



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION



Technical Assistance
for Local Planning
HOUSING

DISCLAIMER: This document is intended solely as a technical overview of new housing-related legislation. It is not intended to serve as legal advice regarding any jurisdiction's specific policies or any proposed housing development project. Local staff should consult with their city attorney or county counsel before taking any action to implement these changes.

2025 New Housing Legislation Summary

This document was prepared for the Association of Bay Area Governments (ABAG) Regional Housing Technical Assistance (RHTA) Program, to be shared with local planning staff. Below is a summary of significant housing legislation that was passed in the 2025 legislative session and subsequently signed into law by Governor Newsom. All bills become effective on January 1, 2026, unless otherwise noted.

How to use this document:

- Green indicates an “action item.”
- Yellow indicates information that “impacts your job.”
- Blue indicates information that is “good to know.”

Wherever colors are used, the text is labeled for accessibility.

Table of Contents

SB 79: Transit Oriented Development	4
SB 158: AB 130/SB 131 Cleanup	4
Housing Accountability Act.....	5
SB 838: Housing Development Project Definition in Housing Accountability Act	5
Judicial Review and Enforcement	6
AB 712: Increased Penalties for Failing to Follow HCD or Attorney General Guidance.....	6
SB 786: Penalties for Inadequate Housing Element	7
SB 808: Preference for Housing Cases.....	8
Permit Streamlining Act	9
AB 1007: Development Project Review	9
SB 489: Accessibility of Written Policies and Procedures	10
Postentitlement Permits	10
AB 253: California Residential Private Permitting Review Act	10
AB 818: Temporary Housing to Replace Housing Destroyed in an Emergency	12
AB 920: Centralized Application Portal	12
Density Bonuses (AB 87 and SB 92)	13
Modifications to SB 9 (2021)	14
AB 1061: Amending SB 9 (2021) Urban Lot Splits Historical Resource Provisions	14
ADUs and JADUs	15
AB 462: ADU Coastal Development Permit Application Review	15
AB 1154: JADU Owner Occupancy and Short-Term Rental	16
SB 543: ADU/JADU Review Process and Size Standards	16
SB 543 and SB 9: ADU/JADU Ordinance Review by HCD.....	18
AB 893: Campus Development Zone and AB 2011 Revisions	19
Housing on Educational Property.....	21
AB 648: Local Zoning Regulations Exemption for Community Colleges Housing	21
AB 1021: Housing on School District Property	21
Adaptive Reuse	23

AB 507: The Office to Housing Conversion Act	23
AB 507: Adaptive Reuse Investment Incentive Program.....	28
AB 1445: Financing for Adaptive Reuse Projects	29
Housing Elements and Annual Progress Reports	30
AB 610 and SB 340: Analysis Required in Housing Elements	30
SB 507: Tribal Agreements	31
AB 1275 and SB 233: Regional Housing Needs Allocation	32
AB 253, AB 670 and AB 726: Annual Progress Reports	33
Other Bills	35
SB 358: Mitigation Fee Act/Traffic Impact Fees	35
AB 1050: Removal of Private Covenants to Allow Housing.....	36
SB 21: Replacement Housing for SROs	37
AB 36 and SB 262: Prohousing Designation	40

SB 79: Transit Oriented Development

[Please see previously published summary.](#)

AB 130/SB 131 Cleanup (SB 158)

SB 158: AB 130/SB 131 Cleanup

SB 158 makes numerous “cleanup” changes in AB 130 and SB 131, listed below. The bill became effective when signed on October 11, 2025.

Significant Provisions

The substantive changes made by SB 158 include the following:¹

- SB 158 clarifies that a “development project” as defined in the Permit Streamlining Act includes a housing development project as defined in Government Code Section 65905.5(b)(3) (one unit or more), regardless of whether the approval is discretionary or ministerial. (Government Code Sec. 65928.) AB 130 had already amended Government Code Section 65928 to include ministerial housing development projects within the definition of “development project” in the Permit Streamlining Act but had not defined “housing development project”.
- The deadline to approve or deny a project eligible for the AB 130 infill exemption has been changed to 30 days from the later of the following dates (Government Code Sec. 65950)(a)(7)):
 - 30 days after the tribal consultation process is concluded; or
 - 30 days after the period expires for the city or county to prepare a consistency letter (specified in Government Code Sec. 65589.5(j)(2).)
- A builder’s remedy project is not eligible for the AB 130 infill exemption or for the “near miss” limited CEQA review if either the project site or the parcel exceeds four acres in size. (Public Resources Code Sec. 21080.66(a)(1)(B); 21080.66(f).)
- The lead agency shall file a notice of exemption for a project eligible for the AB 130 infill exemption with the Governor’s Office of Land Use and Climate Innovation (formerly the OPR) and the county clerk. (Public Resources Code Sec. 21080.66(f).)

¹ABAG has [updated its AB 130 and SB 131 summaries here](#) to reflect the changes made by SB 158.

- AB 130 had codified two provisions with the same number, meaning that under the rules of legislative interpretation, the first bill to have been adopted did not go into effect. The problem created by adopting two provisions with the same code number was corrected by renumbering one of the provisions. The CEQA exemption for agricultural employee housing was recodified to be Public Resources Code Section 21080.45, leaving Public Resources Code Section 21080.44 to address mitigation of vehicle miles traveled through contribution of funds to the Transit Oriented Development Implementation Fund.

Housing Accountability Act

SB 838: Housing Development Project Definition in Housing Accountability Act

Amends Government Code Section 65589.5

SB 838 revises the definition of "housing development project" defined in Section 65589.5(h)(2) of the Government Code to exclude hotels and other transient lodging from the definition.

Significant Provisions

The existing definition of a "housing development project" includes a mixed-use development consisting of residential and nonresidential uses where at least two-thirds of the new or converted square footage is designated for residential use. This bill revises the definition of "housing development project" to provide that no portion of this type of mixed-use development may be designated for use as a hotel, motel, bed and breakfast inn, or other transient lodging, except that it may include a residential hotel as defined in state law, or a resident's use of their home for short-term lodging after issuance of an occupancy permit where consistent with local law. The portion of the development that does not include a hotel, motel, bed and breakfast inn, or other transient lodging is considered a housing development project.

Good To Know: A local agency may separately approve the portion of the project that includes a hotel, motel, bed and breakfast inn, or other transient lodging. But this portion is not considered a housing development project and will not be eligible for the benefits conferred by state law. Note that bills amending density bonus law also state that transient lodging is not eligible for waivers, concessions, or reduced parking. Because the Housing Accountability Act definition of "housing development project" is used in many other bills, such as AB 2011, this change broadly excludes transient lodging from receiving any benefits provided to housing development projects.

Action Item: The bill does not include a 'grandfathering' exemption for projects submitted before the effective date of the bill (January 1, 2026). For projects likely to be approved after

January 1, 2026, agencies should ensure that the projects do not include transient lodging if they are being processed as housing development projects.

Judicial Review and Enforcement

AB 712: Increased Penalties for Failing to Follow HCD or Attorney General Guidance

Adds Government Code Section 65914.2

AB 712 requires courts to impose penalties of \$10,000/unit (with a minimum penalty of \$50,000) if a local agency was advised in writing by either HCD or the Attorney General that the agency's action or inaction would violate a "housing reform law," and the applicant is the prevailing party.

Significant Provisions

If an applicant for a housing development project is the prevailing party in a lawsuit against any public agency (which includes state agencies, special districts, and cities and counties) to enforce compliance with a "housing reform law," the applicant is entitled to attorney's fees and costs.

In addition, if a city or county is advised in writing by HCD or the Attorney General before the litigation is filed that the agency's action or inaction would violate a specific "housing reform law" in substantially the same manner as alleged by the applicant in its lawsuit, the court must impose a fine of \$10,000 per unit, or \$50,000 if the project has four or fewer units. If the agency violates the same law within the same planning period or does not have a certified Housing Element, the fine increases to \$50,000/unit, or \$250,000 if the project has four or fewer units.

For the court to be able to impose the fine, the applicant must provide written notice to the city or county of its intent to file litigation at least 60 days before the action is filed. The notice must identify the factual elements of the dispute and the legal theory forming the basis for the allegation that the agency violated housing reform law. The relevant statute of limitations is extended for 60 days from provision of the notice. No claim is required to be presented under the Government Claims Act for the applicant to seek the fines.

In addition, a local agency cannot require an applicant to indemnify the agency against claims that the agency violated a housing reform law in reviewing the project.

"Housing reform law" is very broadly defined, to mean:

"any law or regulation, or provision of any law or regulation, that establishes or facilitates rights, safeguards, streamlining benefits, time limitations, or other protections

for the benefit of applicants for housing development projects, or restricts, proscribes, prohibits, or otherwise imposes any procedural or substantive limitation on a public agency for the benefit of a housing development project.”

