California State Assembly

HOUSING AND COMMUNITY DEVELOPMENT

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MATT HANEY
CHAIR

AGENDA

Wednesday, June 10, 2026
9:30 a.m. -- State Capitol, Room 447

HEARD IN FILE ORDER

1.	SB 457	Becker	Housing element compliance: committed assistance: in-kind services: realistic capacity formula.
3.	SB 904	Seyarto	Recovery from wildfires.
4.	SB 1091	Caballero	Community Anti-Displacement and Preservation Program.
5.	SB 1117	Cervantes	Accessory dwelling units and junior accessory dwelling units.
6.	SB 1267	Allen	Common interest developments: electric vehicle charging stations owned by members in common areas.
7.	SB 1361	Durazo	Transit-oriented housing developments: local governments: transit agencies and projects.

CONSENT

2.	SB 722	Wahab	Transit-oriented housing development: excluded parcels and sites.(Urgency)
8.	SB 1426	Housing	Planning and zoning: annual report.(Urgency)

Date of Hearing: June 10, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 457 (Becker) – As Amended May 20, 2026

SENATE VOTE: 39-0

SUBJECT: Housing element compliance: committed assistance: in-kind services: realistic capacity formula

SUMMARY: Requires the Department of Housing and Community Development (HCD), by January 1, 2028, to develop formulas or other tools that a jurisdiction may use when developing its housing element sites inventory and completing any rezoning required under Housing Element Law, and specifies the types of "in-kind services' that qualify as "committed assistance" for the purposes of determining the number of housing units a jurisdiction may count towards their adequate sites obligation under Housing Element Law. Specifically, **this bill**:

1) Provides that the inventory of land suitable and available for residential development, the analysis of the relationship of zoning and public facilities and services to the sites, and the analysis of the relationship of the sites identified in the land inventory to the jurisdiction's duty to affirmatively further fair housing (AFFH), as required by Housing Element Law, may rely on a formula promulgated or approved by HCD.

    a) Specifies that if a jurisdiction uses the formula developed by HCD, it is determined to have satisfied the related requirements under Housing Element Law, unless it misapplies the formula or relies on faulty data to use the formula.

2) Requires the sites inventory under Housing Element Law to specify the number of units allowed to be built on each site at the time of the housing element's adoption, and the number of units that will be allowed after any required rezoning, to accommodate a jurisdiction's regional housing needs allocation (RHNA).

3) Mandates that HCD, by January 1, 2028, either promulgate its own formulas and associated user interfaces or other tools, or approve third-party formulas or tools, for the purposes of determining housing capacity as part of the housing element process.

4) Requires the formulas and associated user interfaces or other tools in 3) to allow a local government to determine all of the following:

    a) The realistic capacity of the housing element sites inventory under the regulatory status quo, including a presumptive probability of housing development for each site;

    b) The additional realistic capacity that will be provided through rezoning or removing a governmental constraint, including the presumptive probability of housing development for each site; and

    c) The realistic capacity for Accessory Dwelling Units (ADUs).

5) Establishes the following parameters for the formula promulgated or approved by HCD pursuant to 3):

a) It must be based on historical data on the development and redevelopment of a site, statistically related site characteristics, and, if available, other information probative of a site's probability of development or the total number of units conditional on development;

b) It may exclude sites where the site's size or underlying zoning are not conducive to project sizes or densities that HCD deems appropriate for lower income or moderate income housing, as applicable, including a site zoned to not allow ministerial development;

c) It requires the realistic capacity of an eligible site for housing at a level of affordability at or below above-moderate income to be based on the site's probability of development during the planning period for housing at any level of affordability multiplied by the total expected units conditional on development at any level of affordability; and

d) It may be limited to specific cities or counties if data availability or other reasonable considerations preclude making the formula universal.

6) Requires HCD to make the proposed formula, associated user interface, or tool developed pursuant to 3), as well as any supporting documentation, available through a public website with a form or email address for submission of written comments by members of the public, available at least 60 days before promulgating, approving, or making a material change to it.

7) Allows HCD to make a nonmaterial change to an approved formula, associated user interface, or tool without following the public notice procedures in 6).

8) Exempts any rule, policy, or standard issued by HCD to implement this bill from the Administrative Procedure Act (APA), notwithstanding any other law.

9) Provides that any formula, associated user interface, or tool promulgated or approved under 3) is not subject to judicial review, except a court may review whether a jurisdiction that used the HCD-developed formula misapplied the formula or relied on substantially inaccurate, misclassified, or otherwise faulty data.

10) Provides that a jurisdiction is not required to use the tools developed by HCD in 3) for its housing element sites inventory.

11) Allows HCD to hire economists and data scientists to promulgate the tools in 3).

12) Provides that for the purposes of a jurisdiction's sites inventory of land suitable for residential development for its share of RHNA, nonvacant sites analysis, and any required housing element rezoning program, a jurisdiction has satisfied those specific requirements of Housing Element Law if it uses the applicable formula promulgated and approved by HCD in 3), except insofar as it misapplied the formula or relied on substantially inaccurate, misclassified, or otherwise faulty data.

13) Specifies the types of "in kind services" that qualify as "committed assistance" for the purposes of determining the number of preserved or rehabilitated housing units a jurisdiction may count toward their adequate sites obligation under Housing Element Law to include, but not be limited to, the following:

a) Providing low interest predevelopment loans;

b) Donating, dedicating, or providing a long-term lease of land, or an existing structure at below-market value; and

c) Any additional in-kind services identified in written guidance issued by HCD.

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;

   b) An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing needs for a designated income level

   c) An analysis of potential and actual governmental and nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels;

   d) A demonstration of local efforts to remove constraints that hinder the locality from meeting its share of the regional housing need (RHNA), among other things;

   e) 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

   f) 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)

2) Authorizes HCD to allow jurisdictions to satisfy portions of their housing element site inventory obligations through alternative methods, including increased zoning capacity, ADU projections, and, for up to 25% of the RHNA obligation in an income category, committed assistance programs for rehabilitation, preservation, conversion, or acquisition of affordable housing units, subject to specified affordability, replacement, and reporting requirements. (GOV 65583.1)

3) Requires a local government's inventory of land suitable for residential development to be used to identify sites throughout the community that can be developed for housing within

the planning period and that are sufficient to provide for the jurisdiction's share of the RHNA for all income levels. Defines "land suitable for residential development" to include:

a) Vacant sites zoned for residential use;

b) Vacant sites zoned for nonresidential use that allows residential development;

c) Residentially zoned sites that are capable of being developed at a higher density, including sites owned or leased by a jurisdiction; and

d) Sites zoned for nonresidential use that can be redeveloped for residential use, and for which the housing element includes a program to rezone the site, as necessary and as specified. (GOV 65583.2)

4) Establishes standards for determining whether sites are adequate and realistic for housing development, including density thresholds deemed appropriate for lower income housing, limitations on relying on small, large, or nonvacant sites, and requirements related to infrastructure availability and replacement housing obligations. (GOV 65583.2)

5) Requires jurisdictions that lack sufficient sites to accommodate lower income housing needs to adopt programs to rezone sites to allow multifamily housing "by right," subject to specified density, affordability, and mixed-use requirements. (GOV 65583.2)

6) Requires a planning agency to provide an Annual Progress Report (APR) to the legislative body, the Office of Planning and Research, and HCD by April 1 of each year that includes certain information, including the progress in meeting its share of RHNA, and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing included in the housing element (GOV 65400)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "The current parcel-by-parcel review process for the site inventory analysis has grown burdensome for both local governments and the Department of Housing and Community Development (HCD), generating conflict and litigation without improving the quality of site assessments. During the 6th RHNA, California cities and counties were subject to much more stringent standards for demonstrating the true development potential of housing sites, which in turn required extensive and expensive technical work. HCD review can involve multiple rounds of comments, clarifications, and revisions which injects uncertainty into the process while HCD expends considerable staff resources evaluating housing element compliance. The requirements were particularly onerous for jurisdictions that planned to meet over half of their lower-income RHNA through redevelopment of occupied parcels because they had to show that current uses on those sites were reasonably expected to end within the planning horizon.

SB 457 directs HCD to develop or approve statistical formulas which may be used for assessing the realistic capacity of housing element inventory sites by January 1, 2028, in time for 7th Cycle Housing Element development process. This will resolve ambiguity as to what constitutes "realistic" capacity for both HCD and local jurisdictions when determining whether an analysis

is compliant. It is important to note that use of the formulas proposed in this bill are voluntary and jurisdictions may still elect to continue to use existing site inventory methodologies. It is time to move towards including data-driven statistical estimates of the likelihood and extent of future residential development in the housing element process and make it more effective and efficient."

***Adoption and Implementation of Housing Elements*:** All 540 cities and counties in California are required to plan for housing needs through the housing element of their general plans, which outlines a long-term strategy for meeting existing and projected housing needs. Cities and counties are required to update their housing elements every eight years in higher population regions of the state and every five years in lower population regions. Local jurisdictions must adopt a legally compliant housing element, and receive approval of the housing element from HCD, by their statutory deadline. Failure to do so can result in escalating consequences, including accelerated rezoning deadlines, exposure to the "builder's remedy," litigation, financial penalties, potential loss of permitting authority, or court receivership.

Among other things, a housing element must demonstrate how a jurisdiction plans to accommodate its share of the region's housing needs, or RHNA. To do so, a jurisdiction must identify an inventory of sites with sufficient capacity to accommodate its RHNA. If the jurisdiction does not already have adequate sites zoned to accommodate its RHNA, it must adopt a rezoning program to make additional sites available for housing development. Pursuant to Housing Element Law, jurisdictions that fail to adopt a substantially compliant housing element by the statutory deadline must complete their rezoning program within one year of the deadline, while jurisdictions that adopt a substantially compliant housing element by the deadline generally have three years from the beginning of the planning period to complete the rezonings.

Local governments are required to adopt housing elements on a statutory schedule that varies by region. At least 90 days before the housing element adoption deadline, a local government must submit a draft housing element to HCD for review. HCD is required to review the draft within 90 days and provide written findings as to whether the draft substantially complies with Housing Element Law. Following adoption, the local government must submit the adopted housing element to HCD, and HCD is required to complete its review within 60 days. HCD then issues written findings determining whether the adopted housing element substantially complies with state law. A jurisdiction is not considered to have a compliant housing element unless and until HCD finds the adopted element to be in substantial compliance with Housing Element Law.

While Housing Element Law does not require a jurisdiction to actually build housing or achieve housing construction numbers that meet its RHNA within a given planning period, it does require cities and counties to plan for and facilitate housing production through zoning, identification of adequate sites, removal of regulatory barriers, and implementation of housing programs. The housing element process is intended to ensure that local governments create the conditions necessary to accommodate housing development at all income levels.

Probability of Development: In 2020, a group of University of California (UC) researchers published a brief titled *A New Approach to the Housing Element Update.*[1] In this brief, the authors argued that jurisdictions should move away from relying on theoretical housing capacity assumptions and instead evaluate the likelihood (or probability) that housing will actually be

[1] https://lewis.ucla.edu/research/new-approach-housing-element-update/

developed during the planning period. The authors contend that traditional housing element sites inventories often overstate likely housing production because they assume vacant and underutilized sites will be developed with housing in the housing element cycle, regardless of market conditions, existing uses, or redevelopment feasibility, even though many jurisdictions historically have not seen those sites develop as anticipated.

Instead, the brief proposes that local governments use data and recent development trends to estimate the "probability of development" for sites with housing potential and calibrate site inventories accordingly, particularly in higher-opportunity and higher-demand neighborhoods where redevelopment is more likely to occur. The authors also acknowledged that implementing such an approach would create technical and administrative challenges, including the need for more sophisticated local land use data and analytical capacity, and suggested that HCD would likely need to provide technical assistance, standardized methodologies, or redevelopment probability estimates to support local governments in carrying out the analysis consistently.

6th Housing Element Cycle Probability of Development Optimism and Controversy: In the 6th (current) RHNA cycle, the City of Los Angeles and the City and County of San Francisco relied on a probability of development approach to their housing element sites inventories, resulting in housing elements that identified many more sites for rezoning than what would otherwise be required under the traditional interpretation of Housing Element Law. At the time of housing element adoption, both jurisdictions were lauded by housing advocates for this probability of development approach. Both jurisdictions have planning staff capacity that far exceeds the average planning department in the state, allowing them to conduct the technical analysis required for probability of development modeling.

