Date of Hearing: July 2, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 262 (Wahab) – As Amended May 29, 2025

SENATE VOTE: 24-13

SUBJECT: Housing element: prohousing designations: prohousing local policies

SUMMARY: Makes changes to the prohousing designation program (PDP). Specifically, **this bill**:

1) Amends the definition of "prohousing local policies" in the PDP to also include policies that keep people housed.

2) Adds the following to the list of "prohousing local policies" that the Department of Housing and Community Development (HCD) may consider when designating a jurisdiction as prohousing under the PDP:

   a) A safe parking program that provides parking locations and options for individuals and families living in their vehicles that does all of the following:

      i) Provides a bathroom facility and onsite security;

      ii) Establishes an application or enrollment process for the program that may include a background check requirement; and

      iii) Establishes rules and regulations for the program;

   b) A safe camping program that provides safe camping locations and options for individuals and families experiencing unsheltered homelessness; and

   c) Creation or operation of a low-barrier navigation center (LBNC) or other noncongregate shelter that meets minimum health and safety standards.

3) Provides that any additional points or preferences awarded for a prohousing local policy under 2) above must not exceed the minimum value of points or preferences awarded for a prohousing local policy that directly relates to the planning, approval, or construction of housing.

EXISTING LAW:

1) Requires HCD to establish a prohousing designation for local jurisdictions. (Government Code (GOV) Section 65589.9)

2) Defines "prohousing local policies" to mean policies that facilitate the planning, approval, or construction of housing. These policies may include, but are not limited to, the following:

   a) Establishment of local financial incentives for housing, including, but not limited to, establishing a local housing trust fund;

b) Adoption of zoning allowing for use by right for residential and mixed-use development;

c) Adoption of zoning that allows for more residential development than is required to accommodate the minimum existing regional housing need allocation for the current housing element cycle;

d) Reduction of permit processing time;

e) Creation of objective development standards;

f) Reduction of development impact fees;

g) Preservation of affordable units through the extension of existing project-based rental assistance covenants to avoid the displacement of affected tenants and a reduction in available housing units; and

h) Facilitation of the conversion or redevelopment of commercial properties into housing. (GOV 65589.9(f)(3))

3) Requires HCD to adopt emergency regulations to implement the PDP. (GOV 65589.9(c))

4) Requires jurisdictions that have been designated prohousing by HCD, and that have an adopted housing element that has been found by HCD to be in substantial compliance, to be awarded additional points or preference in the scoring for the following program applications:

a) The additional points must be awarded for the following programs:

i) The Affordable Housing and Sustainable Communities Program;

ii) The Transformative Climate Communities Program;

iii) Specified portions of the Infill Incentive Grant Program of 2007 and the Infill Infrastructure Grant program of 2019; and

b) Allows additional points and preferences to be awarded to other state programs when already allowable under state law. (GOV 65589.9(b))

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "In order to properly address the housing crisis, we must not only address development but also stabilize residents in the housing they currently live-in. While the current Enhancement Factors includes points for policies that reduce displacement, specifying these three programs will augment the applications of jurisdictions already making efforts to reduce displacement and encourage other jurisdictions to examine these programs. In 2023, SafeParking LA achieved a 34% placement rate for participants who exited the program. Prohousing should not solely be about building more units, but should also include stabilizing residents in their communities."

Prohousing Designation for Locals*:* In 2019, the Legislature enacted AB 101 (Committee on Budget), Chapter 26, Statutes of 2019, that required HCD to designate cities and counties as prohousing if their local policies facilitate the planning, approval, or construction of housing. Prohousing jurisdictions receive a competitive advantage in applying for certain state programs, including to the Affordable Housing and Sustainable Communities Program, Transformative Climate Communities Program, and portions of the Infill Incentive Grant Program.

Although AB 101 provided examples of prohousing local polices, HCD had discretion over the final designation criteria, which they adopted via emergency regulations in July 2021 and subsequently converted to permanent regulations in April 2022 (California Code of Regulations, Title 25, Sections 6600-6608). This bill updates the definition of prohousing to also include policies that keep people housed, and adds several new options for HCD to consider when designating a local government as "prohousing," including the establishment of safe parking and safe camping programs as well as operation of LBNCs and other noncongregate shelters. These new policies, however, shall not exceed the minimum value of points awarded for a prohousing local policy that relates to the planning, approval, or construction of housing.

As the list of prohousing local policies in statute is permissive and HCD has already adopted permanent regulations establishing the PDP criteria, the expansion of criteria in this bill may not result in changes to HCD's specific regulations.

Arguments in Support: According to the City of Foster City, "The City of Foster City is actively engaged in maintaining compliance with housing element requirements and continuously seeks opportunities to work towards prohousing policies. SB 262 provides a meaningful framework for acknowledging the multi-faceted approach necessary to solve homelessness and preserve affordable housing in high-cost communities like ours."

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

Committee Amendments: Some provisions of existing law require local jurisdictions to ministerially approve LBNCs and other types of noncongregate shelter without discretion and place restrictions on a jurisdiction's ability to deny or interfere with applications to establish emergency shelter solutions for people experiencing homelessness. Housing element law also currently requires each local jurisdiction to identify at least one zoning designation where emergency shelters are a "use by right" and not subject to discretionary approvals. As such, staff recommends this bill be amended as follows, to clarify that jurisdictions must exceed the minimum requirements in existing law in order to potentially receive the prohousing designation:

GOV 65589.9. (f) (3) (N). ~~Creation or operation of a low-barrier navigation center or other noncongregate shelter that meets minimum health and safety standards~~ ***Adoption of ordinances, processes, or other mechanisms that expedite or remove barriers to approval of any of the following:***

> ***(i) Low-barrier navigation centers beyond the requirements in Article 12 (commencing with Section 65660).***
>
> ***(ii) Emergency shelters beyond the requirements in Section 65583.***
>
> ***(iii) Supportive housing beyond the requirements in Article 11 (commencing with Section 65650).***

Related Legislation:

AB 529 (Gabriel), Chapter 743, Statutes of 2023: Added adaptive reuse ordinances to the list of prohousing local policies HCD may consider under the PDP, among other changes.

AB 1029 (Mullin), Chapter 353, Statutes of 2021: Added the preservation of affordable housing units to avoid the displacement of affected tenants to the list of prohousing local policies HCD may consider under the PDP.

AB 101 (Committee on Budget), Chapter 26, Statutes of 2019: Required HCD to designate cities and counties as prohousing if their local policies facilitate the planning, approval, or construction of housing.

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

AIDS Healthcare Foundation
City of Foster City
East Bay Housing Organizations
Livable California
Western Center on Law & Poverty

Opposition

None on file for the current version of the bill.

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