This appears to include virtually all the laws regarding housing passed by the Legislature. A project for one unit may invoke this provision.

Good To Know: Because the applicant must provide the city or county with 60 days’ notice before commencement of an action for court-imposed fines, an agency has the opportunity to re-evaluate its decision, action or inaction that the claim is based on.

SB 786: Penalties for Inadequate Housing Element

Adds Government Code Section 65585.02; Amends Government Code Sections 65587, 65700, 65753, 65754, 65755, 65757, and 65759

SB 786 clarifies the penalties that courts must impose on cities and counties whose Housing Elements have been found out of compliance with state law or that do not update their standards and processes by the deadlines shown in their Housing Elements.

Significant Provisions

Obligation to Modify Quantified Development Standards and Permit Processes as shown in the Housing Element. SB 786 provides that if quantified development standards defined in one General Plan element are inconsistent with standards in another element, the standards in the most recently adopted element prevail. SB 786 defines “quantified development standard” as the maximum density, height limit, setback, maximum or minimum lot size, and floor area ratio (FAR) applied to a site.

If the local agency has established a deadline in its Housing Element to amend local ordinances, development standards, conditions, or policies applicable to quantified development standards, or to establish timelines or processing changes related to permitting decisions and does not adopt those amendments by the deadline, HCD shall review the agency’s actions and determine whether the agency is in violation of Housing Element law. (Government Code Sec. 65585.02.)

Action Item: Local agencies should review their Housing Elements to determine if any deadlines regarding quantified development standards and permit processes have passed and attempt to make the changes as soon as possible.

Penalties for Inadequate Housing Element. Various sections have been amended to more clearly explain the court’s and the agency’s obligations if a Housing Element is found in violation of state law. An adequate Housing Element must be adopted within 120 days of a court order, and any required rezoning within another 120 days. (Government Code Sec. 65587.) The

statute also requires a court to apply various penalties to the city or county found not in compliance, including either suspending the authority of the city to issue various permits or mandating the approval of various permits. These penalties must remain in place while any appeal is pending. (Government Code Secs. 65755, 65757.) SB 786 provides that in an action challenging the validity of any mandatory element of the General Plan, any order or judgment of the court is immediately appealable regardless of whether the court has issued a final judgment. (Gov. Code Sec. 65754(a).)

Good To Know: SB 786 declares that, under existing law, the provisions regarding an inadequate Housing Element apply to charter cities. (Government Code Sec. 65700(c).)

Good to Know: The Legislature clarified that penalties must be imposed by a court that finds that a Housing Element does not comply with state law, in response to a recent case where the trial court did not impose penalties on a charter city, and order the city to adopt a Housing Element by a specific deadline, where the existing Housing Element was found to be non-compliant.

SB 808: Preference for Housing Cases

Adds Civil Code Sections 46 & 1094.9

SB 808 provides that actions challenging the disapproval of a housing development project are entitled to scheduling preferences.

Significant Provisions

SB 808 provides that, if a petitioner challenges the disapproval of a housing development project by a local agency and provides specified notice, the action (including an appeal from a lower court decision) will be entitled to preference, including:

- The hearing shall be set no later than 45 days after the petition is filed.
- The parties must meet and confer to certify the administrative record within 15 days after the petition is filed and served, and the petitioner must lodge the administrative record with the court no later than 15 calendar days before the hearing date.
- The court must issue an opinion no later than 30 calendar days after the matter is submitted, or 75 calendar days after the petition was filed, whichever is earlier.
- If the court cannot meet these deadlines, the presiding judge may request temporary assignment of a judicial officer.

The action may be brought by the applicant, the Attorney General, or HCD. If requested by any of these parties, the record of proceedings shall be prepared concurrently with the local

agency's proceedings. The record of proceedings must include, at a minimum, the local agency's decision, filings, notices, orders, transcripts of their administrative proceedings pertaining to the housing development project, staff reports, and documents relied upon by the local agency in denying a permit or entitlement.

Impacts Your Job: It would seem that an applicant would need to expect a disapproval to request that the record of proceedings be prepared concurrently with the local agency's proceedings. If the applicant makes this request, planning staff will need to work closely with the city attorney's or county counsel's office. The city or county must bear the cost of preparing the record, unless the applicant elects to prepare the record.

Permit Streamlining Act

AB 1007: Development Project Review

Amends Government Code Section 65952

AB 1007 amends Government Code Section 65952 to shorten the time period that a responsible agency has to approve or disapprove certain housing development projects for which an environmental impact report (EIR) was prepared.

Significant Provisions

Previously, a public agency that is a responsible agency for a development project where an EIR was certified by the lead agency had 90 days from either (1) the date the lead agency had approved the project, or (2) the date on which the completed application had been received and accepted as complete by the responsible agency, whichever period is longer, to approve or disapprove the development project.

AB 1007 shortens the time period from 90 days to 45 days, except that the Coastal Commission, Bay Conservation and Development Commission, and State or Regional Water Quality Control Board continue to have 90 days to act.

Good To Know: Cities and counties are usually lead agencies. However, jurisdictions should be aware of this shortened time period if they are acting as a responsible agency.

Good To Know: A development project for purposes of this statute is a "housing development project" as defined in Section 65905.5(b)(3) (one unit or more).

SB 489: Accessibility of Written Policies and Procedures

Amends Government Code Sections 56300, 65940

SB 489 requires all public agencies, including all local agency formation commissions (LAFCOs), to publish online the information necessary for a housing development application to be deemed complete or, in the case of LAFCOs, necessary forms for change of organization or reorganization.

Significant Provisions

Under the Permit Streamlining Act, a public agency is already required to compile a list of information required from an applicant for a development project. SB 489 amends Section 65940 to require that, for each type of approval related to a housing development project, the agency publish these lists online, including the criteria it will use to determine whether an application is complete and the name of the specific type of approval.

SB 489 also amends Section 56300 to mandate that LAFCOs make available to the public on their websites in electronic format all forms necessary for a complete application to a LAFCO concerning a proposed change in organization or reorganization. Their website must also include all notices of public hearings, commission meetings, and any written policies and procedures.

Action Item: Local agencies will need to ensure that their application information specifies the information needed for each type of approval, describes the criteria used to determine completeness, and is posted on the local agency's website.

Postentitlement Permits

AB 253: California Residential Private Permitting Review Act

Adds Health and Safety Code Section 17960.3 and Amends Health and Safety Code Sections 17951 and 17950.1

AB 253 allows developers to hire private plan checkers in some cases for certain residential projects of up to 10 units. As urgency legislation, the bill became effective when signed on October 13, 2025.

Significant Provisions

An applicant may retain a private plan checker to review residential projects, additions, and remodels:

- For a residential building permit containing one to 10 units, with no floors used for human occupancy more than 40 feet above ground level, and
- The local agency informs the applicant that plan check will not be completed within 30 business days, or the plan check in fact is not completed within 30 business days of an application for a residential building being deemed complete.

The applicant must notify the agency of its intent to retain a private plan checker in the following circumstances: (1) within five business days of receiving an estimate of plan check time that exceeds 30 business days from the date an application that has been deemed complete, or (2) if a the plan check has not been completed within 30 business days of the date an application that has been deemed complete, within five business days from that date.

There is no time limit for the private plan checker to complete the plan check. The private plan checker must complete an affidavit regarding whether the plans do or not comply with the requirements for issuance of a building permit, and, if they do not comply, explain what is required. The applicant must also indemnify the city or county from any property damage or personal injury arising from construction in accordance with the plans; the agency and its employees are not liable.

Within 10 business days of receiving the report from the private plan checker, the city or county must either issue the permit or notify the applicant of the corrections that need to be made to the plans. If the city or county does not respond to the applicant within 10 business days, and the affidavit provided by the plan checker states that the plans comply, the building permit shall be “deemed approved.” Each resubmittal is subject to the same timeframes.

In addition, building permit fees for projects of 10 units or less, with no floors used for human occupancy more than 40 feet above ground level, must be posted on the agency’s website.

Action Item: For residential projects with 10 units or less, local agencies will need to inform the applicant, after the permit application is found to be complete, whether the plan check is expected to take more than 30 business days. If the applicant elects to use a private plan checker, agencies will need to review the report within 10 business days. Agencies should prepare indemnity language for the applicant and an affidavit for the outside plan checker to sign and ensure that fees for residential projects of 10 units or less are posted on the agency’s website.

Good To Know: A local agency can provide its own “self-certification program” under terms different from those imposed by this section so long as the local program does not conflict with this section.

AB 818: Temporary Housing to Replace Housing Destroyed in an Emergency

Adds Government Code Section 65946.1

AB 818 requires cities and counties to approve or deny building permits for temporary housing, including modular, prefab, or accessory dwelling units (ADUs), within 10 business days on sites where housing was destroyed. However, local agencies are not required to comply until March 31, 2028.