Notably, when both San Francisco and Los Angeles were required to implement their housing element rezoning programs, both opted to deviate from the probability of development plans contained in their adopted housing elements, and to instead conduct rezonings that would allow for less zoned capacity, more aligned with a traditional housing element rezoning program. In both jurisdictions, HCD reviewed the changes to the rezone programs and signed off on them, finding them compliant with the requirements of Housing Element Law, and noting that "HCD recognizes the challenges and opportunities to implement the housing element and applauds the efforts of the Cit[ies] in addressing the housing needs of all segments of the community."[2][3] Subsequently, both Los Angeles and San Francisco were sued by housing advocates, on claims that their adopted housing element rezoning programs "did not follow through on the [housing element] rezoning process required to implement it" and "contradicts the city's own adopted Housing Element, and fails to deliver the housing capacity the city promised to allow," respectively.[4]

In-Kind Services and Committed Assistance: Under current law, a local jurisdiction may provide up to 25% of its lower-income RHNA through the preservation of affordable housing. In

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[2] HCD Letter: RE: City of Los Angeles 6th Cycle (2021-2029) Adopted Housing Element, dated November 18, 2024

[3] HCD Letter: RE: San Francisco's 6th Cycle (2023-2031) Adopted Housing Element and Draft Rezoning Package, dated September 9, 2025.

[4] Los Angeles is being sued by YIMBY Law and Californians for Homeownership (https://www.yimbylaw.org/press/la-rezoning-lawsuit) while San Francisco is being sued by YIMBY Law, the California Housing Defense Fund, and Californians for Homeownership (https://www.yimbylaw.org/sf-family-zoning-plan)

order to qualify for receiving that credit, they must demonstrate that they have entered into a legally enforceable agreement with committed financial assistance or in-kind services substantial enough to make the units available for occupancy within 2 years of the agreement taking effect. However, HCD does not have any published specific guidance on what constitutes valid "in-kind services," resulting in additional administrative ambiguity.

This Bill: This bill authorizes HCD, by January 1, 2028, to promulgate or approve formulas, user interfaces, or other tools that jurisdictions may use to determine the "realistic capacity" of sites identified in a housing element sites inventory and authorizes HCD to hire economists and data scientists to develop them. If a jurisdiction elects to use an HCD-approved formula and properly applies it, this bill provides that the jurisdiction is deemed to have satisfied specified Housing Element Law requirements related to the sites inventory, analysis of zoning and public facilities, and the relationship of identified sites to affirmatively furthering fair housing (AFFH), unless the jurisdiction relied on substantially inaccurate or faulty data in using the tools. This bill requires each housing element sites inventory to specify both the number of units currently allowed on each site and the number that would be allowed following any required rezoning, regardless of whether or not the jurisdiction is using HCD's tools to fulfil its sites inventory obligations.

The HCD-approved formulas would be required to estimate site capacity using historical development data, site characteristics, and other statistically relevant information, including a presumptive probability of development and the expected number of units conditional on development. This bill authorizes formulas developed or approved by HCD to estimate realistic capacity under existing zoning, the additional realistic capacity created through rezoning or removal of governmental constraints, and the realistic capacity of ADUs. Additionally, this bill authorizes formulas to exclude sites where the site size or zoning are not conducive to development at densities appropriate for lower- or moderate-income housing, including sites that do not allow for ministerial development. HCD may tailor the tools to particular cities or counties (which are not specified) where data limitations prevent statewide application. While this bill creates the option for jurisdictions to use these tools in their sites inventories and associated rezonings, it does not require them to do so, as some may prefer a more tailored local approach.

HCD would be required to publicly post any proposed formula, tool, or supporting documentation for at least 60 days before approval or promulgation, but is otherwise exempt from the requirements of the Administrative Procedure Act (APA) when developing these tools, formulas, and related guidance. This bill further provides that HCD-approved formulas and tools, and the jurisdictions that use them to complete their housing element sites inventories and any required rezoning programs, are not subject to judicial review, except that a court may review whether a jurisdiction misapplied the formula or relied on faulty data when using those tools.

Finally, this bill expands the definition of "in-kind services" that may qualify as "committed assistance" for purposes of allowing jurisdictions to count preserved or rehabilitated affordable housing units toward a portion of their adequate sites obligation under Housing Element Law. Specifically, it provides that qualifying "in-kind services" include: providing low-interest predevelopment loans, donating or leasing land or structures below market value, and other in-kind services identified in HCD's guidance.

Policy Considerations: The Committee may wish to consider the following:

1) **Timing.** The majority of the state is currently in its 6th housing element cycle, with 7th cycle housing elements due as early as January 31, 2027 in certain regions.[5] RHNA methodology development, approval of regional housing allocations, and housing element reviews are labor-intensive for HCD. This bill would require HCD to promulgate or approve formulas or other tools, presumably for use in the 7th housing element cycle, by January 1, 2028. This formula development will be inherently technical in nature, regarding economic and statistical expertise as well as familiarity with Housing Element Law and local planning practices and regulations. The Committee may wish to consider whether the timeline proposed in this bill is feasible, and whether the tool would be developed in time for local governments to make use of it (housing elements for the larger regions in the state are due between 2029 and 2031).

2) **Public Input.** This bill provides HCD with an exemption from the Administrative Procedure Act in the development of this tool, formula, or user interface, and provides a safe harbor from lawsuits for any jurisdiction that uses the resulting tool, so long as they do not input faulty or inadequate data into the tool. HCD is only required to complete a 60 day public comment period before promulgating, approving, or changing a tool under this bill. Any local government that uses this tool both for its housing element sites inventory and for any resulting housing element rezoning programs would not be subject to third party lawsuits related to those provisions of Housing Element Law. The Committee may wish to consider whether HCD should be required to comply with the provisions of the APA during tool development in order to ensure robust public participation and whether the tool development itself should still be subject to judicial review, in order to ensure that the requirements of Housing Element Law are met, especially since the bill provides a safe harbor for the cities that may choose to use it. Some critics maintain that the legal safe harbor for local governments is too high of a standard, and that the formula should instead be afforded a rebuttable presumption of validity.

3) **Local Uptake?** This bill creates the option for local governments to use the tool developed by HCD for their housing element sites inventories and any required rezoning, but does not require them to use it. Proponents of this bill maintain that this would help reduce ambiguity and back and forth between local governments and HCD during the housing element review and approval process, a common complaint associated with housing elements as a whole. While it is true that the use of this tool would help streamline and standardize a portion of the housing element reviews, jurisdictions would still be subject to the iterative HCD review process to verify compliance with other aspects of Housing Element Law, and cities could still face legal scrutiny over other aspects of their housing elements. Furthermore, cities that currently express interest in such a tool may find that using it would require them to identify far more sites suitable for housing in their sites inventories, and rezone for much more residential capacity than would otherwise be required if cities relied on the current sites inventory system. While good for housing outcomes and furthering the objectives of Housing Element Law, this may ultimately reduce local uptake. For example, both Los Angeles and San Francisco relied on a probability of development approach for their 6th cycle housing element sites inventories, but ultimately approved rezonings that deviated from those approved plans due to the amount of rezoning that would have been required (among other

[5] https://www.hcd.ca.gov/housing-open-data-tools/housing-element-regional-housing-needs-determination-schedule

factors), and as such, are currently facing lawsuits over their housing element rezoning programs.

4) **Effort versus Outcomes.** Some may argue that the overall cost and effort for HCD to approve or promulgate such a detailed tool (for an unspecified number of jurisdictions) may not achieve better outcomes than if a simpler probability of development model were adopted for the whole state to use, such as a 50% probability of development for newly identified rezone sites, and a 10% probability of development for sites recycled from prior housing element cycles.

Arguments in Support: SPUR, the bill sponsor, writes in support: "SB 457 would authorize HCD to identify and approve specific economic models that assess whether jurisdictions have an adequate number of sites and zoned capacity to reasonably meet their RHNA goals. HCD would accept such an analysis as part of the housing element certification process subject to approval of the methods utilized. This approach will save HCD considerable time on review and give jurisdictions predictability and certainty in the review process.

Jurisdictions that properly apply the formula will be deemed compliant with the corresponding site inventory requirements. It is important to note that use of the formula is voluntary and that jurisdictions may elect to use existing site inventory methodologies.

Arguments in Opposition: The California Council for Affordable Housing, California Building Industry Association, and California Apartment Association write in opposition: "It is premature to replace existing adequate-sites requirements with a probability-of development computer model. We support exploring probability-of-development analysis as a potential tool within the housing element process. In fact, CBIA sponsored SB 405 (Cortese, 2023), which proposed introducing such analysis through pilot programs that could be tested, evaluated, and refined before broader implementation. SB 457 takes the opposite approach by authorizing the Department of Housing and Community Development and unspecified third-party researchers to establish a binding statewide methodology without complying with the California Administrative Procedure Act's notice-and-comment requirements. The bill further shields the resulting model from judicial review, meaning even an arbitrary or irrational methodology could not be challenged in court."

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

1) Requiring HCD to comply with the APA while promulgating, approving, or making material changes to the tool proposed by this bill.

2) Removing the exemption from judicial review for HCD's tool development, while maintaining it for any local use of the tool unless the local government misapplied the formula or relied on faulty data.

Related Legislation:

SB 405 (Cortese) of 2023 would have required the HCD to establish a pilot program to develop a methodology to analyze whether a local agency's inventory of land suitable for development had identified adequate sites to accommodate its share of the regional housing need for all income levels. SB 405 was held in the Senate Appropriations Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

San Francisco Bay Area Planning and Urban Research Association (Sponsor)
Bay Area Council
Circulate Planning & Policy
City of San José
Equitable Land Use Alliance
Housing Action Coalition
Mayor Matt Mahan, City of San José

Opposition

California Apartment Association
California Building Industry Association
California Council for Affordable Housing

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

Date of Hearing: June 10, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 722 (Wahab) – As Amended January 15, 2026

SENATE VOTE: 39-0

SUBJECT: Transit-oriented housing development: excluded parcels and sites

SUMMARY: Establishes the Mobile Home Park Protection Act (Act), which amends SB 79 (Wiener), Chapter 512, Statutes of 2025, to exempt parcels or sites that are subject to the Mobilehome Residency Law, Mobilehome Parks Act, the Recreational Vehicle Park Occupancy Law, and the Special Occupancy Parks Act from SB 79's provisions. This bill contains an urgency clause.

EXISTING LAW:

1) Creates, pursuant to SB 79, a streamlined, ministerial approvals process for housing development projects in urban transit counties meeting certain objective standards within a specified distance of transit-oriented development (TOD) stops as follows:

   a) Makes housing development projects an allowable use on any site zoned for residential, mixed-use, or commercial development within one-half mile of a TOD stop in cities with a population of 35,000 or more, and within one-quarter mile of a TOD stop in cities with a population of less than 35,000; and

   b) Establishes minimum land use standards, including requirements related to height, density, and floor area ratio, for TOD housing projects based on proximity to the TOD stop and the population of the jurisdiction. (Government Code (GOV) 65912.157)

2) Prohibits a TOD housing development project under SB 79 from being located on either of the following:

   a) A site containing more than two units where the development would require the demolition of housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power that has been occupied by tenants within the past seven years; or

   b) A site that was previously used for more than two units of housing that were demolished within seven years before the development proponent submits an application under this section and any of the units were subject to any form of rent or price control through a public entity's valid exercise of its police power. (GOV 65912.157)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "SB 79 is unintentionally putting at risk vital naturally occurring affordable housing at a time when the preservation of every housing unit is key to battling the ongoing housing crisis. Half of the ten largest mobile home parks in

California are in my district. Three of those are in Sunnyvale, including the largest mobile home park in the state with 900 spaces. All three will be vulnerable to SB 79 redevelopment without these amendments that Senator Wiener and I agreed to.

Thousands of people in just my district — women, seniors, veterans, and families — could lose their homes because of an oversight. That doesn't even include the mobile home parks across the state that are vulnerable because they are within a quarter or half mile of a train, light rail, or bus-rapid-transit stop. These are our constituents, neighbors, family, and friends. And the damage this mistake can cause, if not fixed, will irreparably harm these people and our communities. We have a duty to make sure the laws we pass lift people up, not push them out, and we must act with urgency to prevent the actual harm this oversight will create."

Planning for Housing: Historically, housing planning and land use decisions in California have been delegated to local governments, which exercise primary authority over land use, zoning, permitting, and development approvals through their police power. While the state has long required each jurisdiction to adopt a housing element identifying how it will accommodate its share of regional housing need, these requirements historically lacked meaningful enforcement mechanisms. In addition, earlier iterations of Housing Element Law and the Regional Housing Needs Allocation (RHNA) process required significantly less upzoning and did not compel jurisdictions to adopt zoning that could realistically accommodate assigned housing needs. As a result, jurisdictions could comply on paper while maintaining restrictive zoning and development standards that limited actual housing production. Local discretionary approval processes further allowed projects to be delayed, reduced in scale, or denied based on subjective criteria, contributing to significant constraints on housing supply, particularly in high-opportunity areas.

