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California State Assembly

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OVERSIGHT HEARING
Wednesday, February 25, 2026
9:30 a.m. -- State Capitol, Room 437

SUBJECT: Outcomes Review of AB 2011 (Wicks) Chapter 647, Statutes of 2022, Affordable Housing and High Roads Jobs Act of 2022.

BACKGROUND INFORMATION

Assembly Outcomes Review Oversight Project: The Outcomes Review process is a new oversight initiative launched by Assembly Speaker Robert Rivas to evaluate how recently enacted laws are working in practice. While bill signings are an important milestone, the Assembly is equally focused on what happens after a measure becomes law. Specifically, whether the bills the Legislature passes deliver on their promises and meet the expectations set for them. This Outcomes Review process brings lawmakers together to hold hearings, gather feedback on real-world implementation, and assess whether policies are achieving their intended results. The goal of this process is to strengthen accountability, identify needed legislative and implementation improvements, and report findings publicly later in the year.

Bill Overview: AB 2011 (Wicks), Chapter 647, Statutes of 2022: This Committee is reviewing AB 2011, also known as the Affordable Housing and High Road Jobs Act of 2022, as part of the Outcomes Review process. The bill is focused on expanding opportunities for multifamily housing development on commercially zoned properties and along commercial corridors. At the time of passage, it drew attention for the support the bill received from stakeholders across the housing and labor communities for creating a streamlined approval process for housing projects that meet specified affordability and labor requirements.

AB 2011 establishes a streamlined, ministerial approval pathway for qualifying multifamily housing developments on commercially zoned properties. It creates two separate tracks: one for 100% affordable housing projects and another for mixed-income developments that provide deed-restricted affordable housing at specified income levels. All projects approved under the statute are subject to prevailing wage requirements and other applicable labor standards. Projects that meet the bill's objective criteria and development standards must be approved at the local level without discretionary review and without any analysis under the California Environmental Quality Act (CEQA).

While AB 2011 was signed into law in 2022, it had a delayed implementation date of July 1, 2023. Since its passage, multiple bills have expanded and amended AB 2011. AB 2243 (Wicks), Chapter 272, Statutes of 2024, made substantive amendments to AB 2011 by expanding site eligibility, refining objective standards, and amending project processing timelines. AB 893 (Fong), Chapter 500, Statutes of 2025, expanded the provisions of AB 2011 to allow developments within a half-mile radius of public universities, or in “Campus Development Zones.”

Impact to Date: All jurisdictions are required to report projects approved pursuant to AB 2011 in their Annual Progress Reports (APRs) submitted to the Department of Housing and Community Development (HCD). While APR data provides the most comprehensive statewide data available, it is well-documented that these reports contain data quality limitations, including inconsistent reporting practices and project classification errors.

Preliminary quantitative APR data through 2024, as analyzed by the UC Berkeley Terner Center for Housing Innovation and provided to this Committee, indicate that there are 23 AB 2011 projects in the pipeline, representing a total of 5,832 housing units. Of those, 3,163 (54%) are affordable homes and 2,669 (46%) are market rate homes. A total of 2,076 units (35.6%) have been submitted to a local agency but have not yet received any local approvals, 2,956 (50.7%) are entitled, or approved by a planning department, but have not pulled the building permits necessary to commence construction, and 800 (13.7%) are permitted. Submitted and entitled units reflect projects at earlier stages of the development pipeline, whereas permitted units have received building permits and are closer to commencing construction. However, units at any stage of the pipeline, including those submitted, entitled, or even permitted, may ultimately be delayed, modified, or not constructed due to financing difficulties, market conditions, project litigation, or other development-specific factors.

The preliminary data tracks with anecdotal evidence shared with the Committee regarding where and how AB 2011 has been utilized to date. The predominance of affordable units in the AB 2011 pipeline likely reflects, in part, the structure of the statute and the economics of development in higher-cost markets. Many 100% affordable housing developers routinely layer public financing sources that already require prevailing wage requirements, making AB 2011’s labor standards more consistent with their existing operating model. By contrast, mixed-income projects under AB 2011 must comply with prevailing wage and specified affordability thresholds that they may not already be subject to, which may constrain feasibility in lower-rent markets where margins are tighter.

The vast majority of units in the AB 2011 pipeline are located in the San Francisco Bay Area, with projects in the City and County of San Francisco accounting for 47% of the total proposed AB 2011 developments. Los Angeles County has approximately 14% of the state’s AB 2011 units in the project pipeline. The concentration of projects in the Bay Area and Los Angeles region aligns with areas that have strong inclusionary housing policies and established labor frameworks for large multifamily developments, particularly where discretionary approvals or public financing are involved. As a result, the requirements of AB 2011 may represent less of a departure from existing practice in these regions, and the certainty provided by ministerial approval and CEQA exemption may help offset the bill’s added requirements in those regions.

Relevant Questions:

1. How much housing did the Legislature expect AB 2011 to facilitate?
2. Seeing as AB 2011 has only been in effect for less than three years, is it too soon to declare it successful or unsuccessful as a housing production tool?
3. Is there anything unique to AB 2011 itself that is making it challenging to use, or are the problems endemic to the entire housing market?
4. Are rental construction projects along commercial corridors and in commercially zoned lots still the right place to focus efforts on facilitating housing production?
5. Does AB 2011 usage differ between 100% affordable developments and mixed-use developments? If so, why?
6. What conclusions can be drawn from the uneven geographic distribution of AB 2011 projects?
7. Which policy levers could be pulled to increase uptake in AB 2011?