Significant Provisions

If a residence was destroyed or made substandard by a declared local emergency, once the parcel has been deemed safe for development by the state, on March 31, 2028 or later, a city or county must approve or deny a complete application for temporary housing within 10 business days of receiving a complete application for:

1. A state- or federally-approved modular home or prefabricated home; or
2. A detached ADU meeting ADU requirements.

The agency's website must list conditions that would result in the property being deemed substandard and contain a notice that a person may obtain a confidential third-party inspection.

Agencies with a population greater than 30,000 must create a dashboard that tracks permitting timelines and agency performance.

Action Item: Agencies should note that these requirements do not need to be complied with until March 31, 2028.

AB 920: Centralized Application Portal

Adds Government Code Section 65940.3

AB 920 requires a city with a population of over 150,000 or a county with a population of over 150,000 in the unincorporated area to create a centralized application portal for housing development projects on its website by January 1, 2028.

Significant Provisions

The centralized application portal is a website or software where an applicant submits the information and materials necessary for the city or county to review a housing development project as defined in Government Code Section 65905.5(b)(3) (one unit or more). Additionally, the centralized application portal must provide tracking of the status of the application. It appears to include both discretionary and ministerial applications, although this is not specified.

Good To Know: A city or county is not required to provide tracking for the status of any permit or inspection required by another local or state agency, or a utility provider.

Good To Know: A city or county may make the centralized application portal available on its website no later than January 1, 2030 if it (1) makes a written finding that creating the centralized application portal by January 1, 2028, would substantially increase permitting fees, and (2) initiates a procurement process to make a centralized application portal available on its website.

Action Item: Large cities and counties that do not already have a centralized application portal will need to make the portal available on their websites by January 1, 2028, or take the steps necessary to receive the extension.

Density Bonuses (AB 87 and SB 92)

Amends Government Code Section 65915

AB 87 and SB 92 amend the same provisions of the density bonus law, Government Code Section 65915, to address concessions for commercial floor area and transient occupancy uses.

Significant Provisions

Under density bonus law, developers can request concessions in exchange for providing affordable housing. AB 87 and SB 92 prohibit a concession that would result in a development with a commercial floor area ratio (FAR) greater than two and one-half times the commercial floor area ratio allowed in the base zoning for the site.

Good to Know: While prohibiting concessions for greater FAR, the text does not prohibit waivers for extra FAR. Under density bonus law, concessions are deviations from the development standards that result in cost reductions to provide affordable housing and waivers are deviations from development standards that would physically preclude the construction of the development. HCD has opined that the commercial parts of mixed-use developments are entitled to concessions and waivers, and this change appears to acknowledge that.

The amendment also provides that a jurisdiction does not have to grant a concession or waiver that would require the (1) approval of or (2) waiver or reduction of development standards applicable to any of the following: a hotel, motel, bed and breakfast inn, or other transient lodging. This provision does not apply to residential hotels (as defined in Health and Safety Code Sec. 50519) or residential units that are being marketed for short term lodging after a certificate of occupancy is issued.

Good to Know: The limit on commercial FAR concessions and incentives is not retroactive, applying only to projects that submit an application after January 1, 2026. However, the prohibition on waivers and incentives for transient lodging goes into effect on January 1, 2026 and will apply to any proposed transient lodging not already granted waivers and incentives on that date. Note that SB 838 provides that transient lodging cannot be part of a housing development project and becomes effective on January 1, 2026.

Finally, density bonuses for student housing are limited to very low income units. This is inconsistent with the provisions applicable to student housing in Section 65915(b)(1)(F), which apply to lower income units (both low and very low income units).

Modifications to SB 9 (2021)

AB 1061: Amending SB 9 (2021) Urban Lot Splits Historical Resource Provisions

Amends Government Code Sections 65852.21 and 66411.7

AB 1061 amends the historic resource provisions in Government Code Sections 65852.21 and 66411.7.

Significant Provisions

As amended by AB 1061, a housing development permitted under Government Code Section 65852.21 (authorizing eligible two-unit developments in single-family zones) or an urban lot split under Section 66411.7 may not be located within a contributing structure in a historic district included on the State Historic Resource Inventory or within a historic property or district designated by local ordinance. A housing development project additionally cannot be located on a parcel or property individually listed as a historical resource included in the State Historic Resources Inventory or a city or county landmark under a local ordinance. Further, the local agency can adopt and impose objective standards for the purpose of maintaining the historical value of a historic district listed in the California Register of Historical Resources.

AB 1061 additionally prohibits an urban lot split if it would result in demolition or alteration of an existing exterior structural wall of a structure located within either a historic district that is included on the California Register of Historical Resources or within a historic district listed or designated pursuant to a local ordinance.

Good to know: This bill allows two-unit developments and urban lot splits on sites that are located within historic districts but are not contributors to the district.

ADUs and JADUs

AB 462: ADU Coastal Development Permit Application Review

Amends Government Code Sections 66328 and 66329

AB 462 (Government Code Secs. 66328 and 66329) which became effective immediately when signed on October 10, 2025, imposes a 60-day ministerial review period for accessory dwelling unit (ADU) coastal development permit applications. It also creates an exception to the usual rule barring issuance of an ADU's certificate of occupancy before the issuance of the primary dwelling's in counties subject to a gubernatorial state of emergency.

Significant Provisions

AB 462 amends Government Code Section 66329 to require that a coastal development permit application for an ADU be approved or denied within 60 days after the local agency — or the California Coastal Commission, if the jurisdiction lacks a certified local coastal plan or program — receives a completed application. The review process for the coastal development permit must take place concurrently with the process to approve or deny an accessory dwelling unit permit. Coastal development permit applications not acted on within 60 days of receiving the completed application will be deemed approved. However, if the coastal development permit application for an accessory dwelling unit is submitted with a coastal development permit application to create or serve a new single-family or multifamily dwelling on the lot, the California Coastal Commission may delay approving or denying the coastal development permit application for the accessory dwelling unit until the California Coastal Commission approves or denies the coastal development permit application to create or serve the new single-family or multifamily dwelling.

Impacts Your Job: Coastal development permits for accessory dwelling units must be issued within 60 days or the application will be deemed approved.

Generally, a certificate of occupancy for an accessory dwelling unit cannot be issued until the certificate of occupancy for a primary dwelling unit has been issued. AB 462 amends Government Code Section 66328, creating an exception to this restriction. A local agency must issue a certificate of occupancy for an accessory dwelling unit even if the certificate of occupancy for the primary dwelling unit has not yet been issued if: (1) the accessory dwelling unit is in a county subject to a proclamation of a state of emergency made by the Governor on or after February 1, 2025; (2) the primary dwelling unit was substantially damaged or destroyed by an event referenced in the state of emergency proclamation issued by the Governor; (3) the accessory dwelling unit has been issued construction permits and has passed all required inspections; and (4) the accessory dwelling unit is not attached to the primary dwelling.

Good to Know: AB 462 is an urgency statute and effective immediately.

AB 1154: JADU Owner Occupancy and Short-Term Rental

Amends Government Code Section 66333

AB 1154 (Government Code Sec. 66333) amends the owner occupancy requirement and imposes a short-term rental prohibition on junior accessory dwelling units.

Significant Provisions

Previously, owner occupancy was required for junior accessory dwelling units unless the owner was a governmental agency, land trust, or housing organization. Under this provision, the owner either had to occupy the JADU or the primary dwelling unit.

AB 1154 amends this requirement, limiting the owner-occupancy requirement to scenarios in which the junior accessory dwelling unit has shared sanitation facilities with the existing single-family dwelling. Now, if a JADU has separate sanitation facilities, owner-occupancy cannot be required. AB 1154 also prohibits short-term rentals (rentals less than 30 days) of junior accessory dwelling units.

Action Item: Local agencies should amend their ordinances to prohibit short term rentals of junior accessory dwelling units and to require owner occupancy only when the JADU shares sanitation facilities with the single-family dwelling unit.

SB 543: ADU/JADU Review Process and Size Standards

Amends Government Code Sections 66311, 66313, 66317, 66320, 66321, 66323, and 66335; amends and rennumbers Government Code Sections 66324, 66327, and 66332; and adds Government Code Sections 66333.5, 66335.5, and 66339.5

SB 543 amends the review period for application completeness, adds an appeal process, and revises how to measure the maximum square footage of an accessory dwelling unit and junior accessory dwelling unit. SB 543 also re-orders the Government Code, creating separate provisions for the review of accessory dwelling unit applications (Government Code Secs. 66317; 66320) and the review of junior accessory dwelling unit applications (Government Code Secs. 66335; 66335.5).