According to a 2024 analysis by the Othering & Belonging Institute at UC Berkeley, a staggering 95.8% of all residential land in California is zoned exclusively for single-family housing, severely constraining opportunities for infill development near transit. Even when lower-density unincorporated areas are excluded, over 82% of residentially zoned land in the state prohibits multifamily housing. The state has taken some strides to facilitate additional housing typologies in exclusionary zoning districts, namely through State Accessory Dwelling Unit (ADU) Law and SB 9 (Atkins), Chapter 161, Statutes of 2021, effectively making single-family zoned parcels eligible to accommodate up to four dwelling units. However, much of California's residential land remains off-limits for denser development, regardless of how well-situated the land may be when it comes to access to jobs, transportation, and other opportunities.

SB 79: In recent years, the state has taken a series of actions to address local constraints on housing production by both expanding allowable residential density and shifting project approvals from discretionary review to more predictable, ministerial processes governed by objective standards. SB 79 was one of these most recent attempts to encourage additional residential density in climate-smart locations. SB 79 establishes a statewide framework to increase residential density near major transit stops by making qualifying housing development an allowable use on sites zoned for residential, mixed-use, or commercial development within specified distances of transit in urban transit counties. The bill sets minimum statewide standards for height, density, and residential floor area ratio based on a project's proximity to high-quality transit, and limits the ability of local governments to impose standards that would physically preclude achieving those thresholds. Projects must include at least five units and comply with specified affordability, labor, and antidisplacement requirements, including prohibitions on

demolishing rent-restricted housing and requirements to provide deed-restricted affordable units for developments containing more than 10 units.

SB 79 applies to cities with a population of at least 35,000 that have qualifying high-quality transit stops, and requires that, beginning July 1, 2026, housing development projects be an allowable use on qualifying sites within one-half mile of a TOD stop (or one-quarter mile in smaller jurisdictions). The bill establishes a series of implementation deadlines, including requiring the Department of Housing and Community Development (HCD) to issue guidance by July 1, 2026 on how SB 79 capacity is counted toward a jurisdiction's housing element sites inventory, and requiring Metropolitan Planning Organizations (MPOs) to prepare maps of TOD stops and zones to guide implementation. Local governments may adopt implementing ordinances or local TOD alternative plans, subject to HCD review, prior to July 1, 2026, to tailor development standards, so long as the plan maintains equivalent overall residential capacity. SB 79 also provides that, beginning January 1, 2027, denial of a qualifying project in a high-resource area is presumed to violate the HAA, subject to specified exceptions.

Within this framework, SB 79 provides local governments with the ability to craft local alternative plans and implement ordinances. This includes providing local governments with limited local flexibility to reduce development intensity on certain sites. A local TOD alternative plan may reduce the allowable density on an individual site by up to 50% below SB 79's baseline standards, and may further reduce or exempt sites designated as historic resources on a local register, provided that such exemptions do not cumulatively exceed 10% of the total eligible area within a TOD zone. In addition, SB 79 allows local governments, through an implementing ordinance, to fully exempt sites designated as historic resources on a local register as of January 1, 2025 from SB 79 until one year following the adoption of a seventh cycle housing element.

Exempted Sites: SB 79 does not apply to either of the following: (1) a site in which more than two units in the development would require the demolition of housing that is subject to any form of rent or price control that was occupied by tenants within the last seven years, and (2) a site that was previously used for more than 2 units of housing that was demolished within the last seven years and those units were subject to price or rent control. Land use bills that encourage streamlining and denser housing developments have frequently exempted sites that contain units that have been occupied by tenants, particularly low-income tenants. For example, AB 2011 (Wicks), Chapter 647, Statutes of 2022, created a ministerial, streamlined approval process for 100% affordable housing projects in commercial zones and for mixed-income housing projects along commercial corridors, as specified. AB 2011 exempted developments that would require the demolition of the following types of housing:

- Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income.

- Housing that is subject to any form of rent or price control through a public entity’s valid exercise of its police power.

- Housing that has been occupied by tenants within the past 10 years, excluding any manager’s units.

- The site was previously used for permanent housing that was occupied by tenants, excluding any manager's units, that was demolished within 10 years before the development proponent submits an application under this article.

- Parcels or sites if those parcels or sites are subject to the Mobilehome Residency Law, Mobilehome Parks Act, the Recreational Vehicle Park Occupancy Law, and the Special Occupancy Parks Act.

Mobilehome Parks and This Bill: Mobilehomes and manufactured homes provide a significant source of affordable housing and homeownership for many Californians, with more than 700,000 Californians living in approximately 4,700 mobilehome parks. Due to specific concerns about the potential impact of SB 79 on mobilehome parks in the author's district, this bill would exempt sites that are subject to the Mobilehome Residency Law, Mobilehome Parks Act, the Recreational Vehicle Park Occupancy Law, and the Special Occupancy Parks Act from SB 79. This bill contains an urgency clause and will become effective immediately should it be signed by the Governor. The language and intent of the bill represent an agreement between the author of this bill and the author of SB 79. That agreement was made at the end of the last legislative session, and the members agreed to pursue a legislative fix in the 2026 legislative session.

Arguments in Support: The Golden State Manufactured-home Owners League (GSMOL), the bill sponsor, writes in support: "When SB 79 passed the legislature in 2025, it left mobilehome residents vulnerable to displacement and exposed their homes to forfeiture by failing to extend the anti-demolition protections to mobilehome parks.

The omission is inconsistent with other land use bills such as AB 2011 (Wicks, 2022) that exempted application for mobilehomes. This lack of protection threatens existing affordable housing stock that SB 79 seeks to increase.

The remedy in SB 722 prohibits a SB 79 development from being located on a parcel of land or site governed by the laws related to mobilehomes, including the Mobilehome Residency Law and the Mobilehome Parks Act."

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

Related Legislation:

AB 2576 (Harabedian), of this legislative session, expands the historic sites exclusion in SB 79 to include contributing sites within a historic district and parcels individually listed as a historical resource in the State Historic Resources Inventory designated before January 1, 2025.

AB 2415 (Hoover), of this legislative session, revises SB 79 to add additional historic preservation protections for TOD zones in cities that meet certain characteristics.

SB 1361 (Durazo), of this legislative session, prohibits a local government with an existing or planned TOD stop from taking actions to interfere with a transit project's approval to avoid the application of SB 79 development standards.

SB 79 (Wiener), Chapter 512, Statutes of 2025, established a streamlined, ministerial approval process for TOD housing development projects.

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

Golden State Manufactured-home Owners League (Sponsor)
AIDS Healthcare Foundation
City of Carlsbad
League of California Cities

Opposition

None on file.

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

Date of Hearing: June 10, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 904 (Seyarto) – As Amended May 27, 2026

SENATE VOTE: 38-0

SUBJECT: Recovery from wildfires

SUMMARY: Requires the Department of Housing and Community Development (HCD), in consultation with other state agencies, to provide reports to the Governor and Legislature that identify existing state permitting requirements that may unduly impede efforts to rebuild after a wildfire and recommend provisions of the California Building Standards Code for possible suspension in order to facilitate rapid rebuilding and recovery, following a declared state of emergency related to a wildfire, as specified. Specifically, **this bill**:

1) Defines "substantial structural damage requiring significant rebuilding efforts" to mean the destruction of 25 or more residential or commercial structures.

2) Provides that the reporting requirements in 3), 5), and 6) below shall only apply if the Office of Emergency Services (CalOES) makes a written determination, within 10 days after the date that the Governor declared a state of emergency relating to a wildfire, that a wildfire caused substantial structural damage requiring significant rebuilding efforts. Permits CalOES to make the written determination based on an estimation of the data and preliminary damage assessments available at the time of the determination.

3) Requires HCD, in consultation with the Office of Land Use and Climate Innovation (LCI), CalOES, and the Department of General Services (DGS), to provide a report, within 30 days of a written determination made in 2) above, to the Governor and the Legislature identifying state permitting requirements that may unduly impede efforts to rebuild properties or facilities destroyed as a result of the wildfire that should be considered for suspension.

4) Requires the report in 3) to be updated every 60 days, as appropriate, and as recovery and rebuilding efforts proceed, to identify any additional permitting requirements that are posing barriers to rebuilding and that should be considered for suspension.

5) Requires HCD, in consultation with DGS, the Office of the State Fire Marshal, and the State Energy Resources Conservation and Development Commission (Energy Commission), to provide a report to the Governor and the Legislature, within 60 days of a written determination made in 2) above, with recommendations regarding any provisions of the California Building Standards Code that should be considered for suspension in order to facilitate rapid, safe, wildfire-resilient, and cost-effective rebuilding and recovery.

6) Requires HCD, upon the Governor's declaration of a state of emergency relating to a wildfire, to coordinate with local governments to identify and recommend procedures, including, but not limited to, exploring the use of preapproved plans and waivers of certain permitting requirements, to establish rapid permitting and approval processes to expedite the reconstruction or replacement of residential properties destroyed or damaged by a wildfire.

7) Requires the recommended procedures in 6) to have the ultimate goal of issuing all necessary permits and approvals within 30 days of submission.

8) Requires HCD to provide a report to the Governor and the Legislature, within 60 days of a written determination made in 2) above, identifying recommended updates to local government procedures that achieve the goals described in 6) and 7).

9) Specifies the manner in which reports required by this bill must be submitted to the Legislature.

10) Requires every state agency or political subdivision, upon the Governor's declaration of a state of emergency relating to a wildfire, involved in post-disaster response, debris removal, reconstruction, housing, or land-use to accept electronic submission of any application, form, plan set, appeal, or request for state agency or political subdivision action related to recovery efforts for that state of emergency, with exceptions.

11) Authorizes the electronic submission in 10) above to include any of the following features:

    a) Allow submission through a web-based application portal;

    b) Allow email submission of a document in PDF or other standard digital format;

    c) Allow electronic signatures, which shall be deemed valid under the Uniform Electronic Transactions Act; and

    d) Allow submission of digital plan sets or drawings at any scale accepted by the state agency or political subdivision for paper plans.

12) Prohibits a state agency or political subdivision from requiring physical, in-person filing of an application unless the state agency or political subdivision determines, in writing, that electronic submission is not technically feasible for that specific application type.

13) Prohibits a state agency or political subdivision from rejecting an application or other document solely because it was submitted electronically.

14) Requires every affected state agency or political subdivision to publish, within 30 days of the declaration of a state of emergency for a wildfire, all of the following on its website:

    a) Information regarding the electronic filing method that may be used to submit documents to the state agency or political subdivision relating to disaster recovery efforts, including the email address to submit documents, a link to the web-based application portal, or both;

    b) Information regarding required file formats; and

    c) Contact information for electronic filing support.

15) Provides that this bill does not prohibit a state agency or political subdivision from also accepting paper submissions.

16) Provides that the electronic submission requirements above shall not apply to a county with a population of less than 100,000 or any city within that county.

EXISTING LAW:

1) Establishes the California Emergency Services Act (CESA) to ensure that preparations within the state will be adequate to deal with the effects of natural, manmade, or war-caused emergencies that result in conditions of disaster or in extreme peril to life, property, and the resources of the state, and generally to protect the health and safety and preserve the lies and property of the people of the state. [Government Code (GOV) 8550 *et seq.*]

2) Includes the following definitions within CESA:

    a. "State agency" means any department, division, independent establishment, or agency of the executive branch of the state government. (GOV 8557(a))

    b. "Political subdivision" includes any city, city and county, county, district, or other local governmental agency or public agency authorized by law. (GOV 8557(b))

3) Authorizes the Governor to make, amend, and rescind orders and regulations necessary to carry out the provisions of CESA, and provides that any orders and regulations issued during a state of emergency shall take effect immediately. (GOV 8567)

4) Authorizes the Governor, during a state of emergency, to suspend any regulatory statute, or statute prescribing the procedure for conduct of state business, or the orders, rules, or regulations of any state agency, where the Governor determines and declares that strict compliance with any statute, order, rule, or regulation would prevent, hinder, or delay the mitigation of the effects of the emergency. (GOV 8571)

5) Establishes CalOES, within the office of the Governor, and makes CalOES responsible for the state's emergency and disaster response services for natural, technological, or man-made disasters and emergencies, including the responsibility for activities necessary to prevent, respond to, recover from, and mitigate the effects of emergencies and disasters to people and property. (GOV 8585)

FISCAL EFFECT: Unknown.

