operation of the site, services to the safe parking site, and increasing safe parking site hours.

(b) (1) The council shall administer the program.

(2) Notwithstanding paragraph (1), the council may consult with and designate a state agency or department to support the administration of the program.

(c) (1) The council's decision to approve or deny an application and the determination of the amount of funding to be provided shall be final and not subject to appeal.

(2) In determining which applications to approve, the council shall evaluate and score proposals based on all of the following criteria:

(A) The applicant's capacity to carry out the proposal.

(B) Whether the site selected for services aligns with the proposed service delivery model.

(C) Whether the demographics and needs of service recipients align with the proposed service delivery model.

(D) The applicant's ability to develop a detailed service delivery plan, including a description of how individuals will be served with permanent housing solutions.

(E) The applicant's ability to coordinate with other systems to increase services and housing options.

(F) The applicant's capacity to involve people with lived experience and local community partners in the implementation of its project.

(G) The applicant's ability to recruit and deploy personnel with experience and expertise needed to support the success of their proposal.

(H) The applicant's ability to demonstrate a prudent and effective use of requested funding relative to the number of people it seeks to serve and the types of services to be provided in the proposal.

(d) The council shall maintain records of the following:

(1) The number of applications for program grants received by the council.

(2) The number of applications for program grants denied by the council.

(3) The name of each recipient of a program grant.

(4) The amount of funds allocated to each applicant.

(e) The council may adopt regulations to implement this chapter. The adoption, amendment, or repeal of a regulation authorized by this subdivision is hereby exempted from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

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

City of Compton
City of Santa Barbara
Western Manufactured Housing Communities Association

Support If Amended

League of California Cities

Opposition

None on file.

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