Significant Provisions

The accessory dwelling unit and junior accessory dwelling unit statute provides a timeline by which the local agency must act on an accessory dwelling unit or junior accessory dwelling unit application. SB 543 (Government Code Secs. 66317 and 66335) adds that a local agency must determine whether an application to create or serve an accessory dwelling unit or junior

accessory dwelling unit is complete within 15 business days after receipt or the application is deemed complete. If the application is incomplete, the local agency must provide a comprehensive list of incomplete items and a description of how the application can be made complete within the 15 business days. If an application for an ADU or JADU is determined to be incomplete or denied, SB 543 requires that the permitting agency provide a process for the applicant to appeal the decision in writing to the governing body and/or planning commission. The final written determination for the appeal must be provided within 60 business days after receipt of the written appeal from the applicant.

Impacts Your Job: The local agency must determine if the application to create or serve an accessory dwelling unit or junior accessory dwelling unit is complete within 15 business days of receipt, or the application will be deemed complete. Any notice of incomplete application must provide a comprehensive list of incomplete items and a description of how the application can be made complete.

Action Items: Local jurisdictions must adopt a written appeal process for incomplete or denied applications to create or serve an accessory dwelling unit or junior accessory dwelling.

SB 543 also provides additional language regarding the measurement of accessory dwelling units and junior accessory dwelling units. The amendment adds the qualifier “interior livable space” to the square footage of accessory dwelling units and junior accessory dwelling units. The amendment provides that the lowest maximum square footage that can be imposed on accessory dwelling units is 850 square feet of “interior livable space” or, for a unit with more than one bedroom, 1,000 square feet of “interior livable space.” When waiving certain requirements to allow for an 800 square foot accessory dwelling unit with four-foot side and rear setbacks, the 800 square feet is of “interior livable space.” The maximum size of an exempt detached accessory dwelling unit, as provided in Section 66323, is 800 square feet of “interior livable space.” Further, the amendment provides that the maximum size of a junior accessory dwelling unit is 500 square feet of “interior livable space.” “Livable space” means a space in a dwelling intended for human habitation, including living, sleeping, eating, cooking, or sanitation.

Good to Know: SB 543 clarifies that any combination of accessory dwelling units that meet the standards of Government Code Section 66323 may be proposed on a single parcel.

Action Item: For the calculation of junior accessory dwelling unit square footage up to 500 square feet and of accessory dwelling units up to 850 square feet for a studio or one bedroom unit or up to 1000 square feet for a two- or more bedroom unit, the jurisdiction should update its ordinance to base the square footage on interior livable space.

Action Item: Application forms should be updated to request information on the interior square footage of ADUs and JADUs.

Previously Government Code Section 66311.5 regulated required utility connections, utility connection fees and capacity charges, impact fees, and fees that can be charged for the construction of accessory dwelling units. SB 543 amends Government Code Section 66311.5 so that it also regulates junior accessory dwelling units. Now, junior accessory dwelling units are not considered by a local agency, special district, or water corporation to be a new residential use for purposes of calculating connection fees or capacity charges for utilities, including water and sewer service, unless the unit was constructed with a new single-family dwelling. Additionally, junior accessory dwelling units are not subject to impact fees by local agencies, special districts, or water corporations. Further, SB 543 adds that an accessory dwelling unit or junior accessory dwelling unit that contains less than 500 square feet of interior livable space are not subject to school district fees, charges, dedications, or other requirements imposed under Education Code Section 17620.

Good to Know: Junior accessory dwelling units are not subject to impact fees by local agencies, special districts, or water corporations.

SB 543 and SB 9: ADU/JADU Ordinance Review by HCD

SB 9 (Government Code Sec. 66326) provides that the accessory dwelling unit ordinance will be null and void if a local agency does not submit a copy of its adopted accessory dwelling unit ordinance to HCD within 60 days of adoption or does not respond to HCD's findings that the ordinance does not comply with this article within 30 days.

SB 543 adds a new provision (Government Code Sec. 66333.5) for a junior accessory dwelling unit ordinance adoption process, which mirrors the provision for the accessory dwelling unit ordinance adoption process.

Significant Provisions

Pursuant to Government Code Section 66326, after a local agency adopts an accessory dwelling unit ordinance, the agency must provide HCD a copy of the adopted ordinance within 60 days. HCD has the option to submit written findings to the local agency regarding whether the ordinance complies with the state accessory dwelling unit law. If HCD provides written findings to the local agency, the local agency has 30 days to respond to HCD's findings. The local agency can either amend the ordinance or make findings explaining the reasons the local agency believes that the ordinance is compliant with state law despite HCD's findings. SB 9 amends Government Code Section 66326, adding that if a local agency does not submit a copy of its ordinance to HCD within 60 days of adoption or does not respond to HCD's findings that the

local ordinance does not comply with this article within 30 days, the adopted ordinance is null and void.

SB 543 extends this framework to junior accessory dwelling unit ordinances by requiring local agencies to submit any adopted JADU ordinance to HCD for review and by authorizing HCD to issue findings of noncompliance with state law. As with ADU ordinances, a local agency must respond to any findings of noncompliance within 30 days, and failure to do so – or failure to submit the ordinance within 60 days – renders the JADU ordinance null and void.

Impacts Your Job: For both accessory dwelling unit and junior accessory dwelling unit ordinances, if the local agency does not submit to HCD a copy of the adopted ordinance within 60 days of adoption or does not respond to HCD’s findings, if any, within 30 days, the ordinance will be null and void.

AB 893: Campus Development Zone and AB 2011 Revisions

Amends Government Code Sections 65912.101, .141, .114, .121, .122-.124 and adds Section 65912.103.5

AB 893 amends AB 2011 – which streamlines approval of housing on commercial-zoned land – by extending eligibility for streamlined, ministerial review to projects located in a “campus development zone” within one-half mile of a UC, California State University, or community college main campus and by making several additional changes that apply to all AB 2011 projects.

Significant Provisions

Provisions Applicable to All AB 2011 Projects. The review of proposed projects for eligibility is to be limited to the area being physically disturbed by construction, even if contiguous areas are owned by the applicant. (Government Code Sec. 65912.103.5.) Existing easements do not disqualify the project from receiving review under this section. (Government Code Secs. 65912.114(q), 65912.124(q).)

Provisions Applicable to Campus Development Zones. A “campus development zone” means parcels contained either wholly or partially within one-half mile radius of a main campus of the University of California, the California State University, and the California Community Colleges (“California Universities”). Government Code Sec. 65912.101(b).) Any parcel within a campus development zone may be eligible for AB 2011 approval, whether or not it has frontage along a commercial corridor. (Government Code Sec. 65912.121(c).)

Mixed-income rental projects within a campus development zone may provide the required affordable units as units specifically designated for lower income faculty, staff, students, or

students experiencing homelessness. Owner-occupied projects within a campus development zone may provide the required affordable units as units specifically designated for either moderate or lower income households or lower income faculty, staff, or students. A "lower income student" means any of the following:

- A student whose household income and asset level does not exceed either the level for Cal Grant A or Cal Grant B or for the California College Promise Grant.
- A student who otherwise qualifies for the California College Promise Grant.
- A student who qualifies for the Federal Pell Grant.
- A student who qualifies for an exemption from paying nonresident tuition, provided the student also meets the income criteria for Cal Grants or for the California College Promise Grant.
- A graduate student with income and asset levels that would qualify for one or more benefits listed above.

Good To Know: A student's eligibility to occupy a unit for lower income students must be verified by an affidavit, award letter, or letter of eligibility by the Student Aid Commission or by the federal government. Local jurisdictions will not need to separately verify a student's eligibility. A student's homelessness status may be verified by a homeless services provider or an institution of higher education that has knowledge of a person's homelessness status.

Any AB 2011 project within a campus development zone in a metropolitan jurisdiction is allowed a base density of 80 units per acre and height of 65 feet and must achieve a minimum density of 60 units per acre. In a non-metropolitan jurisdiction, an AB 2011 project within a campus development zone is allowed a base density of 70 units per acre and height of 45 feet and must achieve 52.5 units/acre.

Impacts Your Job: When reviewing AB 2011 applications, cities and counties should determine whether the project is in a campus development zone, since minimum densities apply, higher densities are allowed, and some projects may be permitted on sites that would otherwise be excluded.

Housing on Educational Property

AB 648: Local Zoning Regulations Exemption for Community Colleges Housing

Adds Education Code Section 81055

AB 648 provides that a community college district is not required to comply with local zoning if the site is within one-half mile of either a main or satellite campus, and the project is a “university housing development project.”