COMMENTS:

***Author's statement*:** According to the author, "In January 2025, the Palisades Fire and other Los Angeles County wildfires destroyed thousands of homes and upended entire neighborhoods. Executive Order N-4-25 responded with decisive coordination by suspending duplicative barriers, aligning state and local agencies, and setting a clear goal of issuing necessary permits within 30 days so families could begin rebuilding. SB-904 ensures that this level of urgency is not dependent on a single executive order and strengthens interagency collaboration, so recovery does not stall in bureaucracy. Californians who lose their homes deserve clarity, speed, and commitment from their government in its response to all wildfire disasters."

***CESA*:** CESA grants the Governor broad authority to make, amend, or rescind orders and regulations during a state of emergency that temporarily suspend any state, county, city, or

special district statute, ordinance, regulation, or rule as necessary to mitigate the impacts of the declared emergency. The orders and regulations issued by the Governor have the force and effect of law.

***Eaton and Palisades fires*:** Climate change continues to pose significant risks to California, including more extreme heat events, larger wildfires, prolonged droughts, flooding, and other climate-related impacts. In early January 2025, extremely dry conditions and high winds in Los Angeles resulted in two of the most destructive wildfires in state history. The Palisades fire, which started on January 7th, burned a total of 23,448 acres and damaged or destroyed almost 8,000 structures in the Pacific Palisades and Topanga State Park area of west Los Angeles.[1] The Eaton fire also started on January 7th. It consumed 14,021 acres and damaged or destroyed more than 10,000 structures, including significant portions of the city of Altadena.[2] An estimated 9,592 single family homes and condominiums, 678 apartment units, 2,210 duplex and bungalow courts, and 373 mobilehomes were either heavily damaged or destroyed.

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

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

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

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

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[1] *CalFire: Palisades fire*. https://www.fire.ca.gov/incidents/2025/1/7/palisades-fire
[2] *CalFire: Eaton fire*. https://www.fire.ca.gov/incidents/2025/1/7/eaton-fire

HCD is responsible for the standards for residential buildings, hotels and motels. The California Building Code and California Residential Code govern general standards for multifamily and single-family residential construction. The Office of the State Fire Marshal is responsible for adopting building standards focused on fire and panic safety for residential occupancies. Within the codes, there are certain requirements that are mandatory for all newly constructed dwellings or buildings, and certain provisions that are optional or voluntary – meaning the requirements must be followed only if an entity chooses to construct certain items or systems.

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

Local Amendments to State Codes: Local governments are provided wide latitude to make changes and modifications to the state baseline codes – so long as they exceed or are more protective than the state baseline, not a reduction – and for codes affecting residential buildings (excluding energy "reach codes" which follow a different process), neither the CBSC nor statute requires the local modifications to include any cost determinations or economic impact analysis. Local governments simply have to include a finding in their filing with the CBSC that the modifications are "reasonably necessary because of local climatic, geological, or topographical conditions" (Health and Safety Code (HSC) 17958.7) or environmental conditions for green building standards. CBSC does not currently have the authority to review these findings for validity, merits, or the justification of reasonableness, nor do the local amendments have to follow the APA or more rigorous state review criteria requiring state building standards to "not [be] unreasonable, arbitrary, unfair, or capricious, in whole or in part" (HSC 18930(a)(4)) or have a "cost to the public [that is] reasonable, based on the overall benefit to be derived from the building standards" (HSC 18930(a)(5)).

Numerous Directives and Mandates Leading to Standards Freeze: The Legislature and Governor have enacted multiple additional directives to research and propose new building standards in recent years, including for rainwater catchment, electric vehicle charging, water efficiency and reuse, adaptive reuse projects, and beyond. Some of the most impactful mandates in recent years have also come from outside stakeholders or the adopting agencies themselves (rather than the Legislature), like solar panel mandates and fire sprinkler requirements. There are several legitimate and important concerns that are addressed by these and many other elements of building standards for housing. However, the framework for proposing and adopting new standards leaves agencies in silos regarding the volume or costs of new proposals that counterpart agencies are also simultaneously developing. Cost analyses are performed on each individual modification or for each respective chapter, not on the accumulation of the entirety of changes in each intervening or triennial cycle across all agencies. Holistic review is therefore difficult and while individual standards may increase costs by what appears a reasonable amount, from a different lens, the cost of the totality of all cumulative changes may be less reasonable.

In response to concerns regarding the rapid pace of modifications to building standards, the deadly Los Angeles fires of January 2025, and a need to find methods to stem increases in housing construction costs, the Legislature and Governor enacted several significant changes to building standards in the 2025 housing budget trailer bill, AB 130 (Committee on Budget), Chapter 22. The most significant change is a freeze to any new building standards or changes to

existing building standards affecting residential units at both the state and local level until 2031, with limited exceptions.

AB 130 (Committee on Budget) also curtailed the practice of incorporating significant new building standards into the codes via the intervening code cycle (instead only technical or emergency changes may be made in this manner), and allowed phased residential developments utilizing model home designs to continue using approved building permits until those designs substantially change or for a period of 10 years, rather than at each new code cycle.

***This bill*:** During the outbreak of the Eaton and Palisades fires, and in the ensuing damage that followed, Governor Newsom proclaimed a state of emergency in Los Angeles and Ventura counties. The Governor issued 25 executive orders related to the fires to aid recovery, protect survivors, expedite wildfire safety regulations, and facilitate wildfire prevention projects. This bill codifies provisions of one of the executive orders, Executive Order N-4-25. Three directives in Executive Order N-4-25 are substantially similar to the reporting requirements in this bill. The reporting requirements of the executive order codified in this bill will take effect automatically whenever a future state of emergency related to a wildfire is declared by the Governor and if CalOES makes the specified written determination of substantial structural damage requiring significant rebuilding efforts. This bill, however, differs from Executive Order N-4-25 in that the recommendations regarding suspending any provision of the California Building Standards Code should be in order to facilitate not only rapid, safe, and cost-effective rebuilding and recovery, but wildfire-resilient rebuilding and recovery, too. This bill does not automatically suspend any provision of the California Building Standards Code nor any state or local permitting requirements.

This bill also requires state agencies and political subdivisions involved in post-disaster response, debris removal, reconstruction, housing, or land-use permitting to accept electronic submission of any application, form, plan set, appeal, or request for state agency or political subdivision action related to recovery efforts for that state of emergency. Counties with a population of less than 100,000, or any city within that county, are exempt from the electronic submission requirements of this bill. This bill prohibits state agencies and political subdivisions from requiring physical, in-person filing unless a state agency or political subdivision determines, in writing, that the electronic submission is not technically feasible for that specific application type.

***Arguments in support*:** The California Apartment Association writes in a support position: "SB 904 would codify many of the reporting requirements issued in Governor Newsom's Executive Orders following the Eaton and Palisades fires in January 2025. This means whenever a future wildfire state of emergency is declared by a Governor, the Department of Housing and Community Development will automatically submit a report to the Governor and the Legislature identifying state permitting requirements that may impede efforts to rebuild properties or facilities destroyed by a wildfire that should be considered for suspension following a wildfire state of emergency. This process would speed up our state's recovery efforts in the future."

***Arguments in opposition*:** Climate Action California's Building Decarbonization team writes in an opposed position: "Building standards in California are developed and revised with extensive stakeholder input. As a result, California's Building Code serves as a bulwark against shoddy construction methods that have plagued homeowners in many other states. In states with less stringent building codes, homeowners have found themselves without recourse when faced with

extensive problems with their new homes that are not built to a robust standard. While rebuilding after wildfires and other disasters must absolutely be prioritized, we believe that rolling back provisions that result in expensive repairs or higher energy costs later is not the way forward."

***Double-Referred*:** This bill was also referred to the Assembly Emergency Management Committee, where it will be heard should it pass out of this Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

California Apartment Association

Opposition

Climate Action California

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

Date of Hearing: June 10, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 1091 (Caballero) – As Amended June 3, 2026

SENATE VOTE: 34-2

SUBJECT: Community Anti-Displacement and Preservation Program

SUMMARY: Establishes the Community Anti-Displacement and Preservation Program (CAPP) at the Department of Housing and Community Development (HCD) to fund the acquisition and rehabilitation of unrestricted housing units and attach long-term affordability restrictions on the housing units, while safeguarding against the displacement of current residents. Specifically, **this bill**:

1) Includes the following definitions:

   a) "Eligible borrower" means an entity whose primary mission includes the development or ownership of housing that is affordable to low-income households and that has demonstrated experience in acquiring, rehabilitating, and operating multifamily housing for the benefit of low-income households. "Eligible borrower" includes, but is not limited to, the following:

      i) An eligible nonprofit corporation that has a principal place of business in the state;

      ii) A limited partnership in which the managing general partner is an eligible nonprofit corporation that has a principal place of business in the state;

      iii) A limited liability company in which the managing member is an eligible nonprofit corporation that has a principal place of business in the state;

      iv) A community land trust, as defined;

      v) A limited-equity housing cooperative, as defined; and

      vi) A local public entity.

   b) "Local public entity" means a public entity in the state, including a city, county, city and county, public housing authority, regional housing finance authority, and successor agency to a former redevelopment agency;

   c) "Rehabilitation" means rehabilitation work necessary to meet health, safety, and quality of life needs, as determined through standards established by HCD.

   d) "Tenant protections under state law" means the protections provided in Chapter 2 (commencing with Section 1940) of Title 5 of Part 4 of Division 3 of the Civil Code, except for Section 1947.12 of that code, and in the California Fair Employment and

Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2 of the Government Code).

e) "Unrestricted housing" means a residential rental development of five units or more that is not currently subject to a recorded deed restriction limiting occupancy to households at specified income levels and rents to levels affordable at those income levels. Mixed-use buildings are eligible if the majority of the building square footage is used for residential purposes.

2) Requires HCD to adopt regulations for the operation of the program that are exempted from the rulemaking provisions of the Administrative Procedure Act.

3) Requires HCD to select a program manager that is a non-profit entity or consortium to manage CAPP for a period of five years meeting specified standards, including originating and servicing loans for affordable housing, covering the state geographically, and having the ability to work on housing models including rental housing, affordable homeownership, and community land trusts.

4) Requires the program manager to make loans to eligible borrowers based on underwriting guidelines approved by HCD, and requires rental housing purchased through CAPP to be deed restricted for 55 years, and homeownership units for at least 45 years.

5) Allows HCD to issue grants and loans to local public entities to fund the acquisition and rehabilitation of unrestricted housing units and attach long-term affordability restrictions on the housing units, while safeguarding against the displacement of current residents.

6) Requires all tenant protections under state law, or a more protective local policy, other than rent stabilization, to apply to tenants of projects funded by CAPP.

7) Requires HCD to require in its regulations and regulatory agreement, standards for annual rent increases, with a goal of ensuring affordability for current and future residents.

8) Requires HCD to develop technical assistance and capacity building for the development and ongoing operation of projects funded by CAPP.

EXISTING LAW:

1) Establishes the Multifamily Housing Program (MHP) administered by HCD to assist in the new construction, rehabilitation, and preservation of permanent and transitional rental housing for lower-income households.

2) Establishes the Joe Serna, Jr. Farmworker Housing Grant Program administered by HCD to finance the new construction, rehabilitation, and acquisition of owner-occupied and rental units for agricultural workers, with a priority for lower-income households.

3) Establishes the Affordable Housing and Sustainable Communities program (AHSC) administered by the Strategic Growth Council (SGC) and implemented by the HCD, to fund

land-use, housing, transportation, and land preservation projects to support infill and compact developments that reduce greenhouse gas emissions.

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement*:* According to the author, "As California's affordable housing crisis worsens, unsubsidized affordable housing on the private market is disappearing, and fewer low-income families can find stable housing. As rent outpaces demand, housing becomes less accessible and more unaffordable, displacing people from their homes and communities. To address this growing crisis, SB 1091 creates a new program, the Community Anti-Displacement and Preservation Program (CAPP), to assist with the acquisition and rehabilitation of existing unsubsidized housing and with the conversion of this housing to long-term affordable solutions, to keep families housed and in their communities. Acquisition and preservation of unsubsidized affordable housing is a proven successful local model to prevent displacement and grow the supply of affordable housing. SB 1091 is one important step to avoid displacement, homelessness, and to stabilize families in their communities in homes they can afford."

***Background on California's Housing Crisis*:** California's current housing crisis stems from an undersupply of housing, which HCD recently attributed to "decades of underproduction underscored by exclusionary policies" in its 2022 update to the Statewide Housing Plan. Housing affordability remains a major challenge for many of California's most economically-vulnerable households. According to data from the 2019 American Communities Survey, over half of the state's renters are considered rent-burdened, which is defined as paying more than 30% of their income towards rent. The California Housing Partnership Corporation (CHPC) assessed the amount of existing unsubsidized affordable properties that due to their age, location or other market factors offer rents that are likely affordable to low-income households. As of 2025, CHPC determined there are an estimated 1.08 million affordable homes across 60,621 unsubsidized affordable properties throughout the state. In comparison, there are 594,055 government regulated affordable rental properties in the state. Combined, these two sources fall short of meeting the housing demand of the state's approximate 3.68 million lower-income renter households. Homes at very high, high, and moderate risk of losing affordability have the following characteristics: 43% serve seniors, 43% serve families, and 34% are concentrated in the counties of Los Angeles, Orange, Santa Clara, San Francisco, and San Diego.

***Existing State Financing of Acquisition-Rehabilitation*:** According to one of the sponsors, Enterprise Community Partners, in recent decades, most preservation efforts have focused on extending the affordability of subsidized or income-restricted affordable housing in need of capital improvements and/or nearing the expiration of affordability restrictions. This is primarily accomplished through the re-syndication of low-income housing tax credits, refinancing with special-purpose loan funds and products, and renewing rental subsidies such as Section 8 vouchers. More recently, both housing practitioners and residents (including nonprofits, affordable housing developers, community land trusts, and other community-based organizations and tenant associations) have shown a growing interest in the acquisition and rehabilitation of unsubsidized affordable housing currently on the private market as a means to create or preserve affordable housing. The sponsors maintain that acquisition-rehabilitation in practice is a direct anti-displacement strategy that is fast, effective, flexible, and long-term.

While several existing state programs (mostly notably the MHP program at HCD) finance the acquisition and rehabilitation of affordable housing units, these programs are more targeted towards the new construction and acquisition-rehabilitation of existing deed-restricted affordable housing that is approaching the expiration of its affordability term, and not for unsubsidized housing. According to the sponsors, some of the reasons for the narrower focus in existing state programs are that they are limited to buildings with five or more units and specific project types, such as large family, special needs, senior, supportive housing, and high-risk. It is unlikely that a building acquired from the private market with existing tenants would meet these requirements.

***Unique Challenges for Acquisition-Rehabilitation Projects*:** According to the sponsors, occupied acquisition-rehabilitation projects present challenges. First, interested entities need to compete on the private market against investors that have more access to capital and are less reliant on public resources. Second, performing any rehabilitation work with tenants requires technical expertise to identify structural needs and ongoing communication with residents. Additionally, acquisition-rehabilitation projects are often smaller-scale developments that are more difficult to manage and sustain financially. Because this is a newer practice for even experienced developers, acquisition-rehabilitation projects may require new skills to support tenant engagement and property management, particularly with a scattered site model.

This year's budget does not include funding for this program; however, AB 736(Wicks), the Affordable Housing Bond Act of 2026, would authorize $500 million for a program to fund the acquisition and rehabilitation of unrestricted housing units and attach long-term affordability restrictions on the housing units, while safeguarding against the displacement of current residents. The Senate also has a $10 billion bond, SB 417 (Cabaldon), which includes $500million with the same description. If a bond passes and the voters approve it, the Legislature could utilize this bill or a future similar bill to establish the program in statute.

Tenant Protections: State housing programs have historically funded construction of affordable housing, not acquisition of existing naturally affordable housing. Because this program funds acquisition with existing tenants, it also includes protections for those tenants. The goal of the program is to provide housing for households that are lower income (making 80% of the AMI or less), but it is possible that when the unit is first purchased, a tenant may make more than that amount. This bill prohibits eviction of existing tenants. The Tenant Protection Act (TPA) (AB 1482 (Chiu), Statues of 597, Chapter 2019 caps rent increases to 10% each year and applies just cause eviction protections to rental units it covers. The TPA covers multi-family housing but exempts any new construction for the first 15 years of a development's life. This bill would apply the just cause protections of the TPA to any units purchased using the program. It would not apply the rent cap, but directs HCD to develop rent standards for units purchased using the program.

Arguments in Support: According to a coalition of organizations in support of this bill, "SB 1091 would create a new state program to provide the resources that community organizations, nonprofit affordable housing developers, and local jurisdictions need to acquire unsubsidized rental housing from the private market where tenants are at risk of displacement and to preserve the housing as affordable rental housing or homeownership opportunities. CAPP will prevent displacement and homelessness by stabilizing low-income families in their communities, while also growing California's supply of deed-restricted affordable homes for the future. CAPP would also advance several, interconnected State goals in addition to increasing the supply of affordable housing, including reducing greenhouse gas emissions by preventing

families from being displaced and forced to commute long distances to jobs and services, and supporting equitable place-based investment in historically disinvested neighborhoods now facing displacement pressures."

Arguments in Opposition: None on file.

Related Legislation:

SB 417 (Cabaldon) (2026), in the current legislative session, authorizes the Affordable Housing Bond Act of 2026 to place a $10 billion housing bond on the November 3, 2026, statewide general election ballot to fund production of affordable housing and supportive housing. This bill is pending in the Assembly Rules Committee.

AB 736 (Wicks) (2026), in the current legislative session, thisurgency bill would authorize the Affordable Housing Bond Act to place a $10 billion housing bond on the June 2, 2026, primary election ballot to fund production of affordable housing and supportive housing. This bill is on the Senate Floor.

SB 225 (Caballero) (2023) established the Community Anti-Displacement and Preservation Program for purposes of funding the acquisition and rehabilitation of unrestricted housing units and attaching long-term affordability restrictions; would have applied to all housing developments of any number of units. This bill died on the Assembly Inactive File.

SB 490 (Caballero) (2021) implemented a technical assistance program, administered by the HCD, for community-based nonprofits to leverage CAPP funds, if it was authorized in the Governor's final budget. The bill was gut and amended into another policy area.

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 Community Land Trust Network (Co-Sponsor)
Enterprise Community Partners (Co-Sponsor)
Housing California (Co-Sponsor)
Public Advocates (Co-Sponsor)
AAPI Force
ACT-LA
Aids Healthcare Foundation
All Home
Alliance of Californians for Community Empowerment (ACCE) Action
Alta Housing
Asian Pacific Environmental Network Action
Bay Area Community Land Trust
Beverly-Vermont Community Land Trust
California Apartment Association

California Center for Movement Legal Services
California Coalition for Rural Housing
California Green New Deal Coalition
California Healthy Nail Salon Collaborative
California Rural Legal Assistance Foundation
Care Community Land Trust
Centro Legal De LA Raza
Chinatown Community Development Center
Community Economic Development Corporation
Courage California
Day Worker Center of Mountain View
Disability Rights Education and Defense Fund
East Bay Housing Organizations
East Bay Permanent Real Estate Cooperative
Eden Community Land Trust
Epacando
Fideicomiso Comunitario Tierra Libre
Friends Committee on Legislation of California
Generation Housing
Health in Partnership
Housing Accelerator Fund
Housing Land Trust of the North Bay
Housing Now! CA
Housing Trust Silicon Valley
Inland Empire Prism Collective
Inland Equity Community Land Trusts
Irvine Community Land Trust
Leadership Counsel for Justice and Accountability
Libre, Long Beach Residents Empowered
Lisc Bay Area
Long Beach Community Land Trust
Long Beach Forward
Mission Economic Development Agency
Multi-faith ACTION Coalition
National Housing Law Project
Neighborhood Partnership Housing Services
Oakland Community Land Trust
Oakland Tenants Union
Pahali Community Land Trust
Parable of the Sower Intentional Community Cooperative
Pico California
PolicyLink
Public Counsel
Public Interest Law Project
Resilience OC
Richmond Land
Rise Economy
Roc USA (UNREG)
Ruchell Cinque Magee Community Land Trust

Sacramento Community Land Trust
Sacramento Housing Alliance
Sacred Heart Community Service
Saint Joseph Community Land Trust
San Diego Housing Federation
San Francisco Board of Supervisors
San Francisco Community Land Trust
San Francisco Tenants Union
San Gabriel Valley Community Land Trust
SGV Casita
South Bay Community Land Trust
Southern California Association of Nonprofit Housing
Starting Over Strong
Strategic Actions for a Just Economy
Supportive Housing Community Land Alliance
SV@Home Action Fund
T.r.u.s.t. South LA
Tenants Together
Tenants United Anaheim
Tenderloin Neighborhood Development Corporation
Thai Community Development Center
The Kennedy Commission
The Unity Council
Tierras Indigenas Community Land Trust
Two Valleys Community Land Trust
Urban Habitat
Western Center on Law and Poverty
Young Community Developers

Opposition

None on file.

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

Date of Hearing: June 10, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 1117 (Cervantes) – As Introduced February 17, 2026

SENATE VOTE: 37-0

SUBJECT: Accessory dwelling units and junior accessory dwelling units

SUMMARY: Provides that impact fees that are assessed on accessory dwelling units (ADUS) that exceed 750 square feet in size may only be charged on the total square footage that exceeds 750 square feet of interior livable space, not the entirety of the ADU.

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 an existing or proposed primary residence. 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) Limits development fees that local agencies can apply to ADUs and JADUS in the following ways:

    a) Probits local agencies, special districts, and water corporations from treating an ADU or Junior ADU (JADU) as a new residential use for the purposes of calculating connection fees or capacity charges for utilities, unless the unit is constructed with a new single-family dwelling;

    b) Prohibits local agencies, special districts, and water corporations from imposing impact fees on an ADU or JADU that contains less than 750 square feet or 500 square feet of interior livable space respectively;

    c) Provides that for an ADU that exceeds 750 square feet of interior livable space, impact fees shall be charged proportionately in relation to the square footage of the primary dwelling unit; and

    d) Prohibits local agencies, special districts, and water corporations from requiring a separate utility connection or imposing a connection fee or capacity charge on an ADU or JADU that is built within the space of an existing single-family dwelling, or within the space of an existing accessory structure, unless the ADU or JADU is conveyed separate from the existing single-family dwelling. (GOV 66311.5)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "California's housing crisis continues to limit homeownership opportunities and increase housing costs. Housing experts estimate a shortage of between 840,000 and 3.5 million housing units in the Golden State. Because they expand

housing supply while enabling homeowners to increase the capacity of their homes and build home equity, ADUs are a key component of the state's housing strategy. For many first-time and middle-class homeowners, the ability to build an ADU can build intergenerational housing and wealth. Senate Bill 1117 will help reduce impact fees for homeowners in California by clarifying existing ADU law to ensure local governments assess impact fees only on the portion of an ADU exceeding 750 square feet. By aligning the fee calculations in statute with the intent of the Legislature, the bill promotes consistent statewide implementation, reduces unnecessary cost burdens on homeowners, and supports continued ADU construction as a pathway to increasing sustainable homeownership in California."

Impact Fees and Exactions: Impact fees are a type of development fee imposed to offset the public costs of new infrastructure incurred by the larger community. In the wake of the passage of Proposition 13 in 1978 and the loss of significant property tax revenue, local governments have turned to development fees as a means to generate revenue. Given that California cities have tightly restricted funding sources, fees are one of the few ways cities can pay for the indirect costs of growth. The Mitigation Fee Act requires local officials, when establishing, increasing, or imposing a fee as a condition of approving a development project, to make a number of determinations including to: identify the purpose of the fee; identify the use of the fee, including the public facilities that the fee will finance; determine a reasonable relationship between the use of the fee and the development; and determine a reasonable relationship between the public facility's need and the development. Local agencies must also produce an annual report on development and other fees.

While impact fees are vital for maintaining local government revenues and ensuring municipal infrastructure is developed and maintained, they can add costs to housing development projects. According to the UC Berkeley Terner Center for Housing Innovation, between 2008 and 2015, California fees rose 2.5%, while the national average decreased by 1.2%.[1] Development fees can comprise 17% of the total development costs of new housing, and in California in 2015, impact fees were nearly three times the national average.[2] More recently, the Terner Center found that, on average, development impact fees added $19,806 per unit to affordable housing developments receiving Low Income Housing Tax Credits.[3]

ADUs: Recently, there has been a national trend to allow for more "gentle density," e.g., ADUs, duplexes, fourplexes, townhomes, and other moderately dense developments that were common before the imposition of zoning. In 2016, SB 1069 (Wieckowski), Chapter 720, and AB 2299 (Bloom) Chapter 735, permitted ADUs by right on all residentially-zoned parcels in the state. SB 1211 (Skinner), Chapter 296, Statutes of 2024 furthered the trend towards gentle density by increasing the number of allowable ADUs on multifamily properties. By allowing attached, detached, and JADUs on all residential lots, these laws, among others, facilitated the construction of missing middle housing in exclusionary single-family neighborhoods.[4] Since then, various pieces of legislation have been passed to establish statewide standards regarding

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[1] Sarah Mawhorter, David Garcia and Hayley Raetz, *It All Adds Up: The Cost of Housing Development Fees in Seven California Cities*, Terner Center for Housing Innovation, March 2018, https://ternercenter.berkeley.edu/research-and-policy/it-all-adds-up-development-fees

[2] IBID.