Significant Provisions

AB 648 provides a community college district is not required to comply with local zoning ordinances for a “university housing development project” that is constructed on property owned or leased by a community college district; is either wholly or partially within a one-half mile radius of either a satellite campus that existed before July 1, 2025 or a main campus; and, if the project includes units for faculty and staff, ensures that some units are made available for extremely low income and lower income faculty and staff. A “satellite campus” is any auxiliary classroom or teaching site not part of the main campus.

A “university housing development project” is defined in Public Resources Code Section 21080.58(a)(5) as student housing or a faculty and staff housing project that is not located on certain sites. Section 21080.58 exempts such a project from CEQA if it meets certain conditions.

Impacts Your Job: Jurisdictions will not be able to require compliance with their zoning ordinances for these types of university housing development projects.

Good To Know: For purposes of Education Code Section 81055, “affordable rent” uses the rent limits established by the California Tax Credit Allocation Committee.

Good To Know: AB 893 does not specify the number or percentage of units that must be offered at affordable rents for extremely low income, and lower income faculty and staff.

AB 1021: Housing on School District Property

Amends Education Code Section 17391, Government Code Section 65914.7, and Public Resources Code Section 21080.40

AB 1021 (Education Code Sec. 17391, Government Code Sec. 65914.7, and Public Resources Code Sec. 21080.40) amends the affordability requirements and development standards for housing on local education agency property and creates a CEQA exemption for the housing.

Significant Provisions

AB 1021 amends the requirements for the housing developments on real property owned by a local education agency (school district or county office of education) under Government Code Section 65914.7. To meet the affordable rent requirement, previously the majority of the units had to be affordable to lower or moderate-income households, with at least 30% of the units affordable for lower income households. Now, the development meets the affordability requirement if (1) at least 30% of the “total units” (base density) are affordable to lower income households and at least 20% of the total units are affordable to moderate income households or (2) at least 12% of the total units are affordable to very low income households, at least 15% of the total units are affordable to lower income households, and at least 20% of the total units are affordable to moderate income households.

Good to Know: The definition of “affordable rent” was amended to be consistent with the rent limits established by the California Tax Credit Allocation Commission, which are generally higher than those allowed by other provisions of state law.

AB 1021, via Government Code Section 65914.7, also modifies priorities regarding who qualifies for the housing, with the first priority going to local educational agency employees. The second priority was amended from employees of “directly adjacent” local educational agencies to employees of “other” local educational agencies.

AB 1021 also amends the development standards applicable to a housing development on school district property. The applicable objective zoning, subdivision, and design standards are those that apply in the zone in closest proximity to the project that allows multifamily residential use at the density proposed. If no such zone exists, the standards applied are those in the zone that allows the greatest density. The local agency cannot apply objective zoning, subdivision, or design standards that would preclude the development at the density proposed and allowed by the statute.

Previously, the allowable residential density for such a project was the greater of the allowed residential density or the “default density” deemed appropriate to accommodate housing for lower income households under Government Code Section 65583.2(c)(3) (20 or 30 units per acre in the Bay Area). AB 1021 amends this density standard to allow for the greater of the allowed residential density or **twice** the default density.

AB 1021 adds height limitations that are dependent on the location of the parcel and surrounding uses. The height is the greater of the height allowed on the parcel or: (1) 35 feet if the site is either surrounded by single-family zoning or is not within one-half mile of a major transit stop; (2) 45 feet if the site is not within a metropolitan jurisdiction, is not surrounded by single-family zoning, and is within one-half mile of a major transit stop; or (3) 65 feet if the site

is within a metropolitan jurisdiction, is not surrounded by single-family zoning, and is within one-half mile of a major transit stop.

Impacts Your Job: AB 1021 states that a housing development proposed under this section is eligible for a density bonus, waivers, and concessions, but under density bonus law, these are available only for modifications to local standards, not state standards. It is not clear if this provision was intended to permit increases in density and height beyond those allowed by the statute.

AB 1021 expands the CEQA exemption under Public Resources Code Section 21080.40 to include housing developments that satisfy the requirements of Government Code Section 65914.7 and the additional requirements provided by Public Resources Code Section 21080.40 (except for the requirement that the housing development be subject to a California Tax Credit Allocation Committee regulatory agreement).

AB 1021 also amends Education Code Section 17391 to provide that the school board can elect not to appoint an advisory committee for projects that comply with Government Code Section 65917.7.

Good to Know: AB 1021 extends the sunset of Government Code Section 65914.7 from January 1, 2033, to January 1, 2036.

Adaptive Reuse

AB 507: The Office to Housing Conversion Act

Amends Government Code Section 65585; Adds Government Code Sections 51299 *et seq.* and 65658 *et seq.*

AB 507 creates a streamlined process for the adaptive reuse of existing nonresidential buildings into residential or mixed-use housing for projects that meet specific affordability, site, building, and labor standards and allows cities to create “adaptive reuse incentive funds.”

Significant Provisions

Good To Know: AB 507 becomes operative July 1, 2026.

Project Requirements. AB 507 creates the Office to Housing Conversion Act (the "Act"). Under the Act, an “adaptive reuse project” means the “retrofitting and repurposing of an existing building to create new residential or mixed uses including office conversion projects.” This definition does not include buildings within an industrial zone that does not permit residential uses; it also does not include hotels, or any mixed-use buildings that contain a hotel use, unless

they have been discontinued for at least five years from the date the Act becomes operative. (Government Code Sec. 65658.1(a).)

To be eligible for the streamlined process, the Act establishes a complex set of requirements. Major provisions are listed below, but agencies receiving such applications should carefully review the Act.

- Any remaining nonresidential uses must be either consistent with the land uses allowed by local zoning or a continuation of an existing nonconforming use. (Government Code Sec. 65658.5(a)(1)(A).)
- Any proposed tourist hotel uses shall be subject to the agency's normal approval processes. (Government Code Sec. 65658.5(a)(1)(B).)²
- The project site must be:
 - 20 acres or less;
 - A legal parcel or parcels within a city, if city boundaries include part of an urbanized area, or in an unincorporated area wholly in an urbanized area; and
 - Adjoined on 75% of its perimeter by parcels developed with urban uses.
- The building is an existing building and either:
 - Less than 50 years old;
 - Listed on a local, state, or federal register of historic resources and the project proponent complies with Section 65658.7 (discussed below); or
 - More than 50 years old and the local government has evaluated the site and determines the project is either:
 - A historic resource whereby the project proponent complies with Section 65658.7; or
 - Not a historic resource.

² This appears inconsistent with the exclusion of most existing hotels from the Act unless operation has been discontinued for 5 years. To reconcile these provisions, apparently new tourist hotels may be incorporated into the project, but existing hotels are not eligible to use the Act for an adaptive reuse project.

- The project meets the following affordability requirements:
 - For rental housing, 8% of the units for very low-income households and 5% for extremely low-income households; or 15% for lower income households, for a 55-year period.
 - For owner-occupied housing, 30% of the units to moderate-income households; or 15% of the units to lower income households, for a 45-year period.
 - For local agencies with a generally applicable inclusionary requirement, the project shall comply with the local ordinance or the statute, whichever is higher and has the lowest income targeting. However, if the local ordinance requires that more than 15% of the units be dedicated for lower income households and does not require units affordable to very low and extremely low income households, then 8% of the units must be reserved for very low income households and 5% for extremely low income households, in place of 15% lower income units.
 - The affordable units must have the same bedroom and bathroom count as the market-rate units, be equitably distributed within the project, and have the same type or quality of appliance, fixtures, and finishes.
- If the adaptive reuse project includes mixed uses, at least 50% of the square footage of the project shall be dedicated to residential uses. Square footage does not include underground space, including parking garages.
- The agency must require a Phase I environmental assessment as a condition of approval and requirements for cleanup as a condition of approval.
- The adaptive reuse project must comply with all objective planning standards contained in a local ordinance adopted to implement this section, but may apply for a density bonus, waivers, and concessions. No standard can be applied that would alter the existing building envelope, except for building code standards. The base density is the density proposed by the developer. However, existing height limits can be exceeded only for a maximum of one story used for shared amenities such as lounges, or mechanical equipment and stairways.
- Prevailing wages apply to all projects, with higher standards for projects with more than 50 units or buildings over 85 feet high. (Secs. 65658.12 – 65658.16.)

The project also may include new residential or mixed-use structures on undeveloped and parking areas of the existing building, or on adjacent parcels if they comply with AB 2011/SB 6 (housing on commercial sites) and the labor and consistency requirements of SB 35

(Government Code Secs. 65913.4(a)(5), (8)) and other standards. (Government Code Sec. 65658.6.)

Historic Resource Requirements. For adaptive reuse projects where the existing building is more than 50 years old and not listed on a local, state, or federal historic register, the project proponent must submit a notice of intent in the form of a preliminary application before submitting the application, although the local agency may use an existing historic resource determination process instead. If the building is found to be historic, it is treated like a project on an existing register.