[3] Carolina Reid, Leslye Corsiglia, and Ben Metcalf, *Assessing the Cost of Impact Fees on Affordable Housing: An Analysis of Low-Income Housing Tax Credit Projects in California,* January 2026.

[4] https://www.hcd.ca.gov/sites/default/files/docs/policy-and-research/adu-handbook-update.pdf

ADU setbacks, height limits, square footage requirements, and other land use controls, regardless of the underlying zoning district. As a result, ADUs are now required to be reviewed within 60 days by local governments in a streamlined and ministerial fashion.

Taken as a whole, ADU and JADU Laws have established a fast, predictable, uniform, and enforceable process for the approval of ADUs statewide. These laws have transformed these units from being less than 1% of new construction before 2017 to now being approximately 20%.[5] The number of ADUs and JADUs is expected to continue growing as the ADU construction and financing industry matures, which will help meet the market feasibility that is estimated to be approximately 1.8 million units in California.[6] With thousands of ADUs being added every year, ADUs have already become an important part of the state's stock of new housing, with a growth potential that is not subject to the state's funding allocations.

ADU Impact Fee Relief: The state enacted numerous laws over the last decade streamlining local development approvals for a variety of housing types, including ADUS, duplexes, and large affordable housing and mixed-income developments. None of the various housing streamlining laws can match the 20-fold increase achieved by the recent reforms to ADU Law noted above. One notable difference between ADUs and other streamlining laws is that ADUs are entirely exempt from local impact fees if they are less than 750 square feet in size. ADUs that exceed 750 square feet are charged a reduced fee that is calculated based in proportion to the size of the primary dwelling unit located on the same parcel. For example, an ADU that will be half the size of the primary dwelling unit will have an impact fee rate that is ½ the normal impact fee that would be charged for a new primary dwelling built on the same site.

This Bill: This bill builds on the existing proportionality calculation in ADU Law and allows developers who build larger ADUs to deduct 750 square feet from the chargeable size of the ADU when they calculate the impact fee. Under existing law, a 1,000 square foot ADU is charged a proportionally reduced rate on the full 1,000 square feet of the ADU. Under this bill, the same 1,000 square foot ADU will only pay the proportionally reduced rate on 250 square feet. Much as a tax deduction can reduce an individual's total taxable income, this bill effectively reduces the total "chargeable" square feet of an ADU that can be assessed by a local government.

Arguments in Support: California YIMBY, the bill sponsor, writes in support: "The current interpretation of state law in some jurisdictions has resulted in an arbitrary "fee cliff." While ADUs of 750 square feet or smaller are exempt from most local impact fees, homeowners who construct slightly larger units often face impact fees that apply to the full square footage of the ADU, including the first 750 square feet that would typically be exempt. In communities where fees range from $10 to $30 per square foot, this can lead to a sudden increase in project costs by thousands of dollars. For many homeowners, these unexpected expenses make constructing an ADU financially unfeasible.

SB 1117 clarifies and strengthens the existing ADU law by ensuring local governments assess impact fees only on the portion of an ADU exceeding 750 square feet. By aligning the fee

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[5] 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.

[6] 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/

calculations in law with the intent of the Legislature, the bill promotes consistent statewide implementation, reduces unnecessary cost burdens on homeowners, and supports continued ADU permitting as a pathway to increasing sustainable homeownership in California."

Arguments in Opposition: The League of California Cities, California Special Districts Association, California Association of Recreation and Park Districts, California State Association of Counties, and Rural County Representatives of California write in opposition: " SB 1117 completely disregards the Mitigation Fee Act (MFA), which strictly regulates how local agencies impose impact fees. Under the MFA, impact fees must be limited to the specific service and may cover only the cost of providing that service. Arbitrarily capping these fees would prevent the development of the public improvements and services necessary to meet the needs of residents living in the newly constructed ADU. Further, the inability to ensure that the applicable fees will generate sufficient funding to construct the necessary facilities within a reasonable timeframe may make it more difficult to rely on those fee mechanisms as mitigation for environmental impacts, thereby encouraging legal challenges and consequent delays.

Development impact fees—grounded in required nexus studies rather than set arbitrarily—serve as a critical, and in some cases the only, funding source for local governments with limited revenue options. Nexus studies require evidence-based reasoning to validate the proposed fees and cover the reasonable cost of providing the service, which local governments must complete before adopting impact fees under the Mitigation Fee Act. Without these funds, many jurisdictions lack the ability to build essential public facilities."

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

REGISTERED SUPPORT / OPPOSITION:

Support

California YIMBY (Sponsor)
Apartment Association of Greater Los Angeles
Apartment Association of Orange County
Berkeley Property Owner's Association
California Apartment Association
California Rental Housing Association
Capitol Business Alliance
East Bay Rental Housing Association
East Bay YIMBY
Elevate California
Grow the Richmond
Mountain View YIMBY
Napa-Solano for Everyone
Nor Cal Rental Property Association
North Valley Property Owners Association
Northern Neighbors Sf
Peninsula for Everyone
San Francisco YIMBY

San Jose YIMBY
San Mateo Forward
Santa Barbara Rental Property Association
Santa Cruz YIMBY
Santa Rosa YIMBY
Small Property Owners of San Francisco Institute
South Bay YIMBY
Southern California Rental Housing Association
Ventura County YIMBY
Yes! in Redwood City
YIMBY Action
YIMBY Los Angeles
YIMBY Monterey Peninsula
YIMBY SLO
Zillow Group

Opposition

California Association of Recreation & Park Districts
California Special Districts Association
California State Association of Counties
City of Lakewood CA
City of Thousand Oaks
League of California Cities
Marin County Council of Mayors and Councilmembers
Rural County Representatives of California

Oppose Unless Amended
California Fire Chiefs Association
Fire Districts Association of California

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

Date of Hearing: June 10, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 1267 (Allen) – As Amended March 26, 2026

SENATE VOTE: 36-0

SUBJECT: Common interest developments: electric vehicle charging stations owned by members in common areas

SUMMARY: Requires the installer of an electric vehicle (EV) charging station within a common interest development (CID) to indemnify or reimburse the homeowners' association (HOA) or the members for loss or damage caused by the installation of an EV charging station. Specifically, **this bill**:

1) Requires an owner to enter into a maintenance and indemnity agreement, if requested by the HOA, to transfer liability from the HOA to the owner for injury or damage arising from the EV charging station if the charging station is to be placed in a common area or an exclusive use common area.

2) Extends the responsibility for the costs of damage to the charging station, common area, exclusive use common area, or separate interests resulting from the use of an EV charging station to the owner and each successive owner of the charging station.

3) Requires the installer of an EV charging station to indemnify or reimburse the HOA for loss or damage caused by the installation of the EV charging station.

4) Provides that, except in the case of gross negligence by the HOA, it is the intent of the Legislature to provide an HOA that has complied with this section of law with civil liability protection for injuries and damages emanating from an EV charging station or its use that the HOA does not own.

EXISTING LAW:

1) Establishes the Davis-Stirling Common Interest Development Act which governs the creation and operation of CIDs and the respective rights and duties of a CID's HOA and its members. [Civil Code (CIV) 4000 *et seq.*]

2) Makes void and unenforceable any covenant, condition, or restriction (CC&R) contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest in a CID, and any provisions of a governing document, that either effectively prohibits or unreasonably restricts the installation or use of an EV charging station within an owner's unit or in a designated parking space. (CIV 4745(a))

3) Provides that an HOA may impose reasonable restrictions on EV charging stations that do not significantly increase the cost of the station or significantly decrease its efficiency or specified performance. (CIV 4745(b))

4) Requires an EV charging station to meet all applicable health and safety standards and requirements imposed by state and local authorities, and all other applicable zoning, land use, or other ordinances, or land use permits. (CIV 4745(c))

5) Requires an HOA to process a request for approval to install an EV charging station in the same manner as an application for approval of an architectural modification to the property and to provide a response in writing. Specifies that, if the request is not denied within 60 days, the application shall be deemed approved, unless the delay is the result of a reasonable request for additional information. (CIV 4745(e))

6) Provides that, if the EV charging station is to be placed in a common area or an exclusive use common area, the owner must first obtain approval from the HOA to install the EV charging station. Requires the HOA to approve the installation if the owner agrees in writing to:

    a. Comply with the HOA's architectural standards for the installation of the charging station;

    b. Engage a licensed contractor to install the charging station;

    c. Provides, within 14 days of approval, a certificate of insurance; and

    d. Pay for both the costs associated with the installation of and the electricity usage associated with the charging station. (CIV 4745(f)(1)

7) Provides that an owner and each successive owner of a charging station shall be responsible for all of the following:

    a. Costs for damage to the charging station, common area, exclusive use common area, or separate interests resulting from the installation, maintenance, repair, removal, or replacement of the charging station;

    b. Costs for the maintenance, repair, and replacement of the charging station until it has been removed and for the restoration of the common area after removal;

    c. The cost of electricity associated with the charging station; and

    d. Disclosing to prospective buyers the existence of any charging station of the owner and the related responsibilities of the owner under this section. (CIV 4745(f)(2)

8) Requires an owner of a charging station, whether located within a separate unit or within the common area or exclusive use common area, to maintain a liability coverage policy at all times. Requires an owner and each successor owner to provide the HOA with the certificate of insurance annually. (CIV 4745(f)(3))

9) Specifies that an HOA or owners may install an EV charging station in the common area for the use of all members of the HOA and, if they do, that the HOA must develop appropriate terms of use for the charging station. (CIV 4745(h))

10) Specifies that an HOA that willfully violates these provisions is liable to the applicant for an EV charging station or other party for actual damages, and a civil penalty to the applicant or other party in an amount not to exceed $1,000. (CIV 4745(j))

11) Defines, for purposes of 2) through 10) above, an "electric vehicle charging station" to mean a station that is designed in compliance with the California Building Standards Code and delivers electricity from a source outside an electric vehicle into one or more electric vehicles, and specifies that an EV charging station may include several charge points simultaneously connecting several EVs to the station, and any related equipment needed to facilitate charging plug-in EVs. (CIV 4745(d))

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

COMMENTS:

***Author's statement*:** According to the author, "Residents belonging to homeowner associations and condominium complexes find it particularly difficult to make the switch to an electric vehicle because unlike single family homeowners, these residents need to use common area spaces to install the needed infrastructure to charge their vehicles. With the biggest barrier to large-scale market proliferation of EVs being accessibility to charging stations, more must be done to ensure that prospective EV drivers in HOAs are accommodated.

However, there are concerns and uncertainty about liability for damage or injury caused by a charger. In many cases, the EV charger must be installed in the common area of a shared parking lot. Privately owned chargers can create liability for an association for injury or damage that occurs in common area spaces. While increased adoption of EVs over time has not shown any significant risk of damage or injury, the lack of certainty can be worrying for HOAs. Uncertain risks make it more difficult for HOAs to obtain adequate insurance policies in an increasingly unaffordable market.

SB 1267 would allow homeowner associations to require a resident installing an EV charger to enter into a maintenance and indemnity agreement to limit the HOA's liability for damage or injury."

***CIDs*:** There are over 50,000 CIDs in the state, ranging in size from three to 27,000 units, with the average CID having 286 residents. CIDs make up roughly 4.7 million housing units, and 36% of Californians (over 14 million Californians) live in a CID. These rates are even higher for homeowners, with approximately 65% of homeowners living in a CID. CIDs include condominiums, community apartment projects, housing cooperatives, and planned unit developments. They are characterized by a separate ownership of dwelling space coupled with an undivided interest in a common property, restricted by covenants and conditions that limit the use of common area, and the separate ownership interests and the management of common property and enforcement of restrictions by an HOA. CIDs are governed by the Davis-Stirling Common Interest Development Act (the Act) as well as the governing documents of the HOA, including bylaws, declaration, and operating rules.

***Davis-Stirling Common Interest Development Act*:** The Act went into effect in 1986 and is the primary body of law governing CIDs in California. The Act provides the legal framework for the creation and management of HOAs, including rules related to governance, assessments, dispute resolution, maintenance responsibilities, and member rights. The Act aims to balance the authority of HOAs with the rights of individual property owners, ensuring that communities are managed efficiently and fairly.

Over time, the Act has been amended to address the evolving needs of CIDs and to increase transparency, accountability, and consumer protection. Key provisions include requirements for open meetings, financial disclosures, election procedures, and architectural review processes. The Act also provides mechanisms for resolving disputes, including internal dispute resolution and alternative dispute resolution, before certain legal actions can proceed. As CIDs continue to represent a significant portion of California's housing stock, the Act play as critical role in shaping the living environment and governance of millions of residents across the state.

***Climate mitigation efforts and EV charging need*:** The California Global Warming Solutions Act of 2006 was passed as AB 32 (Núñez), Chapter 488, Statutes 2006, and established California's core climate framework by requiring the state to reduce greenhouse gas emissions to 1990 levels by 2020, and then an 80% reduction below 1990 levels by 2050. Later, SB 32 (Pavley), Chapter 249, Statutes of 2016, strengthened the framework by setting a new target of reducing emissions to 40% below 1990 levels by 2030. More recently, AB 1279 (Muratsuchi), Chapter 337, Statutes of 2022, added a long-term goal requiring the state to achieve carbon neutrality by 2045 and maintain net negative emissions, extending the state's climate policy beyond fixed percentage reductions toward a net-zero emissions framework.

According to the California Air Resources Board, the transportation sector is the largest source of emissions in the state, accounting for roughly 40% of total greenhouse gas emissions in recent years. Within that sector, light-duty passenger vehicles, including cars, SUVs, and pickup trucks, are the largest source of transportation-related emissions.

To address this issue and help the state reach its emissions reductions targets, Governor Brown signed Executive Order B-16-12, which established a goal of putting 1.5 million zero emissions vehicles (ZEV) on California's road by 2025. Governor Brown revised California's ZEV deployment target in January 2018, by signing Executive Order B-48-18. This order called for deploying five million ZEVs in California by 2030. The order also increased ZEV infrastructure targets. Specifically, the order establishes a goal of installing 200 hydrogen fueling stations and 250,000 EV chargers, including 10,000 direct current fast chargers, by 2025. In 2020, Governor Newsom issued Executive Order N-79-20, directing the state to require that all new passenger cars and trucks sold in California be zero-emission by 2035. The state currently has over 1.9 million EVs on the roads and over 200,000 chargers to support them as of September 2025, according to the California Energy Commission. This is more than double the number of chargers statewide in 2022, and nearly five times as many as in 2019.

***EVs in HOAs*:** To promote, encourage, and remove obstacles to the use of EV charging stations in CIDs, the Legislature passed SB 209 (Corbett), Chapter 121, Statutes of 2011, which made void and unenforceable any CC&R contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest in a CID, and any provision of a governing document, that effectively prohibits or restricts the installation or use of an EV charging station. At the time, existing law allowed an HOA to deny an application for installation of EV charging stations. SB 209 allowed an HOA to impose reasonable restrictions on EV charging stations, so long as the restrictions do not significantly increase the cost of the station or significantly decrease its efficiency or specified performance. Under SB 209, EV charging stations needed to meet all applicable health and safety standards imposed by state and local permitting authorities and needed to be designed in compliance with the California Building Standards Code. SB 209 also established various obligations of a homeowner if an EV charging station was to be placed in a common area or an exclusive use common area, including

that the homeowner agree to comply with the CID's architectural standards for the installation, engage a licensed contractor to install the station, and provide a certificate of insurance that names the CID as an additional insured under the homeowner's insurance policy. Under the SB 209 framework, a homeowner, and each successive homeowner, were required to maintain a liability coverage policy in the amount of $1 million.

In 2018, the Legislature passed SB 1016 (Allen), Chapter 376, which removed the requirement that the homeowner's liability coverage for an EV charging station within the common area or an exclusive use common area be for an amount of $1 million. Additionally, SB 1016 removed the requirement that the HOA be named an additional insured under the policy. However, the statute contained language requiring the HOA to be listed as an additional insured in two separate provisions, and SB 1016 only removed the requirement from one of the provisions. SB 770 (Allen), Chapter 525, Statutes of 2025, removed the other provision that still required the member installing the EV charging station to list the HOA as an additional insured in their policy. Today, existing law still requires an owner and each successive owner to maintain, at all times, a liability coverage policy and to provide the HOA with the corresponding certificate of insurance with 14 days of approval of an application to install an EV charging station and each year thereafter.

***This bill*:** SB 1267 seeks to address potential issues of exposure to liability for damage or injury resulting from an EV charging station installed within a common area or an exclusive use common area. This bill requires, if requested by an HOA, an owner to agree in writing to enter into a maintenance and indemnity agreement to transfer liability from the HOA to the owner for injury or damage arising from the EV charging station. This bill also requires the installer of an EV charging station to indemnify or reimburse the HOA or the members for loss or damage caused by the installation of the EV charging station. Generally, an HOA is responsible for the common area of the CID, including injuries and damages that occur in or to the common area. The author and proponents of this bill note that following the repeal of the requirement to name an HOA as an additional insured, some HOAs are concerned that they would be liable for damage or injury arising from the EV charging station in the common area even though the charging station is owned by the homeowner. This bill makes clear, if requested by the HOA, that the owner of an EV charging station in a common area or an exclusive use common area must enter into a maintenance and indemnity agreement to transfer liability for injury or damage arising from the EV charging station from the HOA to the owner. SB 1267 does not change an owner's or successive owner's responsibilities for costs of damage to the EV charging station, common area, exclusive use common area, or separate interests resulting from the installation, maintenance, or removal of the charging station. Nor does this bill change the owner's or successive owner's existing obligation to maintain, at all times, a liability coverage policy and to provide the HOA with the certificate of insurance annually. Owners and successive owners are still required to disclose to prospective buyers the existence of any charging station of the owner and the related responsibilities of the owner provided under CIV 4745.

***Arguments in support*:** The Community Associations Institute's California Legislative Action Committee write in a support position: "As associations increasingly navigate requests for individually owned EV charging stations in common areas, SB 1267 appropriately clarifies responsibility and liability. The bill affirms the Legislative intent to provide civil liability protections to associations that comply with existing EV charging station requirements, ensuring they are not held responsible for injuries or damages stemming from equipment they do not own.

SB 1267 also strengthens accountability by requiring owners to enter into maintenance and indemnity agreements upon request by the associations, and by expanding owner responsibility to include damages resulting from the use, not just the installation, maintenance or removal of EV charging stations. Additionally, the bill ensures that installers indemnify or reimburse associations and their members for any loss or damage caused by the installation or use of these systems."

The Electric Vehicle Charging Association writes in a support position: "SB 1267 makes targeted and practical improvements to prior work in this area. The bill's additions, requiring a maintenance and indemnity agreement at the association's request, clarifying owner responsibility for costs arising from use of the charging station, and establishing a civil liability protection for associations that comply with the statute, provide important certainty for all parties. These changes will reduce disputes, facilitate smoother installation approvals, and help unlock EV charging access for California's condominium and HOA residents. This is critical as California works to resolve the housing crisis and builds denser and faster."

***Arguments in opposition*:** The California Association of Realtors (C.A.R.) writes in an opposed unless amended position: "Existing law allows homeowners in common interest developments to install EV charging stations and requires the installing owner to cover all installation, maintenance, repair, replacement, and operational costs. SB 1267 seeks to extend these obligations to future homeowners who had no role in installing or financing the equipment. Although disclosures may occur during a sale, the bill removes a buyer's ability to negotiate removal, replacement, or responsibility for outdated or incompatible charging stations as part of the purchase agreement.

Buyers are increasingly encountering charging equipment that is obsolete, abandoned, or unsuitable for their needs. SB 1267 would allow HOAs to require subsequent owners to assume ongoing liability, indemnification, insurance, maintenance, and payment obligations solely because they purchased the property. This shift may create uncertainty in real estate transactions and raise concerns for buyers, lenders, and insurers. At a time of significant housing affordability challenges, imposing additional obligations on future homeowners' risks creating new barriers to homeownership and further complicating property transfers within common interest developments.

C.A.R. will remove its opposition if the following amendment on Page 4, line 2 after "station" is added:

> '*The maintenance and indemnity agreement to transfer liability from the association to the owner shall not transfer to a successive owner.*"'

***Related legislation*:**

SB 770 (Allen), Chapter 525, Statutes of 2025, repealed the requirement that a certificate of insurance for an EV charging station installed within a CID name the HOA as an additional insured under the owner's insurance policy.

SB 1482 (Allen, 2022), required HCD to research, develop, and propose mandatory building standards for EV charging infrastructure in parking spaces in multifamily dwellings. *SB 1482 was vetoed by the Governor. The Governor's veto message reads:*

To the Members of the California State Senate:

I am returning Senate Bill 1482 without my signature.

This bill requires the Department of Housing and Community Development to research, develop, and consider proposing for adoption mandatory building standards for the installation of electric charging infrastructure for parking spaces in new, multifamily dwellings.

I agree with the author's intent to increase access to EV charging technology for Californians living in multifamily housing, which is necessary to increase the number of zero emission vehicles on the road. However, I believe this issue is best addressed administratively in order to balance our charging objectives with our efforts to expand affordable housing.

The Department of Housing and Community Development is already working with numerous stakeholders and state agencies in a deliberative public process to aggressively expand mandatory EV charging requirements in new housing developments. This approach allows for other important considerations, such as the cost of affordable housing and feasibility of implementation.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom

AB 1738 (Boerner Horvath), Chapter 687, Statutes of 2022, required HCD to research and develop building standards for EV charging stations when retrofits are completed in existing residential structures and gives HCD the option of proposing those standards for adoption.

SB 1016 (Allen), Chapter 376, Statutes of 2018, deleted the requirement that an owner with an EV charging station have an insurance policy of $1 million naming an HOA as additionally insured under the policy and giving the HOA the right to a notice of cancellation, and required an owner with an EV charging station to provide an HOA with a copy of an insurance policy that covers the charging station within 14 days of receiving approval to install the charging station and each year thereafter, among other provisions.

SB 209 (Corbett), Chapter 121, Statutes of 2011, made void and unenforceable any covenant, restriction, or conditions contained in any deed, contract, security instrument, or other instrument in a CID that prohibits or restricts the installation of an EV charging station, as specified.

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

REGISTERED SUPPORT / OPPOSITION:

Support

Alliance for Automotive Innovation
Community Associations Institute’s California Legislative Action Committee
Electric Vehicle Charging Association

Opposition

California Association of Realtors (unless amended)

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

Date of Hearing: June 10, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 1361 (Durazo) – As Amended April 30, 2026

SENATE VOTE: 31-8

SUBJECT: Transit-oriented housing developments: local governments: transit agencies and projects

SUMMARY: Prohibits a local government with an existing or planned transit-oriented development (TOD) stop from taking actions to interfere with a transit project's approval to avoid the upzoning provisions of SB 79 (Wiener), Chapter 512, Statutes of 2025. Specifically, **this bill**:

1) Prohibits a local government impacted by SB 79 with an existing or planned TOD stop from doing any of the following:

   a) Requesting the transit agency reduce service provided to the TOD stop, remove the TOD stop, or remove a dedicated transit lane so that the upzoning requirements of SB 79 do not apply;

   b) Conditioning or withholding an approval or review of a transit project that includes a TOD stop on the impacts of additional height or density available to a TOD housing project under SB 79; and

   c) Withholding or withdrawing support of an application for federal funding of a transit project that includes a TOD stop on the basis of additional height or density available to a TOD housing project under SB 79.

2) Makes other technical and non-substantive changes.

EXISTING LAW:

1) Creates, pursuant to SB 79, a streamlined, ministerial approvals process for housing development projects meeting certain objective standards within a specified distance of TOD stops as follows:

   a) Makes housing development projects an allowable use on any site zoned for residential, mixed-use, or commercial development within one-half mile of a TOD stop in cities with a population of 35,000 or more, and within one-quarter mile of a TOD stop in cities with a population of less than 35,000, within urban transit counties.

   b) Establishes minimum land use standards, including requirements related to height, density, and floor area ratio, for TOD housing projects based on proximity to the TOD stop and the population of the jurisdiction. (Government Code (GOV) 65912.157)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author: "LA Metro has a plan to build 10,000 homes on public land near transit, with 50 percent set aside as affordable, deed-restricted housing, and has already delivered about 2,600 homes. That effort is gaining momentum and reflects California's goal of pairing housing production with strong public transportation. At the same time, unintended consequences have emerged since last year's enactment of transit-oriented housing requirements around existing and planned transit stops. For example, some cities have begun withdrawing support for LA Metro's transit projects because of concerns tied to those housing standards. That includes the Southeast Gateway Line, which is competing for federal funding, and the North Hollywood to Pasadena Bus Rapid Transit project, which is nearing construction.