For projects with an existing building that is listed on a local, state, or federal register, or determined to be a historic resource after review of a notice of intent, the applicant must sign an affidavit saying that the project will only move forward if certain components of the project comply with either the Secretary of the Interior's Standards, as determined by the local agency, or the project is awarded state or federal historic tax credits. A local government shall still process the project within the required timeframes even if the applicant does not sign an affidavit but may deny or conditionally approve the project if the agency, based on a preponderance of the evidence, determines the project will cause significant adverse impact to historic resources. (Government Code Sec. 65658.7.)

Impacts Your Job: Local governments must make a historic resource significance determination within 90 days of receipt of notice of intent.

Good To Know: Local governments may impose conditions of approval to mitigate impacts to historic resources and to comply with the Secretary of the Interior's Standards, but only for the preservation of exterior facades of a building that face a street and for interior spaces that are publicly accessible and character defining.³ Other exterior facades and interior spaces are not required to comply.

Parking Limitations. No parking may be required for the portion of the building that does not have existing onsite parking, but bicycle parking, electric vehicle spaces, and accessible spaces may be required. (Government Code Sec. 65658.5(d).) No parking may be required for the portion of the project on an adjacent site if it is within one-half mile of public transit or has

³ This provision does not require that mitigation measures be supported by a preponderance of the evidence and seems in conflict with the provision relating to applicants who do not sign the affidavit. If the applicant does not sign the affidavit, does this subject the agency to a higher standard of proof?

other characteristics, and in any case the requirements on the adjacent site cannot exceed one space per unit. (Government Code Sec. 65658.8(c).)

Application Processing. An adaptive reuse project shall be deemed a “use by right” in all zones, meaning that it cannot be subject to discretionary review subject to CEQA unless the project includes a subdivision. (Government Code Sec. 65658.1(p).) However, a later provision states that subdivision approvals are exempt from CEQA. (Government Code Sec. 65658.8(b)(2).) The local agency may adopt an ordinance to implement AB 507.⁴ If the local agency does not adopt an ordinance to implement this statute, all approvals must be ministerial. (Government Code Sec. 65658.3.)

Upon submission of an application, the local planning agency shall determine whether the project is consistent with the standards in the Act, and explain the reasons the project is inconsistent:

- Within 60 days if the project contains 150 or fewer units; or
- Within 90 days if the project contains more than 150 units; or
- Within 30 days of any resubmittal.⁵

If the required information is not provided within these timeframes, the project is “deemed to satisfy” the standards.

Once the planning director or equivalent position has determined that the project is consistent with the standards, the project shall be approved by all agency departments:

- Within 60 days of the date the project is deemed consistent, if it has 150 or fewer units; or
- Within 90 days if it has more than 150 units.⁶

⁴ The timelines for review and approval (see below) are so limited that agencies may simply desire to plan for ministerial review.

⁵ A completeness determination also needs to be made within 30 days of submission. The consistency determination needs to be made within these timeframes even if the application is incomplete.

⁶ The Permit Streamlining Act requires that any ministerial project be approved or denied within 60 days after a complete application is **submitted**. (Sec. 65950(a)(6).) This Act is a later-

The agency may conduct design review based on objective standards within these timeframes.

The approval will not expire if at least 20% of the units are affordable to lower income households, and the project receives public investment beyond tax credits. For other projects, it will expire three years from the date of final approval. (Government Code Sec. 65658.8.)

In general, provisions for review of post-entitlement permits and modifications have been copied from Section 65913.4 (SB 35).

Good To Know: A project proponent may request a modification to an approved qualified adaptive reuse project up to the issuance of the final building permit. The specifics of the review of requests for a modification are laid out in Government Code Section 65658.8(f). Prior determinations not affected by the modification cannot be reconsidered during review of a modification.

Good to Know: If an adaptive reuse project is proposed, agencies are probably best served by a close examination of the statute. Note that an ordinance implementing the Act is exempt from CEQA.

AB 507: Adaptive Reuse Investment Incentive Program

Adds Government Code Sections 51299 *et seq.*

AB 507 adds Section 51299 *et seq.* to create an adaptive reuse investment incentive program, commencing in the 2026-27 fiscal year. The governing body of a city, county, or city and county may choose to establish an adaptive reuse investment incentive program whereby the jurisdiction shall pay adaptive reuse investment incentive funds to the proponent of a qualified adaptive reuse project to subsidize affordable housing units for up to 30 consecutive fiscal years. "Adaptive reuse investment incentive funds" mean an amount up to or equal to the amount of the ad valorem property tax revenue in excess of an adaptive reuse project property's value before conversion.

Good To Know: The jurisdiction may pay these funds to the proponent for a period less than 30 years.

adopted statute, so its time limits may be found to prevail, but once an agency finds the application complete, it may have only 30 days to approve or deny the project. If the project remains inconsistent with the Act's standards, it should deny the project.

Action Item: A city, county, or city and county, should it choose to create an adaptive reuse investment incentive program, must establish the program by ordinance or resolution, and it must be approved by a majority of the entire membership of its governing body.

AB 1445: Financing for Adaptive Reuse Projects

Amends Government Code Sections 62450 - 62453, 62455 – 62462; adds Government Code Section 62451.5

AB 1445 expands eligibility for creating a Downtown Revitalization and Economic Recovery Financing District to all cities and counties.

Significant Provisions

AB 1445 amends legislation authorizing the creation of a Downtown Revitalization and Economic Recovery Financing District to allow **all** cities and counties (previously just the City and County of San Francisco) to create one such district. The District may only finance commercial-to-residential conversion projects in a part of the city or county located in a transit priority area and where the commercial office vacancy rate is 20% or more. The District will be financed by tax increment generated by the commercial-to-residential projects, which can be returned to the projects. For a project to receive this financing, it must provide one of the following:

- At least 5% of the rental units for very-low-income households for 55 years,
- At least, 10% of the rental units for lower income households for 55 years,
- At least 10% of the for-sale units for moderate-income households for 45 years, or
- The percentage of affordable units required by a local inclusionary policy, if higher.

The tax increment generated is to be returned to the project for a maximum of 30 years. Prevailing wages apply to projects of 50 units or more.

Good To Know: The only financing available for a Revitalization District is the tax increment generated by a conversion project itself. This limited source of funds, plus the affordability and prevailing wage requirements, may make it difficult to find a feasible project.

Housing Elements and Annual Progress Reports

AB 610 and SB 340: Analysis Required in Housing Elements

Amending Government Code Section 65583 and Health and Safety Code Section 50801

AB 610 and SB 340 add requirements to the analysis that must be included in Housing Elements, expanding on what needs to be addressed in the governmental constraints analysis. SB 340 additionally expands the definition of emergency shelter.

Significant Provisions

Existing law requires analysis of potential and actual governmental constraints upon the maintenance, improvement, and development of housing. The analysis must demonstrate local efforts to remove those governmental constraints that hinder the locality from meeting its regional housing needs allocation (RHNA) and meeting its need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters.

AB 610 and SB 340 add to Government Code Section 65583 that starting with the 7th Housing Element cycle, the analysis must also include a potential and actual governmental constraints disclosure statement containing both of the following:

1. Identification of each new or amended potential or actual governmental constraint, or revision increasing the stringency of a governmental constraint, adopted after the due date of the previous Housing Element and before submittal of the current draft Housing Element to HCD.
2. Identification of each new or amended potential or actual governmental constraint, or revision increasing the stringency of a governmental constraint, that the governing body of the local government can anticipate adopting during the first three years of the planning period commencing on the date that a local agency's Housing Element is considered to be in substantial compliance.

For the purpose of this requirement, “anticipate adopting” means that, during the time period after the due date of the previous Housing Element and before submittal of the current draft, the legislative body has publicly agendized—pursuant to the Brown Act—an action to consider the adoption, amendment, or increase in the stringency of a potential or actual governmental constraint. This bill does not prohibit a local government from taking this action.

SB 340 also expands the definition of emergency shelters to add all services provided onsite, including the addition or expansion of services that are consistent with any written objective standards articulated in Government Code Section 65583.

Impacts your Job: Additional analysis may be required in Housing Elements starting with the 7th cycle around potential and actual governmental constraints.

SB 507: Tribal Agreements

Adds Government Code 65584.2.2

SB 507 provides for voluntary agreements between tribes and local governments for new tribal housing units to count towards the local government's RHNA when specified conditions are met.

Significant Provisions

SB 507 adds Government Code Section 65584.2.2, which provides that a city or county within the same county as a tribe may enter into a voluntary agreement with a tribe to allow new tribal housing development projects to count towards the local government's share of RHNA if all of the following conditions are met:

- The city or county has permitting authority over the site on which the tribal housing is located. If local government does not have permitting authority, then the voluntary agreement must demonstrate the housing will be built by including one or more of the following: (1) the tribe will enter into an agreement with the jurisdiction regarding approvals, permits, certificates of occupancy, and/or to report new housing units; (2) there is documentation from the tribe that the housing is approved to be built within the current RHNA cycle; and (3) there is data pertaining to timing of project construction and unit affordability.
- The tribal housing development is located on a site within or contiguous to the boundaries of the local government.
- The units in the tribal housing development meet the United States Census Bureau definition of a housing unit.

The city or county cannot require the tribe to waive tribal sovereign immunity in order to enter into the agreement. Tribe is defined as a federally recognized Native American tribe, and tribal housing development is defined as a housing development located on a site held in fee simple by a tribe or held in trust by the United States for the benefit of a tribe.

Good to Know: This bill does not affect existing tribal housing development that is being counted towards a local government's RHNA.

AB 1275 and SB 233: Regional Housing Needs Allocation

Amends Government Code Sections 65584, 65584.01, 65584.03, 65584.04

AB 1275 and SB 233 address the timing for HCD consultation with each council of governments to determine existing and projected needs and requires the Department of Finance to consider changes in enrollment at University of California and California State University when preparing anticipated household growth associated with projected population increases.

Significant Provisions

AB 1275 and SB 233 revise Government Code Sections 65584, 65584.01, and 65584.04. These bills require HCD, in consultation with each council of governments, to determine each region's existing and projected housing needs at least three years prior to the scheduled revision, with some exceptions for regions with Housing Element revisions due in 2027, 2028, and the first six months of 2029. For Housing Element update cycles four through six, HCD was required to meet and consult with each council of governments at least 26 months prior to the scheduled revisions. For the 7th cycle it is 26 months, 34 months, or 38 months depending on the region. HCD must meet and consult with ABAG at least 38 months prior to the scheduled revision. For the 8th and subsequent revisions, HCD must consult with each council of governments at least 38 months prior to the scheduled revision.

The Department of Finance must consider changes in enrollment levels at the University of California and California State University campuses in each region, as forecasted by University of California and California State University, when preparing the anticipated household growth associated with projected population increases.

In developing the RHNA, the council of government must consider the needs generated by the presence of a private university, California State University, or University of California campus and the distribution of students among the jurisdictions in the region. No more than six months before the development of the methodology, the Regents of the University of California may and the Trustees of California State University will provide to each council of government a forecast of changes in enrollment levels at its campuses, including off-campus facilities. Copies of these forecasts must be provided to the director of finance, director of HCD, and chairperson of the Joint Legislative Budget Committee. This applies to most jurisdictions starting in the 7th Cycle and all jurisdictions in the 8th and subsequent cycles.

Good to Know: Timing of when HCD must meet with council of governments to develop the existing and projected housing need for a region has been extended by 12 months for some jurisdictions, including MTC-ABAG, in the 7th Housing Element revision cycle and for all jurisdictions in the 8th and subsequent cycles.

AB 253, AB 670 and AB 726: Annual Progress Reports

Amends Government Code Sections 65400 and Health and Safety Code Sections 17951, 17960.1 and adds Government Code Section 65400.3, adds and repeals Health and Safety Code Section 17960.3

Continuing the pattern of recent legislative cycles, AB 253, AB 670 and AB 726 amend existing law on annual progress reports (APRs) to require additional information be included in the APRs.

Significant Provisions

AB 253 (which, as further described in the Postentitlement Permits section of this summary, generally establishes parameters for the use of private parties to complete plan checks) adds Section 17960.3 to the Health and Safety Code, which requires local agencies to include all of the following information in their APRs:

- The number of residential building permits reviewed by the city or county;
- The number reviewed by a private professional provider (as further defined by the statute); and
- The number of full-time equivalent staff members directly involved in the processing of residential building permits.

Good to Know: The requirements of AB 253 are first applicable to the APR due on April 1, 2027.

AB 670 similarly amends Government Code Section 65400 to require local agencies to include the following information in its APR beginning with the report due April 1, 2027:

- Whether each application for a housing development project is subject to a replacement housing or relocation assistance obligation pursuant to local, state, or federal law, including but not limited to Housing Element Law (Government Code Sec. 65583.2(g)(3)), Density Bonus Law (Government Code Sec. 65915(c)(3)(A)), or the Housing Crisis Act (Government Code Sec. 66300.6).
- For each entitlement, building permit, or certificate of occupancy:
 - The total number of replacement housing units by income level required pursuant to local, state, or federal law, including but not limited to Housing Element Law, Density Bonus Law, or the Housing Crisis Act; and
 - The number, by income level, of replacement housing units entitled, permitted, or issued a certificate of occupancy.

- A report on the demolition of housing units for any purpose that shall, at a minimum, include the following information:
 - The total number of housing units approved for demolition during that year;
 - The total number of housing units demolished during that year;
 - For each approved or complete demolition:
 - The location of the approved or completed demolition, using a unique site identifier (as further defined in the statute);
 - The date the demolition was approved;
 - The total number of rental and ownership units demolished or approved for demolition;
 - The number, by income level, of protected units (as that term is defined by Government Code Section 66300.5(h)) demolished or approved for demolition;
 - A description of any approved uses on the site;
 - A description of any relocation assistance provided as required by local, state, or federal law, including the relocation assistance required to be provided to each displaced occupant of any demolished protected unit;
- A report on replacement housing units required pursuant to local, state, or federal law, for approved development projects that are not housing development projects. This report must include, for each development project, all the following:
 - The approved or proposed location of the replacement units, using a unique site identifier (as further defined in the statute);
 - The entity that is developing the replacement units; and
 - The anticipated completion date of the replacement units.

Impacts Your Job: Beginning with the APR due April 1, 2027, local agencies will need to include all the above listed information. If they do not already, local agencies should begin documenting this information (along with all other information required for APRs) so that they are prepared to provide it by the due date.

Finally, AB 726 permits local agencies to include in their APRs the number of units of existing deed-restricted affordable housing within a specified affordability threshold that are at least 15

years old and have been substantially rehabilitated with at least \$60,000 per unit in funds awarded from the local agency. These units, however, may not be considered when determining a local agency's affordability requirements for the purposes of streamlined approval under SB 35 (Government Code Sec. 65913.4(a)(4)).

Good to Know: Unlike the prior two bills, local agencies may begin including the information authorized by AB 726 in their APR due April 1, 2026.

Other Bills

SB 358: Mitigation Fee Act/Traffic Impact Fees

Amends Government Code Section 66005.1

Building off the amendments to the Mitigation Fee Act made by AB 3177 (2024), SB 358 (Government Code Sec. 66005.1) makes changes to the Mitigation Fee Act requirements related to traffic impact fees for housing development projects.

Significant Provisions

SB 358 amends Government Code Section 66005.1 to provide that when a local agency imposes a traffic impact fee on housing developments, it must impose lower fees ("set at a rate that reflects a lower rate of automobile trip generation") for housing developments that meet all of the characteristics enumerated.

Previously, one of the characteristics that the housing development had to meet to qualify for the lower fees was that it had to be located within one half-mile of "convenience retail uses, including a store that sells food." SB 358 amends this requirement to provide that the housing development must be located within one-half mile from **three or more** of any of the following:

1. Supermarket or grocery store;
2. Public park;
3. Community center;
4. Pharmacy or drugstore;
5. Medical clinic or hospital;
6. Public library;
7. School that maintains a kindergarten and any of grade 1 through 12, inclusive;
8. Licensed childcare facility;

9. Restaurant (which is defined as “a retail food establishment that prepares, serves, and vends food directly to the consumer”).

SB 358 also amends the third characteristic that the housing development must meet. Before, a housing development had to provide *either* the minimum number of parking spaces required by the local ordinance, or no more than one onsite parking space for zero- to two-bedroom units, and two onsite parking spaces for units with three or more bedrooms, *whichever was less*. SB 358 eliminates the “minimum number of parking spaces required by the local ordinance” and “whichever is less” language, requiring that the housing development provide no more than one onsite parking space for zero- to two-bedroom units, and two onsite parking spaces for units with three or more bedrooms.

Lastly, the existing law authorizes a local agency “to charge a fee that is proportional to the estimated rate of automobile trip generation associated with the housing development” where the housing development does not satisfy the required characteristics. SB 358 eliminates this express authorization, providing instead that the local agency may charge a higher fee for a housing development that does satisfy all of the required characteristics if the local agency makes written findings, supported by substantial evidence in the record, that the housing development, even with all the required characteristics, would not generate fewer automobile trips than a housing development without all of those characteristics.

Impacts Your Job: Local agencies that impose a traffic mitigation fee on housing development must analyze each housing development project’s proximity not just to existing or planned major transit stops, but also to each of the types of establishments outlined in Section 66005.1(a)(2) to determine whether the housing development qualifies for lower traffic mitigation fees.