This is an issue taking place in different areas across the state. When local support becomes uncertain for those reasons, projects can face delays, higher costs, and reduced competitiveness for state and federal dollars. Good-paying construction jobs can also be put at risk. SB 1361 is a narrow, practical tool to help ensure California's housing and transportation goals move forward together, not at cross-purposes. It is intended as a backstop, not something frequently used. But when disputes tied solely to housing standards threaten critical transit investments, SB 1361 helps keep decisions focused on legitimate local considerations while allowing California to continue advancing housing and reliable transit service."

Planning for Housing: Historically, housing planning and land use decisions in California have been delegated to local governments, which exercise primary authority over land use, zoning, permitting, and development approvals through their police power. While the state has long required each jurisdiction to adopt a housing element identifying how it will accommodate its share of regional housing need, these requirements historically lacked meaningful enforcement mechanisms. In addition, earlier iterations of Housing Element Law and the Regional Housing Needs Allocation (RHNA) process required significantly less upzoning and did not compel jurisdictions to adopt zoning that could realistically accommodate assigned housing needs. As a result, jurisdictions could comply on paper while maintaining restrictive zoning and development standards that limited actual housing production. Local discretionary approval processes further allowed projects to be delayed, reduced in scale, or denied based on subjective criteria, contributing to significant constraints on housing supply, particularly in high-opportunity areas.

According to a 2024 analysis by the Othering & Belonging Institute at UC Berkeley, a staggering 95.8% of all residential land in California is zoned exclusively for single-family housing, severely constraining opportunities for infill development near transit. Even when lower-density unincorporated areas are excluded, over 82% of residentially zoned land in the state prohibits multifamily housing. The state has taken some strides to facilitate additional housing typologies in exclusionary zoning districts, namely through State Accessory Dwelling Unit (ADU) Law and SB 9 (Atkins), Chapter 161, Statutes of 2021, effectively making single-family zoned parcels eligible to accommodate up to four dwelling units. However, much of California's residential land remains off-limits for denser development, regardless of how well-situated the land may be when it comes to access to jobs, transportation, and other opportunities.

SB 79: In recent years, the state has taken a series of actions to address local constraints on housing production by both expanding allowable residential density and shifting project approvals from discretionary review to more predictable, ministerial processes governed by objective standards. SB 79 was one of these most recent attempts to encourage additional

residential density in climate-smart locations. SB 79 establishes a statewide framework to increase residential density near major transit stops in urban transit counties by making qualifying housing development an allowable use on sites zoned for residential, mixed-use, or commercial development within specified distances of transit in urban transit counties. The bill sets minimum statewide standards for height, density, and residential floor area ratio based on a project's proximity to high-quality transit, and limits the ability of local governments to impose standards that would physically preclude achieving those thresholds. Projects must include at least five units and comply with specified affordability, labor, and antidisplacement requirements, including prohibitions on demolishing rent-restricted housing and requirements to provide deed-restricted affordable units for developments containing more than 10 units.

SB 79 applies to cities with a population of at least 35,000 within an urban transit county that have qualifying high-quality transit stops, and requires that, beginning July 1, 2026, housing development projects be an allowable use on qualifying sites within one-half mile of a TOD stop (or one-quarter mile in smaller jurisdictions). The bill establishes a series of implementation deadlines, including requiring the Department of Housing and Community Development (HCD) to issue guidance by July 1, 2026 on how SB 79 capacity is counted toward a jurisdiction's housing element sites inventory, and requiring Metropolitan Planning Organizations (MPOs) to prepare maps of TOD stops and zones to guide implementation. Local governments may adopt implementing ordinances or local TOD alternative plans, subject to HCD review, prior to July 1, 2026, to tailor development standards, so long as the plan maintains equivalent overall residential capacity. SB 79 also provides that, beginning January 1, 2027, denial of a qualifying project in a high-resource area is presumed to violate the HAA, subject to specified exceptions.

Within this framework, SB 79 provides local governments with the ability to craft local alternative plans and implement ordinances. This includes providing local governments with limited local flexibility to reduce development intensity on certain sites. A local TOD alternative plan may reduce the allowable density on an individual site by up to 50% below SB 79's baseline standards, and may further reduce or exempt sites designated as historic resources on a local register, provided that such exemptions do not cumulatively exceed 10% of the total eligible area within a TOD zone. In addition, SB 79 allows local governments, through an implementing ordinance, to fully exempt sites designated as historic resources on a local register as of January 1, 2025 from SB 79 until one year following the adoption of a seventh cycle housing element.

SB 79 Rollout in Los Angeles County. The Los Angeles Metropolitan Transportation Agency (LA Metro) oversees the nation’s largest transit capital program, with over $36 billion invested in active capital projects and $220 billion worth of projects in the pipeline over the next 15 years. In the past four years, LA Metro has opened four rail stations with four more under construction. Three bus rapid transit (BRT) projects are in the final design stages and scheduled to open in 2028. These projects receive local funding through four voter-approved ½ cent sales tax measures (for a total of 2%) but often rely on federal support as well. Since Los Angeles County falls under the definition of “urban transit county,” SB 79 requires upzoning near all its current and planned TOD stops. Recently, LA Metro launched an initiative to build 10,000 housing units by 2031, including 5,000 income-restricted homes. This initiative is part of Metro’s Joint Development Program, which collaborates with local cities and developers to deliver transit-oriented housing on LA Metro-owned properties.

Some cities in Los Angeles County opposed SB 79 while it was moving through the Legislative process, and, according to LA Metro, have sought to pull their support for LA Metro projects to

avoid SB 79 upzoning requirements within their jurisdiction. According to LA Metro, not having full local support can reduce competitiveness for federal funds. Furthermore, LA Metro cites a proposed BRT project that received environmental clearance under CEQA from the local lead agency, but was later notified that the environmental review would need to be redone due to the mandatory changes to zoning that would be imposed by SB 79.

This Bill: This bill is sponsored by LA Metro in an effort to ensure that local governments do not compromise transit projects in the pipeline due to their opposition to SB 79's upzoning provisions. It would amend SB 79 to prohibit a local government with an existing or planned TOD stop from taking actions to interfere with a transit project's approval to avoid upzoning. Specifically, it prevents any local government subject to the provisions of SB 79 from doing any of the following:

1) Requesting a transit agency reduce service provided to a TOD stop, remove a TOD stop, or remove a dedicated transit lane so that the upzoning requirements of SB 79 do not apply;

2) Conditioning or withholding an approval or review of a transit project that includes a TOD stop on the impacts of additional height or density available to a TOD housing project under SB 79; and

3) Withholding or withdrawing support of an application for federal funding of a transit project that includes a TOD stop on the basis of additional height or density available to a TOD housing project under SB 79.

While this bill prevents local governments from using the upzoning provisions of SB 79 as the basis for reducing transit service, withholding local approvals, or withholding or withdrawing support for federal funding, it does not require the local governments to affirmatively support these transit investments or to withhold support on non-SB 79-related grounds.

Arguments in Support: According to LA Metro, the bill sponsor, "LA Metro works closely with cities to secure competitive funding and build transit projects throughout the region. Our agency has a long history of working very cooperatively with municipalities on issues such as utility relocation, bus lane infrastructure, and transit signal priority. However, we believe that SB 79 is threatening our transit progress by creating unintended consequences in Los Angeles County. The statute links increased density and development standards to both existing and planned transit stops. In practice, this linkage is creating opposition to transit capital projects themselves. We are already seeing this on the ground, Local jurisdictions and stakeholder groups that otherwise support transit are expressing resistance to rail and bus rapid transit projects.

SB 1361 provides another tool in our toolbox for advancing our projects on time and within budget. The amendments to SB 1361 remove the ability for objections to be made to transit projects on the basis of opposition to increased density requirements in SB 79. We believe this will better support the goals of advancing both housing and transit in the State of California, which we share with the legislature."

Arguments in Opposition: The City of Pico Rivera writes in opposition: "SB 1361, however, takes a punitive rather than collaborative approach. The amended language appears to presume that cities are seeking to circumvent or obstruct state law whenever they evaluate transit projects or consider land use impacts. That premise is both unfair and counterproductive. Local governments are not obstacles to progress; they are essential partners in delivering successful

transit-oriented communities. By imposing inflexible restrictions and effectively second-guessing local decision-making, the bill undermines the very coordination that is necessary to implement transit and housing solutions effectively.

A one-size-fits-all mandate from the state fails to recognize that each community faces unique land use patterns, infrastructure constraints, fiscal realities, and neighborhood considerations. Cities should not be penalized for supporting transit and housing in a way that is thoughtful, locally informed, and responsive to community conditions. Legislation such as SB 1361 risks discouraging the kind of proactive planning and partnership that cities like Pico Rivera have already undertaken in good faith."

Related Legislation:

AB 2576 (Harabedian), of this legislative session, expands the historic sites exclusion in SB 79 to include contributing sites within a historic district and parcels individually listed as a historical resource in the State Historic Resources Inventory designated before January 1, 2025.

AB 2415 (Hoover), of this legislative session, revises SB 79 to add additional historic preservation protections for TOD zones in cities that meet certain characteristics.

SB 722 (Wahab), of this legislative session, amends SB 79 to exempt parcels or sites that are subject to the Mobilehome Residency Law, Mobilehome Parks Act, the Recreational Vehicle Park Occupancy Law, and the Special Occupancy Parks Act from SB 79's provisions.

SB 79 (Wiener), Chapter 512, Statutes of 2025, established a streamlined, ministerial approval process for TOD housing development projects.

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

Los Angeles County Metropolitan Transportation Authority (Sponsor)
Abundant Housing LA
California YIMBY
Greenbelt Alliance
Inner City Law Center
Los Angeles County Business Federation
SPUR
State Building & Construction Trades Council of California
Streets for All

Opposition

California Contract Cities Association
City of Burbank

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

Date of Hearing: June 10, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 1426 (Committee on Housing) – As Introduced February 24, 2026

SENATE VOTE: 38-0

SUBJECT: Planning and zoning: annual report

SUMMARY: Makes non-substantive changes to sections of state law relating to housing. Specifically, **this bill**:

1) Recasts to one section of the Government Code the following existing reporting requirements related to Annual Progress Reports (APRs):

    a. The status of land exempt from the Surplus Land Act (SLA) for the purposes of developing a low barrier navigation center.

    b. Information regarding the disposal of Surplus Land as required in the SLA.

    c. Information regarding sites identified in a local government's housing element that contain permanent housing units located on a military base undergoing closure or conversion pursuant to federal law.

    d. Information related to a local government's use of the adequate sites alternative to satisfy up to 25% of the obligation to identify adequate sites as part of the housing element.

    e. A list of sites owned by a local government that have been sold, leased, or disposed of, as specified.

    f. The number of housing units approved in a workforce housing opportunity zone.

    g. The number of units built under SB 9 (Atkins), Chapter 162, Statutes of 2021.

    h. The number of units built under the Middle-Class Housing Act.

2) Removes the reporting requirements identified in 1) from the separate sections of the Government Code that currently house these requirements.

3) Contains an urgency clause.

EXISTING LAW: Requires a local government's planning agency to provide an APR to the legislative body, the Department of Housing and Community Development, and the Governor's Office of Land Use and Climate Innovation, with specified information. (Government Code 65400(a)(2))

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

COMMENTS: The Senate Housing Committee introduced this bill as an omnibus measure. Omnibus bills allow the Legislature to combine a number of minor, non-controversial, and technical changes to statutes in one bill. This allows for greater efficiency in the legislative process since it would otherwise be necessary to introduce each proposal as a standalone bill. This bill makes non-substantive changes the existing reporting requirements related to APRs by moving those requirements from various sections of the Government Code to one section of the Government Code.

***Arguments in support*:** The Capitol Business Alliance (CBA) writes in a support position: "SB 1426 makes non-substantive and conforming changes that reorganize annual reporting requirements. CBA support this type of cleanup legislation when it makes public reporting more coherent, usable, and accessible."

***Arguments in opposition*:** None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

Capitol Business Alliance

Opposition

None on file.

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