AB 1050: Removal of Private Covenants to Allow Housing

Amends Civil Code Section 714.6

AB 1050 (Civil Code Sec. 714.6) expands the type of housing developments for which a property owner can modify or remove covenant language that prohibits residential uses of the property to the extent necessary to allow for housing development and expands the scope of potential documents that may be modified to include reciprocal easement agreements.

Significant Provisions

Previously, Civil Code Section 714.6 applied to affordable housing developments that were 100% affordable to lower income households for at least 55 years. AB 1050 amends Civil Code Section 714.6 to allow property owners to record a restrictive covenant modification to modify or remove existing restrictive covenant language that restricts the number, size, or location of

housing that can be developed or the number of people who may reside on the property to the extent necessary to allow for housing development, including either an affordable housing project that is 100% affordable to lower income households or a redevelopment that includes residential uses on an existing commercial property.

AB 1050 also adds reciprocal easement agreements to the type of documents that can be modified or removed (which list currently includes recorded covenants, conditions, restrictions, or private limits on the use of private or publicly owned land contained in any deed, contract, security instrument, reciprocal easement agreement, or other instrument affecting the transfer or sale of any interest in real property).

SB 21: Replacement Housing for SROs

[Amends Government Code Section 66300.6 and adds Government Code Section 66300.6.5 and Health and Safety Code Section 50406.6](#)

The Housing Crisis Act of 2019 requires replacement housing for housing developments that require the demolition of existing housing in affected cities or affected counties. SB 21 adds Government Code Section 66300.6.5, which addresses replacement housing requirements specifically for deed restricted, affordable single-room occupancy (SRO) units, authorizing affected cities and affected counties to approve a reduction in the number of replacement units if certain conditions are met. SB 21 also adds Health and Safety Code Section 50406.6, which addresses how to determine whether a displaced household is eligible to return to an HCD-funded rehabilitated or replacement single-room occupancy unit serving homeless households.

Significant Provisions

SB 21 allows affected cities or affected counties to approve housing developments that require the demolition of existing, affordable, deed restricted single-room occupancy units without requiring 100% replacement if certain conditions are met. SB 21 requires that the project proponent submit a replacement housing plan that includes specified items to the jurisdiction prior to the issuance of a permit for the demolition, rehabilitation, or conversion of the single-room occupancy unit.

Impacts Your Job: The jurisdiction must review the replacement housing plan within 30 days of submission, and the plan must be approved by the jurisdiction prior to issuance of a permit.

Impacts Your Job: To approve a reduction in the number of replacement units for single-room occupancy units that are demolished for a development project, the affected city or affected county must make certain findings based on substantial evidence of record.

Good to Know: SB 21 limits the potential reduction of single-room occupancy units due to rehabilitation or replacement to 25%. If the number of lost single-room occupancy units exceeds 25%, those units must be replaced by the project proponent or designee offsite.

Conditions required for reduced number of replacement units. Conditions for an affected city or affected county to approve a reduced number of replacement units must be based on substantial evidence in the record and include findings that:

1. A reduction is necessary to accommodate the conversion of the single-room occupancy unit to a studio or larger unit, to accommodate the addition of facilities, to increase accessibility for persons with disabilities, or to address health, welfare, life and safety related code compliance;
2. The conversion of the single-room occupancy unit will be completed within four years, with some exceptions;
3. The converted single-room occupancy unit will be a rental unit with affordable rents or rent lower than the applicable affordable rent level of the replaced single-room occupancy unit, provided this would not be precluded by a funding source for the development;
4. The replacement unit will be an income-restricted rental unit at least as affordable as the replaced unit for at least 55 years;
5. The replacement unit will be only available to lower, very low, extremely low, and acutely low income households;
6. A displaced single-room occupancy unit occupant will have a right of first refusal to rent the replacement unit or, if the household does not qualify for the unit, will be provided an alternative, comparable unit within the project proponent's portfolio; *and*
7. The net loss of single-room occupancy units will not exceed 25% of the total single-room occupancy units in the development, unless specified requirements are met.

Good to Know: A covenant of affordability must be recorded with the county recorder prior to the issuance of the certificate of occupancy or completion of work as approved by the local agency.

Rights and protections for displaced tenants. Under SB 21, in addition to a right of first refusal to return to the replacement units, the project owner must provide displaced occupants relocation benefits. SB 21 also restricts the rent increases for displaced occupants returning to the replacement units.

For a returning occupant who was displaced from the single-room occupancy unit, the rent is either the same as when they were displaced (if paying 40% or more of their income at the time of displacement) or 5% more than the rent at the time of displacement. Subsequent rent increases for the replacement units cannot be more than the minimum amount necessary to ensure a positive cashflow for at least 20 years from the date the displaced occupant begins residing in the replacement unit. If the amount of rent charged for a replacement unit equals or exceeds the lesser of 50% of the displaced occupant's actual household income or the amount of rent at the time of displacement, further annual rent increases for that replacement unit shall be limited based on increases to the area median income under the low-income housing tax credit program, as administered by the California Tax Credit Allocation Committee. The rent cannot exceed 50% of the displaced occupant's actual household income, determined as of the date the displaced occupant begins residing in the replacement unit.

Offsite replacement requirements if reduction exceeds 25% of SRO units. If the number of lost single-room occupancy units exceeds 25%, those units must be replaced by the project proponent or designee offsite. The offsite replacement units must meet specific conditions, including:

- The units must be made available for at least 55 years to lower, very low, extremely low, and acutely low income households at affordable rents at least as affordable as the affordable rent level of the single-room occupancy unit being replaced;
- The off-site location must be located (A) in the same local community plan area as the converted units (if applicable), within the same redevelopment project area (if applicable), or if no applicable local community plan area or redevelopment project area, within the same jurisdiction, or (B) in a census tract or census block group that is designated as highest resource or high resource on the California Tax Credit Allocation Committee (CTCAC) and HCD opportunity maps; *and*
- The offsite replacement units must be available for occupancy within four years, with some exceptions.

Good to Know: Existing rental units occupied by low-income households will not satisfy the off-site replacement housing requirement.

Requirements for HCD-funded replacement units serving homeless households. SB 21 adds Health and Safety Code Section 50406.6 which provides that, for replacement units designated for homeless households and funded by HCD, the right of first refusal for a homeless household displaced from the single-room occupancy unit is not subject to a requirement that the replacement unit be filled through a referral from a coordinated entry system or a similar referral system. A household is considered homeless if they were homeless upon initial

occupancy of a prior unit; if they are receiving or received supportive services or rental subsidies administered by a continuum of care or other program for people experiencing homelessness; if they are subject to a continuum of care emergency transfer plan; or if they are transferring from an existing single-room occupancy building which is deed restricted for low income households and the building is undergoing rehabilitation or replacement to accommodate the conversion of single-room occupancy units to studio or larger units, to accommodate the addition facilities, to increase accessibility for persons with disabilities, or to address code compliance for such matters as life and safety.

AB 36 and SB 262: Prohousing Designation

Amends Government Code Section 65589.9

AB 36 and SB 262 add prohousing policies and requirements for HCD in reviewing prohousing designation application materials for small rural jurisdictions.

Significant Provisions

SB 262 amends Government Code Section 65585.9(f) to add to the list of what is considered “prohousing local policies.” The additional policies are:

- A safe parking program that provides safe parking locations and options for individuals and families living in their vehicles that does all of the following: (1) provides a bathroom facility and onsite security; (2) establishes an application or enrollment process for the program that may include a background check requirement; and (3) establishes rules and regulations for the program.
- A safe camping program that provides safe camping locations and options for individuals and families experiencing unsheltered homelessness.
- Adoption of ordinances or processes or other mechanisms that expedite or remove barriers beyond the requirements in State law to the approval of low-barrier navigation centers, emergency shelters, and supportive housing.

Impacts your job: While the list of prohousing local policies articulated in the Government Code is non-exclusive, jurisdictions seeking a prohousing designation now have several additional State-identified prohousing policies that they may rely on in their prohousing applications.

AB 36 and SB 262 both amend Government Code Section 65585.9(c) to provide that, starting with the 7th Housing Element cycle, a small rural jurisdiction may request that HCD evaluate materials from their Housing Element submission for evidence of prohousing local policies in order to minimize the need for jurisdictions to submit supplementary documentation. HCD will only conduct this evaluation for small rural jurisdictions that have a compliant Housing Element,

and HCD shall not require these jurisdictions to renew their prohousing designations for at least four years. A “small rural jurisdiction” is either a city with a population of fewer than 25,000 persons or a county with a population of fewer than 200,000 persons.

Good to Know: Small rural jurisdictions may request HCD to analyze their Housing Element for prohousing policies that can be relied on in a prohousing designation application.